

July 13, 2026

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051
Scrip Code: 532953	Symbol: VGUARD

Dear Sir/Madam,

Sub: Intimation of Annual Report for Financial Year 2025-26 and Notice of 30th Annual General Meeting

This is with reference to our letter dated May 12, 2026, wherein the Company had informed that the 30th Annual General Meeting ("AGM") of the Company is scheduled to be held on Tuesday, August 11, 2026 at 11:00 a.m. (IST) through video conference or other audio-visual means, in compliance with relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"), from time to time.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Notice convening the 30th AGM and the Annual Report of the Company for the Financial Year 2025-26.

In accordance with the relevant circulars issued by MCA and SEBI, the Notice of the AGM and the Annual Report of the Company for the Financial Year 2025-26 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s). The Notice of the AGM along with Annual Report will be available on the Company's website at https://www.vguard.in/uploads/investor_relations/V-Guard-AR-2025-26.pdf and on website of Central Depository Services (India) Limited at www.evotingindia.com.

An intimation through letter is also being sent to members whose email addresses are not registered with the Company, Depository Participant, or Registrar & Share Transfer Agent, informing them that the Annual Report is available on the Company's website at the above-mentioned link. We request you to kindly take the above information on record and treat this as compliance with relevant applicable laws.

Thanking You,

Yours Sincerely,

For V-Guard Industries Limited

Vikas Kumar Tak
Company Secretary & Compliance Officer
Membership No. FCS 6618
Encl: As above



V-GUARD INDUSTRIES LTD.
Regd. Office: 42/962,
Vennala High School Road,
Vennala, Kochi - 682 028.
CIN: L31200KL1996PLC010010

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NOTICE

Notice is hereby given that the 30th Annual General Meeting of the members of V-Guard Industries Limited ("the Company") will be held on Tuesday, August 11, 2026, at 11:00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2026 and the Reports of Statutory Auditors and the Board of Directors thereon.
2. To declare dividend of ₹1.50 per equity share for the Financial Year 2025-26.
3. To appoint a Director in place of Mr. Antony Sebastian K (DIN: 01628332), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. **To ratify the remuneration payable to Cost Auditors of the Company for the Financial Year ending on March 31, 2027**

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

"RESOLVED THAT, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the remuneration payable to M/s. BBS & Associates, Cost Accountants (Firm Registration No. 00273), who were re-appointed by the Board of Directors on the recommendation of Audit Committee, as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2027, amounting to ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred by them in connection with the aforesaid audit, be and is hereby approved and ratified;

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient and desirable for the purpose of giving effect to this resolution and for the matters concerned or incidental thereto."

5. **To appoint Ms. Usha Sunny (DIN: 07215012) as an Independent Director of the Company for a period of five years**

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

"RESOLVED THAT, pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force], (SEBI Listing Regulations) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Usha Sunny (DIN: 07215012), who was appointed as an Additional Director (Non-Executive, Independent) of the Company with effect from May 12, 2026 pursuant to Section 161 of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director of the Company and who meets the criteria of independence, as provided in Section 149(6) of the Companies Act, 2013 and the rules thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and has submitted a declaration to that effect, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, for a first term of 5 (five) consecutive years with effect from May 12, 2026 to May 11, 2031 (both days inclusive) on such terms and conditions as set out in Explanatory Statement annexed to the notice;

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, proper, expedient and desirable for the purpose of giving effect to this resolution."

6. **To increase managerial remuneration payable to Mr. Ramachandran V, Director & Chief Operating Officer (COO) (DIN: 06576300) in excess of 5% of the net profits of the Company**

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

"RESOLVED THAT, pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") read with Schedule V of the Act and the Rules

made thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and considering the contributions made and services rendered by Mr. Ramachandran V (DIN: 06576300) in the growth trajectory of the Company, approval of the members of the Company, be and is hereby accorded for payment of remuneration to Mr. Ramachandran V, (DIN: 06576300), for the Financial Years 2026-27 to 2027-28, in such manner which may exceed 5% of the net profits of the Company computed in accordance with Section 198 of the Act but within the overall managerial remuneration limits as specified in Schedule V of Companies Act, 2013 or limits approved by the Shareholders from time to time;

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, proper, expedient and desirable for the purpose of giving effect to this resolution.”

7. To increase overall managerial remuneration payable from 11% to 15% of the net profits of the Company

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

“RESOLVED THAT, pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, and the Rules made

thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force) and such other provisions as may be applicable and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of the Company, approval of the members of the Company be and is hereby accorded to increase the overall limit of managerial remuneration for the Financial Years 2026-27 to 2027-28 from 11% to 15% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013;

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to do all such act(s), deed(s), matter(s) and thing(s) as may be considered necessary, proper, expedient and desirable for the purpose of giving effect to this resolution.”

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-

Vikas Kumar Tak

Company Secretary & Compliance Officer
(Membership No.: F 6618)

Regd. Office: 42/962, Vennala High School Road,
Vennala, Ernakulam, Kerala - 682028
Ph No.: +91 484 433 5000

E-mail: mail@vguard.in
www.vguard.in

Date: May 12, 2026

Notes:

1. In accordance with the provisions of the Companies Act, 2013 ("the Act"), read with the Rules made thereunder and General Circular No. 03/2025 dated September 22, 2025 issued by the Ministry of Corporate Affairs ("MCA"), and such other circulars issued by MCA with respect to holding the Annual General Meeting ("AGM") through video conference/other audio visual means ("VC/OAVM"), from time to time ("the Circulars"), the 30th AGM of the Company will be held through VC/OAVM and hence, the facility for appointment of proxy by the members is not available for this AGM and the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. The venue of the meeting shall be deemed to be the Registered Office of the Company, situated at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028. In Compliance with the aforesaid circulars, electronic copies of Notice of the 30th AGM and Annual Report for the Financial Year 2025-26 will be sent to all Members whose e-mail address is registered with the Company/ Registrar and Transfer Agent ("RTA") of the Company or Depositories [National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")]. Additionally, a letter providing the web-link, including the exact path where complete details of the Annual Report are available, will be sent at the registered address to those shareholders whose email id is not registered. The Shareholders of the Company may request physical copy of the Notice and Annual Report from the Company by sending a request at investors@vguard.in, in case they wish to obtain the same.
2. For convenience of the members and proper conduct of AGM, members can login and join at least 20 minutes before the time scheduled for the AGM and the meeting link shall be kept open throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. The Statement setting out material facts, pursuant to Section 102 of the Act, Secretarial Standard-2 ("SS-2") on General Meetings and Regulation 36 of the SEBI Listing Regulations in respect of the Special Businesses, specified in item nos. 4 to 7 of the accompanying Notice is annexed hereto.
5. Brief resume of the Directors proposed to be appointed/ reappointed at this AGM, nature of their expertise in specific functional areas, names of companies in which they hold directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under Regulation 36 of the SEBI Listing Regulations and other requisite information as per Clause 1.2.5 of SS-2 on General Meetings, are provided in **Annexure 1**.
6. Pursuant to Section 113 of the Act, Corporate members are required to send a certified true copy of the Board Resolution, authorizing their representatives to attend and vote on their behalf at the AGM, to the Scrutinizer at mds@mdsassociates.in.
7. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended from time to time, the Company is pleased to provide its members the facility for voting through remote e-voting as well as e-voting during the AGM in respect of all the businesses to be transacted at the AGM and has engaged Central Depository Services (India) Limited (CDSL) to provide e-voting facility and for participation in the AGM through VC / OAVM facility.
8. Electronic copy of the Annual Report for Financial Year 2025-26 and Notice of AGM are uploaded at 'Investor Relations' section on the Company's website www.vguard.in and is being sent to all the members whose email IDs are registered with the Company/Depository Participants (DP)/RTA for communication purposes and also on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. Further, the Notice of AGM is available on the website of CDSL, the agency engaged for providing e-voting facility, i.e. www.evotingindia.com.
9. All documents referred to in the accompanying Notice and the Statement setting out material facts can be obtained for inspection by writing to the Company at its email ID investors@vguard.in till the date of AGM.
10. The annual accounts of the subsidiary companies are made available on the website of the Company at <https://www.vguard.in/investor-relations/subsidiaries>.
11. The Register of members and e-Transfer Books will remain closed from Saturday, August 1, 2026 to Tuesday, August 11, 2026 (both days inclusive), for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
12. The dividend, as recommended by the Board, if approved at the AGM, will be paid on or before September 9, 2026 to those members or their mandates whose names appear on the record of Depositories (for shares held in Demat form) or Register of members (for shares held in physical form) on Friday, July 31, 2026.
13. Members holding shares in physical form are requested to promptly notify in writing their bank account details/ any change therein or change in their address, nomination,

e-mail address, mobile number, etc. pursuant to Securities and Exchange Board of India ("SEBI") Master circular SEBI/HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026 read with subsequent circulars issued in this regard along with requisite documents as mandated by SEBI, to RTA. These details will be updated provided other relevant KYC details are registered for the folio. Members holding shares in electronic form are requested to notify the change in above particulars directly to their DP.

The members may also note that pursuant to the amendment to Regulation 12 of the SEBI Listing Regulations effective from November 19, 2025, the Company would be unable to pay dividends through physical instruments to shareholders whose Bank account details are not updated.

14. Pursuant to various circulars issued by SEBI from time to time, dividend to security holders shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2026/1767611333081.pdf.

15. As per SEBI Circulars issued from time to time, in case of any grievances, the Shareholders are advised to first approach the Company or its RTA. If the response is not received/not satisfactory, Shareholders can raise a complaint on SCORES/with Stock Exchanges.

After exhausting all the above available options for resolution of the grievance, if the Shareholder is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

16. The requisite Registers, as required under the Act, are available for inspection by the members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to the Secretarial Department at investors@vguard.in.

Pursuant to the requirement of the Income Tax Act, 2025, the Company will be required to withhold taxes ("TDS/ WHT") at the prescribed rates on the dividend paid to its shareholders. The rates of TDS/ WHT would depend upon the category and residential status of the shareholder as briefed hereunder:

A. Tax on Dividend to Resident Shareholders

I. Tax on dividend amount to Resident Individual Shareholders

- Tax shall not be deducted on payment of dividend to Resident Individual Shareholder, if the total amount of dividend payable during the Financial Year does not exceed ₹ 10,000/-
- If dividend payable exceeds ₹10,000/- during the Financial Year, tax shall be deducted on payment of dividend at the following rates and upon submission of the documents required -

Category of Shareholder	Applicable tax rate	Documents required to be submitted
Resident individual shareholders with PAN	10%	PAN to be updated with Depository Participant / RTA.
Resident individual shareholders without PAN / invalid PAN / inoperative PAN (PAN not linked with Aadhaar)	20%	NA

- c) If Resident Individual Shareholders who are eligible and desires to avail exemption from deduction of tax (i.e. NIL rate of tax) on payment of dividend exceeding ₹10,000/- during the Financial Year, the following documents are required to be submitted -

Category of Shareholder	Documents required to be submitted
Resident Individual shareholders with PAN	Copy of PAN card Declaration in Form No.121 Declaration in Form No.121 can be submitted only by - Individuals below 60 years whose tax liability on estimated total income for the Financial Year is NIL and the aggregate of specified incomes (on which TDS is applicable) does not exceed the maximum amount not chargeable to tax. Individuals aged 60 years or more (senior citizens) if the tax on estimated total income is NIL.

II. Tax on dividend amount to Resident Non-Individual Shareholders

- Tax on dividend payable during the Financial Year to Resident Non-Individual Shareholders shall be deducted either @10% or at applicable rates (subject to point no. b. and c. below).

- b) Specific category of shareholders may avail exemption from tax deduction (i.e. NIL rate) by submission of following documents:

Category of Shareholder	Documents required to be submitted
LIC, GIC, any other insurer covered under Section 393(4) [Table: Sl. No. 10] of the Income Tax Act, 2025 ("the IT Act")	• Copy of self attested PAN • Declaration qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 including that it has full beneficial interest with respect to the shares owned by it.
Mutual Fund as specified in Schedule VII (Table: Sl. No. 20 or 21) the Act	• Copy of self attested PAN • Declaration qualifying as mutual fund specified in Schedule VII (Table: Sl. No. 20 or 21) of the IT Act
Alternate Investment Fund (established in India)	• Copy of self attested PAN • Declaration confirming eligibility under Section 11 read with Schedule V (Table: S. No. 1) of the IT Act along with SEBI registration certificate evidencing Category I / Category II AIF status.
Other Non-Individual shareholders (not covered above)	• Copy of self attested PAN • Declaration that they are covered under section 393(4) of the IT Act along with self-attested copy of documentary evidence supporting the claim for exemption from withholding tax

- c) In case where the shareholders provide certificate under Section 395 of the Income Tax Act for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered based on submission of self-attested copy of the same.

B. Tax on Dividend to Non-Resident Shareholders

Tax deductible at source / withholding tax on payment of dividend during the Financial Year to Non-Resident Shareholders shall be as follows:

- Non-resident shareholders shall be taxed at the rate of 20% plus applicable surcharge and cess on the dividend payable during the Financial Year.
- Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to submission of necessary documents relevant to the Financial Year in which dividend is payable –
 - Tax Residency Certificate
 - Form 41 filed electronically through Income Tax portal
 - No Permanent Establishment declaration
 - Beneficial Ownership declaration

Note: The Income-tax Act, 2025 adopts the term "tax year" in place of "previous year/assessment year" in rules/forms. However, for ease of understanding, financial year "FY" is used.

Format for submission of various declarations mentioned above are made available at 'Investor Relations' section on the website of the Company and the shareholders are requested to upload the duly filled in declarations to the link, <https://web.in.mpms.mufig.com/formsreg/submission-of-Form-121-41.html> on or before August 1, 2026.

17. Pursuant to the provisions of Sections 124 and 125 of the Act, the Unclaimed Dividend for the years prior to Financial Year 2018-19 has already been transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has uploaded the details of the unpaid and unclaimed dividend amounts lying with the Company at 'Investor Relations' section on the website of the Company (www.vguard.in), and on the website of the Ministry of Corporate Affairs (www.iepf.gov.in). Members who have not yet encashed the dividend warrant(s)/ claimed the Final Dividend for the Financial Year 2018-19, are requested to make their claim to the Secretarial Department of the Company, at the Registered Office or the office of the RTA on or before August 29, 2026, failing which the unpaid/ unclaimed Final Dividend amount for the Financial Year 2018-19 shall be transferred to IEPF as per the relevant provisions. Unpaid Dividend details are provided in Corporate Governance Report forming part of Annual Report for Financial Year 2025-26.

18. Pursuant to the provisions of Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund Authority (IEPFA) as per relevant provisions. The Company will individually intimate the Shareholders whose shares are liable to be transferred to IEPFA, providing details of the equity shares due for such transfer. These details are also available on the Company's website <https://www.vguard.in/investor-relations/shareholder-information-new>. As per the relevant provisions, the Company will also simultaneously publish a public notice

in the leading newspaper in English and Malayalam having wide circulation informing the concerned that the name of those shareholders and their folio number or DP ID – Client ID etc. are made available on the Company's website. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPFA. Upon transfer, the Shareholders will be able to claim these equity shares only from the IEPFA by making an online application, the details of which are available at www.iepf.gov.in and on the website of the Company at www.vguard.in. All correspondence should be addressed to the RTA of the Company viz., MUFG Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028, Tel: 0422 2314792 email ID: investor.helpdesk@in.mpms.mufig.com.

19. The cut-off date for the purpose of determining the members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and e-voting at the AGM is Tuesday, August 4, 2026. Please note that a person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date shall only be entitled to avail the facility of remote e-voting or e-voting during the Meeting. If members opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.
20. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
21. The Board vide its Resolution passed on May 12, 2026, has appointed Mr. M D Selvaraj (FCS: 960 / COP: 411), Managing Partner, M/s. MDS & Associates LLP, Company Secretaries, Coimbatore, as the scrutinizer to scrutinize both the remote e-voting as well as e-voting during the AGM in a fair and transparent manner.
22. Any person, who acquires shares of the Company and becomes member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. Tuesday, August 4, 2026, may generate the login ID and password as provided in instructions on e-voting mentioned below.

A member may participate in the AGM even after exercising their right to vote through remote e-voting but shall not be allowed to vote again. At the end of remote e-voting period, the facility shall forthwith be blocked.
23. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members

holding shares in physical form should submit their PAN to the RTA /the Company.

24. Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) are not processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
25. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The details of remote e-voting are given below:

Start Date of Remote e-voting	Saturday, August 8, 2026 at 9.00 A.M.
End Date of Remote e-voting	Monday, August 10, 2026 at 5.00 P.M.
Cut-off Date	Tuesday, August 4, 2026

The remote e-voting module shall be disabled by CDSL for voting after end date of remote e-voting. The Members whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Tuesday, August 4, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, August 4, 2026.

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

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

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

- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to its shareholders.

Instructions of e-voting are hereunder:

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	- Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & Myeasi New (token) Tab. - After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. - If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & Myeasi New (token) Tab and then click on registration option. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	- If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on "Shareholders" module.
- Now enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

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

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN of V-Guard Industries Ltd.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **Additional Facility for Non-Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delinked in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address mds@mdsassociates.in, if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request on or before August 1, 2026 mentioning their name, demat account number/folio number, email id, mobile number at investors@vguard.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries before 5 p.m. on August 1, 2026, mentioning their name, demat account number/folio number, email id, mobile number at investors@vguard.in.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant.
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT"), SECRETARIAL STANDARD-2 ON GENERAL MEETINGS AND REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS").

Item No. 4

To ratify the remuneration payable to Cost Auditors of the Company for the Financial Year ending on March 31, 2027

As per the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Company is required to get its cost records audited by a Cost Accountant in Practice.

Accordingly, the Board on the recommendation of the Audit Committee, re-appointed M/s. BBS & Associates, Cost Accountants (Firm Registration No. 00273), as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2027. The Board is of the opinion that their familiarity with the Company's operations ensures continuity and consistency in the audit process, leading to efficient and high-quality audit.

The Board also approved, on recommendation of Audit Committee, the cost audit fee of ₹ 4,00,000/- (Rupees Four Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, if any, at actuals, incurred in connection with the Audit, payable to the Cost Auditors subject to approval and ratification by the Shareholders in the General Meeting.

The overall remuneration proposed to be paid to the Cost Auditors for the Financial Year ending March 31, 2027 is commensurate to the scope of the audit to be carried out by the Cost Auditors.

M/s BBS & Associates, Cost Accountants, have confirmed that they hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959 and are not disqualified under the provisions of the Act. M/s BBS & Associates is a firm of Practicing Cost Accountants registered and holding a valid certificate of practice with the Institute of Cost Accountants of India. They offer services in the domain of Cost and Management Accounting and other consultancy. The partners of the firm are professionals with varied experience across broad spectrum of industries.

As per provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the remuneration payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at item no. 4 of the accompanying Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2026-27.

None of the Directors and Key Managerial Personnel of the Company including their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution as set out at Item No. 4 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 4 of this Notice for approval by the Shareholders of the Company.

Item No. 5

To appoint Ms. Usha Sunny (DIN: 07215012) as an Independent Director of the Company for a period of five years

Pursuant to the provisions of Sections 149, 150, 152 and Schedule IV of the Act read with Rules made thereunder and the SEBI Listing Regulations and based on the recommendations of the Nomination and Remuneration Committee and pursuant to Section 161 of the the Act, and after considering her skills, competencies, experience, the Board of Directors appointed Ms. Usha Sunny (DIN: 07215012) as an Additional Director (Non-Executive Independent) of the Company w.e.f. May 12, 2026. The Board of Directors further recommended the appointment of Ms. Usha Sunny (DIN: 07215012) as a Non-Executive Independent Director for a period of five consecutive years with effect from May 12, 2026 till May 11, 2031 (both days inclusive), not liable to retire by rotation, for the approval of the shareholders by way of Special Resolution, in terms of the Act and the SEBI Listing Regulations, or any amendment thereto or modification thereof. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Usha Sunny (DIN: 07215012) for the office of a Director of the Company.

Ms. Usha Sunny is a qualified Cost Accountant and holds a Master's degree in Commerce from the University of Kerala. She brings over three decades of extensive experience in the banking and financial service sector, with career spanning both Indian and International markets. Throughout her professional journey, she has held senior roles in corporate and investment banking with leading financial institutions, including Standard Chartered Bank, Mashreq Bank PSC, and Indian Overseas Bank.

In the early phase of her career, she headed the Cost Accounting Division at Kerala State Drugs & Pharmaceuticals Limited, a Government of Kerala undertaking.

Ms. Usha Sunny currently serves as an Independent Director at Muthoot Finance Limited and as Director at Securaplus Safety Private Limited. The Board is of the view that the Company will benefit significantly from her experience.

The Company has received from Ms. Usha Sunny necessary declarations/disclosures including:

- i. Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (1) and (2) of Section 164 of the Companies Act, 2013;
- iii. Declaration that she is not debarred from holding of office by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Reserve Bank of India (RBI) or any such statutory authority;
- iv. Declaration to the effect that she meets the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- v. Confirmation that she has registered her name in the databank maintained by the Indian Institute of Corporate Affairs, in accordance with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and;
- vi. Confirmation in terms of Regulation 25(8) of the SEBI Listing Regulations that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

The Board of Directors, based on the declaration received from Ms. Usha Sunny, has verified the veracity of such disclosures and confirms that Ms. Usha Sunny fulfils the conditions of independence specified in the SEBI Listing Regulations and the Act and is independent of the management.

Ms. Usha Sunny, being an Independent Director, is eligible to be paid sitting fee and commission within the limits as may be prescribed by the Board and/or the Shareholders from time to time. She does not hold any Equity Shares in the Company as on date of the Notice and is not related to any of the Directors of the Company.

Copy of draft letter of appointment of Ms. Usha Sunny setting out the terms and conditions of appointment is available electronically for inspection by the members and is also uploaded on the website of the company at <https://www.vguard.in/uploads/downloads/draft-LOA.pdf>.

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

A detailed resume of Ms. Usha Sunny and other relevant details are accompanying this Notice pursuant to the provisions of the SEBI Listing Regulations and SS-2, issued by the Institute of Company Secretaries of India in **Annexure 1**.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors, Ms. Usha Sunny meets the criteria of independence as prescribed both under sub-section (6) of

Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and under SEBI Listing Regulations and she is independent of the management and possesses appropriate skills, expertise, experience, knowledge and integrity including proficiency.

Accordingly, the Board of Directors recommends to the members the appointment of Ms. Usha Sunny as a Non-Executive Independent Director of the Company for a first term of five consecutive years with effect from May 12, 2026 to May 11, 2031 by way of Special Resolution as set out in Item No. 5 of the Notice.

Other than Ms. Usha Sunny and her relatives, none of the other Directors and Key Managerial Personnel of the Company including their respective relatives are concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the Notice.

Item No. 6 and Item No. 7

To increase managerial remuneration payable to Mr. Ramachandran V, Director & COO (DIN: 06576300) in excess of 5% of the net profits of the Company and to increase overall managerial remuneration payable from 11% to 15% of the net profits of the Company

Mr. Ramachandran V, Director & COO of the Company was granted stock options under the Employee Stock Options Scheme of the Company, ESOS 2013, from time to time as part of his compensation package. The details of these grants have been appropriately disclosed in the Annual Reports of the Company from time to time.

To facilitate the exercise of outstanding stock options by Mr. Ramachandran V, the Company had, from time to time, obtained the approval of the members for the Financial Years 2020–21 to 2025–26 to increase the overall managerial remuneration from 11% to 15% of the net profits of the Company and authorise payment of remuneration to him in excess of 5% of such net profits, in each case as computed in accordance with the provisions of Section 198 of the Act. The increased limit for payment of both overall managerial remuneration and remuneration to individual Director, has enabled exercise of significant number of outstanding stock options by Mr. Ramachandran V during the previous Financial Years. There are certain number of vested options which are still outstanding for exercise. The outstanding number of options, if not exercised during the upcoming Financial Years 2026-27 to 2027-28, would lapse in the respective Financial Years and will cause undue hardship and financial loss for him.

As per the provisions of Income Tax Act, if the exercise price of the stock option is less than the fair market price of the share as on the date of the exercise by the employee(s), perquisite tax is to be paid on the perquisite value (notional value of benefit), which is the difference between the fair market price of share on the date of exercise of option(s) and the exercise price. Movement in perquisite value is directly linked to the fair market value of the shares of the Company on the date of exercise of options. Perquisite value of the options exercised by him during any Financial Year becomes part of his total remuneration.

If he exercises fairly large number of outstanding options in the coming Financial Years, taking into account the perquisite value which will get added to the remuneration, the total managerial remuneration payable to the Managing Director and Whole-time Director(s) is expected to exceed 11% of the net profits of the Company and the remuneration payable to him in the said Financial Years may also exceed the limit of 5% of the net profits of the Company. For the purpose of assessing the proportion of the remuneration to the net profits of the Company, all elements of remuneration such as salary, variable pay, stock option, pension, perquisites, etc. are taken into consideration.

The employee stock compensation expenses relating to the options vested had been taken into the Statement of Profit and Loss in the respective years of vesting and there will not be any impact neither on the profits nor on the cashflow for the Financial Years 2026-27 to 2027-28 on account of increase in the overall managerial remuneration due to exercise of options granted in previous years.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 12, 2026, considered and approved the proposal to (i) enhance the remuneration payable to Mr. Ramachandran V beyond 5% of the net profits of the Company, as computed in accordance with Section 198 of the Act, and (ii) increase the overall limit of managerial remuneration

payable from 11% to 15% of the net profits of the Company, in each case for the Financial Years 2026-27 and 2027-28.

Your Directors submit that the increase in the overall limit of managerial remuneration and the limit of remuneration payable to Mr. Ramachandran V, Director & COO is proposed by your Board mainly to facilitate exercise of options vested to him out of the stock options granted during the year 2020 and 2024 which would lapse in the coming Financial Years, if not exercised. The Board does not intend to provide any undue remuneration to Mr. Ramachandran V but loss due to lapse of options will be unfair and injustice to him. His cash remuneration excluding the perquisite value arising out of ESOPs is well within the prescribed limits under section 197 of the Act. Since the impact of these outstanding vested options have been taken in the Statement of Profit and Loss in respective years, there will be no impact on profits and cash outflow of the Company for the Financial Years 2026-27 to 2027-28.

Your Directors recommend the Special Resolutions as set out at item nos. 6 and 7, respectively, of the Notice of the AGM to the Shareholders for their approval.

Except Mr. Ramachandran V, Director & COO and his relatives, no other Director and Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise, in the resolutions set out at item nos. 6 and 7 of the accompanying Notice.

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-

Vikas Kumar Tak

Company Secretary & Compliance Officer
(Membership No.: F6618)

Place: Kochi
Date: May 12, 2026

Annexure 1

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT
THE 30th ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
and Clause 1.2.5 of Secretarial Standard-2 on General Meetings]

Name	Mr. Antony Sebastian K	Ms. Usha Sunny
Date of Birth	23.05.1960	30.05.1960
& Age	65 years	65 years
DIN & Nationality	01628332 Indian	07215012 Indian
Date of first appointment to the Board	30.05.2023	12.05.2026
Qualification	EMBA – Materials Management, GDMM, Dip. Electronics Eng., Dip. Production Management Quality Management Program – Osaka, Japan. Executive Education Program – IIM, Bangalore. ISO 9000: 2000 – DNV, Chennai	CMA – The Institute of Cost Accountants of India M.Com – University of Kerala B.Com – University of Kerala
Experience in specific functional areas	Mr. Antony Sebastian K joined V-Guard group in the year 1985, where he worked with the company in various capacities and gained experience in the fields of After Sales and Service, Production Management, Quality Control, Supply Chain Management. He is specialized in negotiation with suppliers, planning, trouble shooting, Project management and people management.	Ms. Usha Sunny is a qualified Cost Accountant and holds a Master's degree in Commerce from the University of Kerala. She brings over three decades of extensive experience in the banking and financial service sector, with career spanning both Indian and international markets. Throughout her professional journey, she has held senior roles in corporate and investment banking with leading financial institutions, including Standard Chartered Bank, Mashreq Bank PSC, and Indian Overseas Bank. In the early phase of her career, she headed the Cost Accounting Division at Kerala State Drugs & Pharmaceuticals Limited, a Government of Kerala undertaking. Ms. Usha Sunny currently serves as an Independent Director at Muthoot Finance Limited and as Director at Securaplus Safety Private Limited, a company specializing in the import of its own branded Personal Protective Equipment.
Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company	Not related to any Director or Key Managerial Personnel of the Company
Directorship held in other Companies	NIL	Muthoot Finance Ltd. Securaplus Safety Pvt. Ltd.
Memberships in the Committees of Board of other Companies	NIL	Muthoot Finance Ltd.: (i) Member of Audit Committee (ii) Member of Nomination and Remuneration Committee
Membership and Chairmanship in the Committees of the Board of the Company	Chairperson of Corporate Social Responsibility Committee of V-Guard Industries Ltd.	NA

Name	Mr. Antony Sebastian K	Ms. Usha Sunny
No. of shares held in the Company including shareholder as a beneficial owner	He holds 4,59,568 Equity Shares as on March 31, 2026 and May 12, 2026 (Date of Notice)	NIL
Number of meetings of the Board attended during the Financial Year 2025-26	6 out of 6 for Financial Year 2025-2026	NA
Terms and conditions of appointment/ re- appointment along with details of remuneration sought to be paid	Not Applicable. He is seeking re-appointment under the provisions of Section 152 of the Companies Act, 2013. The terms and conditions including remuneration continue as approved by shareholders in 27th Annual General Meeting held on August 24, 2023.	Appointment as Independent Director for a first term of five consecutive years from May 12, 2026 to May 11, 2031 (both days inclusive). She is eligible for sitting fee for attending Board and its Committee meetings and commission within the limits as may be prescribed by the Board and/or the Shareholders from time to time.
Details of last drawn remuneration	Remuneration paid to Mr. Antony Sebastian K during the Financial Year 2025-26 is ₹ 110.96 Lakhs.	NA
Resignations from listed entity in last three years	NA	NA

By Order of the Board
For **V-Guard Industries Ltd.**

Sd/-

Vikas Kumar Tak

Company Secretary & Compliance Officer
(Membership No.: F6618)

Place: Kochi
Date: May 12, 2026

BUILT ON RESILIENCE.
DRIVEN BY PURPOSE.

ANNUAL REPORT 2025-26



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Forward-looking statements

Some information in this report may contain forward looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

READ INSIDE THE REPORT

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Corporate Overview

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GRI Content Index

BUILT ON RESILIENCE. DRIVEN BY PURPOSE

The year gone by was characterized by shifting market dynamics, evolving consumer expectations, and a business environment that demanded exceptional agility and adaptability. Amid these changes, resilience defined our approach—enabling us to remain consistent in execution, responsive to emerging realities, and steadfast in our long-term priorities.

For V-Guard, resilience is embodied in the enduring strength of our relationships, the deep trust vested in our brand, the breadth of our distribution network, and the unwavering

commitment of our people across markets. It is this resilience that has allowed us to serve our consumers effectively, strengthen our presence, and pursue growth opportunities with confidence and discipline.

At the same time, purpose has been a guiding force through every step of our journey. It has influenced the choices we have made, shaped the investments we have prioritized, and steered our path to growth. Our focus has remained firmly on creating products and experiences that are meaningful, responsible, and aligned with the evolving needs of our consumers and stakeholders.

The theme, **'Built on Resilience. Driven by Purpose,'** reflects the mindset with which we continue to build the organization for the future—anchored in strong fundamentals, guided by a clear sense of intent, and committed to creating long-term value with integrity and responsibility.



PROGRESS WITH PURPOSE:
2026 Key Figures

FY 2025–26 was a challenging year marked by external headwinds; yet, V-Guard demonstrated strong organizational resilience to deliver positive outcomes. The Company’s diversified portfolio, disciplined operating model and calibrated cost management supported stable performance, enabling continued investment in capacity, brand and innovation. Healthy cash generation and balanced contributions across business segments strengthened its foundation, enabling continued investments in capacity, brand and innovation while reinforcing long-term value creation.

V-Guard continued to make progress in embedding sustainability into its ways of working. Recognising this as an evolving journey, the Company began integrating sustainability considerations more systematically across operations, product design, vendor ecosystems and governance practices.

Financial Highlights

5,966 Cr
Net Revenue

7%
Revenue Growth

2,461 Cr
Electricals

1,639 Cr
Electronics

1,616 Cr
Consumer Durables

250 Cr
Sunflame

308 Cr
PAT

52%
South Revenue

48%
Non-South Revenue

527 Cr
EBITDA

459 Cr
Cash Flow from Operations

2,373 Cr
Net Worth

Non-financial Highlights

ENVIRONMENT

16%
RE Integration

Over 40%
Of Total Revenue Portfolio Covered Under LCA

36%
Products Identified with Responsible Attributes

26%
Reduction in freshwater withdrawal

3/4th
Of critical vendors assessed on Sustainability

SOCIAL

4 Lakh+
Learning manhours

78,000+
Beneficiaries impacted through CSR

24%
Gender Diversity

ZERO
Fatalities & LTIFR across factories

COMPLIANCE

GOVERNANCE

DigiTool
For capturing and monitoring ESG performance

Climate Risk Assessment
Robust ERM framework

Certifications

ISO 14001; ISO 45001; ISO 9001

ESG Score
CRISIL - 63 (Strong)
NSE - 69 (Aspiring)
SES - 76.2 (Medium Risk)

TATVA
Redefined Vision, Mission & Values

ABOUT THE REPORT

Standards, Scope & Accountability

Reporting Standards & Framework

V-Guard is pleased to present its first Integrated Annual Report, marking a new milestone in how the Organization communicates its progress and long-term value creation. Prepared in line with the International Integrated Reporting Council (IIRC) Framework, it provides a holistic view of its strategy and performance.

The report includes all statutory disclosures such as the Management Discussion & Analysis (MD&A), Business Responsibility and Sustainability Report (BRSR), Corporate Governance Report, and the company’s Standalone and Consolidated Financial Statements, in full compliance with Indian Accounting Standards, the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and the applicable Secretarial Standards.

For non-financial and ESG information, the report references leading global frameworks including the Global Reporting Initiative (GRI) Standards, the UN Sustainable Development Goals (UNSDGs), and principles aligned with the Task Force on Climate related Financial Disclosures (TCFD).

Reporting Period & Boundary

This report covers the financial year April 1, 2025, to March 31, 2026.

The financial information is presented on both a standalone and consolidated basis, covering V-Guard Industries Ltd. and its subsidiaries. Non-financial and ESG information, unless stated otherwise, pertains to the consolidated operations of V-Guard Industries Ltd., reflecting its policies, performance, and initiatives across environmental, social, and governance areas.

Assurance

The Standalone and Consolidated Financial Statements have been audited

by the Independent Auditors, Price Waterhouse Chartered Accountants LLP. Further, limited assurance on BRSR Core indicators and select non-core indicators forming part of the Business Responsibility and Sustainability Report has been provided by the same firm, in accordance with the applicable assurance standards.

Leadership Accountability

V-Guard’s leadership team has reviewed the information presented in this report to ensure accuracy, reliability, and transparency. The disclosures reflect its intent to provide stakeholders with a fair and balanced representation of its performance and value creation efforts.

Future Looking Statements

This Integrated Annual Report 2025–26 contains forward-looking statements reflecting the Company’s objectives, estimates, and expectations. These may be indicated by terms such as ‘may’, ‘believe’, ‘outlook’, ‘plan’, ‘anticipate’, ‘continue’, ‘estimate’, ‘expect’, ‘aim’, ‘ambition’, ‘intend’, ‘will’, ‘would’, ‘undertake’, ‘contemplate’, ‘seek’, ‘objective’, ‘goal’, ‘project’, and similar expressions. Such statements are based on current assumptions, projections, and business trends. Actual results, however, could differ materially from those expressed or implied due to various risks, uncertainties, and external factors. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events.

Feedback

V-Guard welcomes feedback, suggestions, and queries about its Report & its contents. Stakeholders may write to investors@vguard.in.

HEAR FROM OUR LEADERS

Chairperson's Message



Dear Shareholders,

It gives me great pleasure to present the first Integrated Annual Report of V-Guard Industries Limited for FY 2025–26, themed ‘Built on Resilience. Driven by Purpose.’ This theme reflects the character of your Company in a year shaped by volatility, shifting market dynamics and an increasingly

complex global environment. Through this period, V-Guard remained anchored in its long-term priorities while responding with discipline and clarity to emerging challenges.

The year under review was marked by heightened geopolitical and economic uncertainty. Ongoing tensions in the Middle East disrupted energy supply routes and led to significant disruptions and commodity inflation, while rising trade protectionism and tariff-led realignments continued to reshape global supply chains. Against this backdrop, the Indian economy demonstrated notable resilience, supported by healthy



V-Guard is well positioned within this environment with important structural advantages. Over the years, the Company has consciously built a diversified and resilient business model across consumer electricals, electronics and durables. This breadth, combined with an expanding geographic footprint and a distribution network of over 1,00,000 retail touchpoints, has strengthened our ability to navigate cyclical fluctuations while participating in multiple growth opportunities.



GDP growth, moderating inflation and continued investment momentum. At the same time, demand conditions remained uneven in parts of the consumer durables sector, influenced by weather patterns, input-cost movements and evolving consumption behavior.

Even amid these external uncertainties, India remains one of the world's most promising consumer durables markets. Rising incomes, increasing electrification, urbanisation, deeper penetration in Tier II and Tier III markets, and the growing role of technology in everyday living continue to create long-term opportunities.

The sector is also being reshaped by trends such as energy efficiency, smart connectivity and rapid product innovation. As competitive intensity increases across categories, businesses that combine manufacturing strength, innovation capability and deep consumer understanding will be best placed to create enduring value.

V-Guard is well positioned within this environment with important structural advantages. Over the years, the Company has consciously built a diversified and resilient business model across electricals, electronics and consumer durables segments. This breadth, combined with an expanding geographic footprint and a distribution network of over 1,00,000 retail touchpoints, has strengthened our ability to navigate cyclical fluctuations while participating in multiple growth opportunities. Our continued progress in markets outside South India is particularly encouraging, with nearly half of our revenues now coming from non-South markets — a reflection of the steady diversification of our business.

At V-Guard, we believe that long-term value creation must go hand in hand with responsible and inclusive growth. Our actions are anchored in a clearly defined ESG framework, built around our identified material priorities and aligned

to long-term sustainability goals. This has enabled us to make meaningful progress in embedding ESG considerations into decision-making, programme design and performance tracking—ensuring that our interventions are not only impactful, but also measurable, scalable and aligned with stakeholder expectations.

During the year, we deepened our engagement with communities around our manufacturing locations through structured needs assessments, stakeholder consultations and feedback mechanisms.

Our efforts during the year included support for initiatives focused on safe drinking water, clean energy and ecological restoration—reflecting our commitment to advancing environmental stewardship and community well-being.

In parallel, we introduced a structured engagement framework for critical and strategic suppliers, aimed at fostering stronger collaboration, greater transparency and enhanced accountability across the value chain. This initiative forms a key part of our broader efforts to build a more resilient, responsible and ESG-aligned supply ecosystem.

Through the V-Guard Foundation, our CSR efforts continued to create meaningful impact across communities. During FY 2025–26, these initiatives reached around 78,000 beneficiaries across multiple states, spanning education and skill development, healthcare, environment and community well-being, and women empowerment. Notable interventions included support to 18 government schools, inclusive learning through Project Navdarshan benefiting over 4,000 special needs students across three states, and the Cancer Shield initiative, which provided free mammogram and ultrasound screenings for women to support early detection of breast cancer. These

efforts reflect our broader purpose of contributing to a better tomorrow not only through our products, but also through our role in society.

While the external environment may continue to present uncertainty, I remain confident about the long-term opportunities before V-Guard. The Company has continued to strengthen its foundation through prudent capital allocation, strategic capability building, sound governance and a clear commitment to sustainability and stakeholder value. With these strengths in place, we are well positioned to build on our progress and pursue the next phase of growth with confidence and responsibility.

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers, business partners and employees for their continued trust and support.

Regards,

Radha Unni
Chairperson

V-Guard Industries Limited

HEAR FROM OUR LEADERS

Managing Director's Message



Dear Shareholders,

FY 2025–26 was a year of contrasting halves for V-Guard. The first half was affected by a weak summer season, softer demand across seasonal categories and a challenging external environment. In the second half, business momentum improved supported by effective diversified portfolio and gradual recovery in demand. As a result, the year's performance reflected both the impact of external headwinds and the resilience of a business with the agility to respond effectively. The operating environment remained marked by input cost volatility, tariff-related uncertainty and the broader effects of geopolitical developments on supply chains and market sentiment.

Against this backdrop, we remained focused on disciplined inventory

management, calibrated pricing actions and agile market execution. These measures helped preserve business stability through the period and positioned the Company to benefit as market conditions improved.

For the year, consolidated revenue from operations stood at ₹5,965.78 crore, representing growth of 7.0% over FY25. Gross margins remained steady at 36.3%, while EBITDA grew 2.6% to ₹526.76 crore. Profit Before Tax stood at ₹407.89 crore. During the latter half of the year, we recognized an exceptional charge of ₹22.11 crore relating to the reassessment of employee benefit obligations pursuant to the implementation of the new labor codes. Excluding this charge, underlying Profit After Tax grew 3.6%, while reported PAT stood at ₹308.33 crore. Our balance sheet also strengthened significantly,



The inauguration of the Innovation Campus in January 2026 marked a major milestone in strengthening our in-house technology, design and product development capabilities. Thoughtful product design remains central to V-Guard's approach to innovation, reflecting our focus on creating products that combine functionality, efficiency and design excellence. During the year, this commitment received prestigious global recognition through honors such as the Red Dot Award and the German Design Award. These recognitions affirm the strength of our design-led approach and reinforce our belief that meaningful innovation lies not only in how products perform, but also in how intuitively and effectively they enhance everyday living.



with net cash improving to ₹231.16 crore from ₹63.83 crore in FY25, cash flow from operations at ₹458.55 crore, and working capital turnover improving from 70 days to 60 days. The Board has recommended a final dividend of ₹1.50 per equity share.

The Electronics segment delivered a steady performance, with revenues of ₹1,639.58 crore, up 8.6%, contributing 27.5% to total revenues. Growth was led by digital UPS and solar power systems, which helped offset weaker performance in stabilizers arising from a subdued summer season and a high base in the previous year. In house manufacturing initiatives in Batteries and DUPS began yielding visible benefits during the year. In May 2025, we also initiated a major expansion at our Hyderabad Batteries facility. Our increased investment in Gegadyne Energy Labs, raising our stake to 30.35%, further strengthens our strategic position in next-generation battery technologies.

The Electricals segment emerged as the strongest performer during the year, with revenues growing 13.4% to ₹2,461.08 crore, contributing 41.2% of Company revenues. The Wires business was the primary growth driver, supported by strong price-led growth in a year when copper prices increased sharply. Our integrated wire manufacturing operations in Coimbatore and Kashipur helped us respond with agility to commodity movements while supporting operational efficiency. Switchgears and Modular Switches also delivered healthy volume growth. We also announced our entry into the Lighting category, which will initially be launched through an outsourced model in our stronger southern markets.

In Consumer Durables, revenues stood at ₹1,615.88 crore. Performance in this segment was affected by the weak summer season and softer demand across weather-linked categories. Within Fans, ceiling fan revenues remained stable, while TPW volumes were impacted by unseasonal weather. The structural shift towards BLDC fans continued to gain

traction. We expanded BLDC offerings with the mid-premium platform which received encouraging market acceptance. A new fans manufacturing facility in Hyderabad is under development and is expected to commence commercial production in FY27. Water Heaters remained relatively resilient, supported by new launches including the Luxecube range of smart water heaters, while Air Coolers were impacted by mild summer and an early monsoon. Within Kitchen Appliances, induction cooktops gained momentum towards the end of the year, aided by LPG availability constraints.

The Sunflame business continued to make progress during the year. Revenues stood at ₹250.23 crore, while segment margins improved to 5.3% from 2.5% in the previous year. This improvement reflects the early benefits of integration, including stronger cost structures, enhanced service levels and better resolution metrics. In July 2025, the Board accorded in-principle approval for the merger of Sunflame Enterprises Private Limited with V-Guard, and we expect this integration to unlock further synergies across sourcing, research and development, and go-to-market capabilities over time.

Alongside business delivery, we continued to invest in capabilities that will support future growth and competitiveness.

The inauguration of the Innovation Campus in January 2026 marked a major milestone in strengthening our in-house technology, design and product development capabilities. Thoughtful product design remains central to V-Guard's approach to innovation, reflecting our focus on creating products that combine functionality, efficiency and design excellence. During the year, this commitment received prestigious global recognition through honors such as the Red Dot Award and the German Design Award. These recognitions affirm the strength of our design-led approach and reinforce our belief that meaningful innovation lies not only in how products

perform, but also in how intuitively and effectively they enhance everyday living.

Capacity expansion initiatives across Batteries, Fans and Modular Switches are progressing well. Today, in-house manufacturing accounts for nearly 65% of our portfolio, reinforcing our commitment to quality, supply chain responsiveness and innovation. Digitisation initiatives across marketing and go-to-market operations are also becoming increasingly important enablers of business effectiveness as these capabilities mature.

We have also continued to strengthen the organization from within. Our HR transformation initiative, Saksham, is helping redefine HR strategy, systems and processes through more agile and best-in-class practices. During the year, we also sharpened our Vision and Mission statements to bring greater clarity and alignment to our long-term aspirations.

As we move into our Golden Jubilee year, we stand firmly committed to building sustainable and profitable growth, anchored in our manufacturing strength, technological capabilities, innovation and execution excellence. Our efforts remain directed towards strengthening demand responsiveness, enhancing operational efficiency and deepening the impact of our investments, while continuing to build a more resilient and future-ready organization.

I would like to thank our employees, partners, customers, shareholders and all other stakeholders for their continued trust and support. Your confidence strengthens our resolve as we continue building a more agile, innovative and future-ready organization.

Regards,

Mithun K. Chittilappilly
Managing Director
V-Guard Industries Limited

V-GUARD AT A GLANCE



Founded in 1977 by Mr. Kochouseph Chittilappilly, V-Guard Industries began with a clear vision—to build a trusted Indian brand in electricals and electronics, anchored in quality, reliability, and a deep understanding of customer needs. From its early beginnings as a small manufacturing unit driven by modest capital and strong entrepreneurial ambition, V-Guard has evolved into one of India’s most respected consumer electrical and electronics brands.

Over the decades, the Company has expanded across multiple product categories and steadily strengthened its presence nationwide. What began as a regional player has transformed into a well diversified, pan-India organization with a robust portfolio.

Our growth journey has been shaped by a consistent focus on product excellence, consumer-centric innovation, and a responsible approach to business. Supported by a strong distribution network, a wide retail footprint, and comprehensive service capabilities across the country, V-Guard continues to deepen market access and enhance customer engagement across geographies.

Today, V-Guard remains committed to delivering thoughtfully engineered solutions that simplify everyday living. As consumer aspirations evolve and markets continue to transform, we remain focused on staying relevant, future-ready, and closely aligned with the changing expectations of our discerning consumers.



OUR PRODUCT OFFERINGS

V-Guard’s portfolio spans Electronics, Electricals and Consumer Durables, serving the everyday power, protection, and comfort needs of Indian households. From stabilizers, inverters and solar solutions to wiring cables, switchgears, pumps and a wide range of home appliances, each offering is engineered for reliability, efficiency and lasting value. Guided by consumer insight and purposeful innovation, our portfolio continues to evolve with the way India lives.

Electronics

Stabilizers

Inverters & Batteries

Solar Power Systems

Electricals

Housing Wiring Cables

Switch Gears

Modular Switches

Pumps

Consumer Durables

Solar & Electric Water Heaters

Fans

Air Coolers

Water Purifiers

Mixer Grinders

Gas Stoves

Other Small Appliances

OUR FOOTPRINT

550+

Service Centres

1 Lakh+

Channel Partners

36

Branches

16

Factories

HIMACHAL PRADESH
Kala AMB
♦ Electric Water Heater

UTTARAKHAND
Haridwar
♦ Switchgears
♦ Modular Switches
Roorkee
♦ Ceiling Fan
Kashipur
♦ Housing Wiring Cables
Pantnagar
♦ Inverters
♦ Stabilizers

HARYANA
Faridabad
♦ Cooktop
♦ Chimney

SIKKIM
Sikkim
♦ Stabilizer
♦ Electric Water Heater

GUJARAT
Vapi
♦ Gas Stove
♦ Mixer Grinder

TELANGANA
Hyderabad
♦ Switchgears
♦ Battery
♦ TPW & Ceiling Fan*

TAMIL NADU
Perundurai
♦ Solar Water Heater
♦ Induction Cooktop
Coimbatore
♦ Housing Wiring Cables
♦ Solar Inverter
♦ Pump & Motors

Map not to scale; it is for indicative purposes only.

* Upcoming factory

OUR JOURNEY OF GROWTH & PROGRESS

Our Key Milestones

1977

Mr. Kochouseph Chittilappilly started V-Guard stabilizer manufacturing business in Kerala.



1992

Launched Pumps



1998

Launched UPS



2002

Launched Solar Water Heaters



2007

Expanded Non-South Branches



2009

Launched Inverters & Batteries



2012

Turnover crosses ₹1,000 Cr.

Mr. Mithun K. Chittilappilly appointed as Managing Director

Launched Induction Cooktops



2014

Turnover crosses ₹1,500 Cr.



2017

Turnover crosses ₹ 2,000 Cr.

Launched Electric Rice Cookers & Gas Stoves

Launched Smart Fans & Inverters

Acquired GUTS Electro-Mech Ltd.



2020

Launched Water Purifiers, Kitchen Chimneys

Set up new Fan Factory at Roorkee



2022

Launched on-grid PV Inverters



2023

Acquisition of Sunflame Enterprises Pvt. Ltd. and amalgamation of Simon Electric Pvt. Ltd.



Launched Stabilizers for Air Conditioners

1980



Launched Wiring Cables & Water Heaters

1996



Setup cable manufacturing unit at Coimbatore, Tamil Nadu

1999



Launched Electric Fans

2006



Listed in both BSE & NSE.

Opened Wires & Cables factory at Kashipur

Water Heater & Fan factory at Kala AMB

2008



Launched Switchgears

2011



Set up new Solar Water Heater Factory at Perundurai

Launched Mixer Grinders

V-Guard's R&D Centre conferred prestigious DSIR recognition

2013



Setup new Stabilizer Factory unit at Sikkim

2015



Launched Smart Water Heaters

2016



Launched Modular Switches, Air Coolers & Heat Pump Water Heaters



Unveiled the new Brand Identity

2018



Launched Smart Pumps

Incorporated V-Guard Consumer Products Ltd. (VCPL), a wholly owned subsidiary

2021



Ventured into Lighting Solutions

2026



V-Guard Innovation Campus Inaugurated at Kochi



BUILDING BLOCKS OF OUR BUSINESS

Building Resilience Through Every Capital

With consumers placing greater emphasis on responsible, transparent and sustainable business practices, ESG principles are becoming increasingly central to how companies operate. The notion of value has broadened from short term financial returns to a stakeholder centric view that recognizes the interdependence of business, society, and the environment.

Investors are increasingly assessing long term resilience through ESG factors, requiring organizations to articulate how they create sustainable, multi dimensional value. Integrated Reporting addresses this need by providing a principle based framework that links financial results with environmental, social, and governance performance. At the core of this framework is multi capital thinking, which recognizes Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural capital as interconnected inputs & outcomes that shape long term value creation.



Financial capital remains a critical enabler of V-Guard’s growth journey, providing the foundation to invest in capacity expansion, product innovation, brand building and market reach. In a dynamic and competitive environment, it strengthens strategic agility and resilience, supporting a balanced approach to sustainable growth and long-term value creation.



Manufactured Capital represents V-Guard’s production facilities, quality excellence, and logistics network that form the backbone of its operations. These assets enable the consistent delivery of safe, reliable, and high-performance products across diverse categories and geographies.



Intellectual Capital reflects V-Guard’s design capabilities, product engineering, process know-how, digital systems, and brand equity. This capital drives differentiation, innovation, and the ability to respond to evolving consumer needs and regulatory standards.



Human Capital comprises the skills, experience, and commitment of V-Guard’s engineers, technicians, sales teams, and leaders. Their expertise transforms technology and infrastructure into customer value, fostering operational excellence, innovation, and a culture anchored in quality and accountability.



Social and Relationship Capital is built through enduring trust with customers, channel partners, suppliers, communities, and regulators. For V-Guard, strong stakeholder relationships reinforce brand credibility, strengthen supply chains, and sustain the company’s ability to operate effectively in a widely distributed consumer market.



Natural Capital encompasses the energy, water, and material resources that support V-Guard’s operations. Responsible stewardship of these resources, through efficiency, renewable adoption, and circular practices enables the company to reduce environmental impact while supporting long-term operational continuity.

BUILDING BLOCKS OF OUR BUSINESS

Value Creation at V-Guard

WHAT
DRIVES US → OUR
ENABLERS →

Our
Ethos

Global
Megatrends

Stakeholder
Expectations

ESG
Standards

Regulatory
Landscape

Financial Capital

₹ 2373.05 Cr
Net Worth

0
Net Debt to Equity

Manufactured Capital

16
No. of Manufacturing
Units

₹ 173.66 Cr
Capex

24 Lakhs + Sq ft.
Warehouse Space

36
No. of sales offices

Intellectual Capital

Digi-Tool for ESG
monitoring

Backward
traceability initiated

220+
No. of R&D
professionals employed

Human Capital

11,500 +
Total Employee
Strength

~4.45 Lakhs
Employee Training
Hours

24%
Gender Diversity

12
No. of ISO 45001
certified sites

Social and Relationship Capital

~ ₹ 7 Cr
CSR Spend

1,00,000+
Channel Partners

₹ 156 Cr
Investment in brand
building

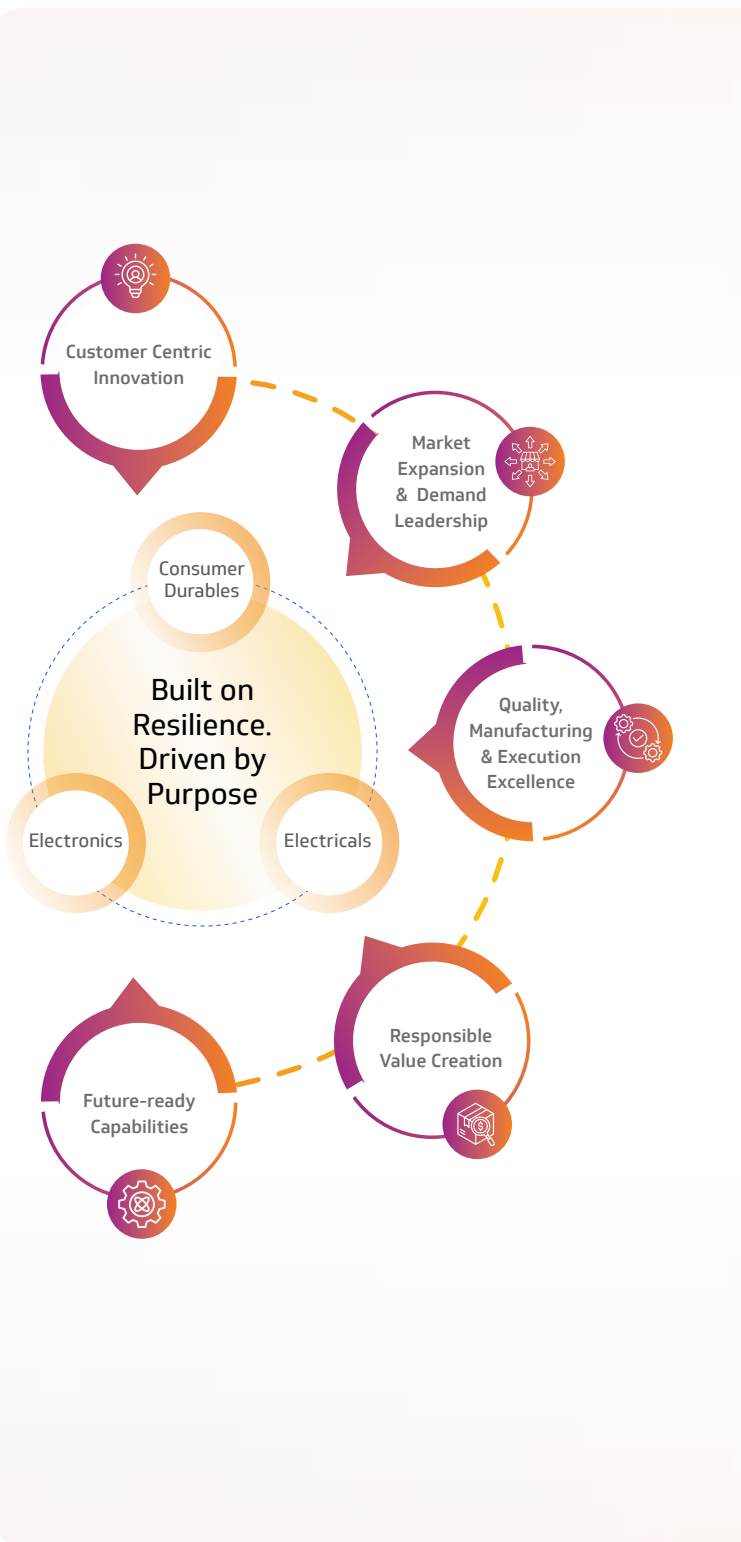
1.33 Lakh
Number of
shareholders

Natural Capital

5.24 MW
Solar+ Wind Capacity

1,15,271 KL
Water consumption

1,65,630 GJ
Energy Consumed



SHARED VALUE
WE DELIVER →

Financial Capital

₹ 5965.78 Cr
Net Revenue

₹ 526.76 Cr
EBITDA

₹ 308.33 Cr
Profit After Tax

16.1
RoCE

7.01
EPS

₹ 458.55 Cr
Net Cash flow from Operations

Manufactured Capital

~65%
Revenue from In-house
manufactured products

59%
Factory Capacity Utilisation (Avg.)

Intellectual Capital

550+
New SKU Launches

Responsible
attributes defined

56%
% of sustainable
packaging

15
No. of patents filed for the
period 2025-2026

Human Capital

14.70%
Turnover/Attrition Rate

~ 19%
Wages–Rural Workforce

0
No of fatalities

37
Median age of the workforce

0
LTIFR across factories

94
Employee engagement score

Social and Relationship Capital

~78000
CSR Beneficiaries

92 (dealer)
Net promoter score

220 employees and 1200+ hrs
Employees participated in CSR
volunteering activities

Natural Capital

16%
% RE

2254 KL
RWH

2%
Scope 1 Emissions
reduced

26%
% of fresh water
withdrawal reduced

OUTCOME

Sustainable wealth creation for
shareholders while reinforcing
long-term financial stability and
reinvestment capacity.

Enhanced operational agility, improved
cost competitiveness, superior product
quality.

Stronger innovation pipeline, enhanced
product relevance, improved brand
equity, and future-ready portfolio
aligned to evolving consumer and
regulatory expectations.

Enhanced productivity, improved
retention, stronger safety culture,
and sustained human capital value
creation.

Deepened stakeholder relationships,
strengthened reputation capital,
improved market trust, sustained
community goodwill and a more
resilient supply chain.

Lower carbon intensity, improved
resource efficiency, strengthened
regulatory compliance, and reduced
environmental risk exposure.

UN
SDGS →



BUILDING BLOCKS OF OUR BUSINESS

External Environment & Competitive Landscape

We chart and navigate our growth path in a highly interconnected and dynamic landscape characterized by shifting geo-political trends, economic and environmental challenges, regulatory demands, growing sectoral competition, and evolving consumer preferences. Given below is a brief description of the factors that influence our approach to business, impact the resilience of our operations, and help shape the value we generate for our stakeholders.



The global economy recently faced significant volatility due to trade disruptions and geopolitical tensions, notably from increased tariffs and conflicts in the Middle East. These factors disrupted energy markets and supply routes, leading to commodity fluctuations and heightened inflationary pressures worldwide. Consequently, global growth has slowed while inflation remains a concern.

In contrast, India has shown remarkable resilience, bolstered by strong domestic demand and supportive government policies. While the domestic outlook is positive for V-Guard, global uncertainties still demand a strategic focus on cost discipline and supply chain agility to navigate potential external shocks.



Climate considerations are becoming increasingly central to economic and regulatory frameworks, driving the transition towards cleaner energy and more efficient resource use. Strong growth in renewable energy generation, both globally and in India, reflects this structural shift and reinforces the importance of sustainability and energy-efficient consumption. These trends create significant opportunities

for companies aligned with the evolving low-carbon economy. For V-Guard, this enhances the strategic relevance of its energy-efficient product portfolio and long-term value creation despite intermittent climate-related risks.



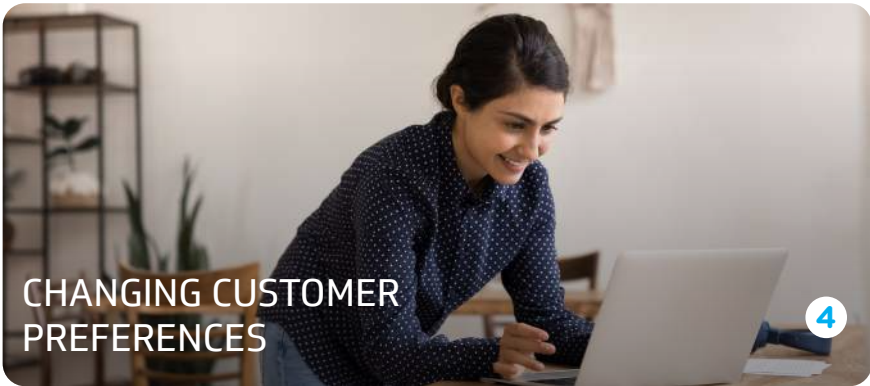
The regulatory landscape continued to evolve through initiatives such as Make in India, GST rationalisation, and stricter BEE energy-efficiency standards, supporting domestic manufacturing, competitiveness, and sustainable consumption. At the same time, expanding EPR compliance requirements are reinforcing responsible resource management and circular economy practices across the industry.

For V-Guard, these developments create structural tailwinds through enhanced manufacturing competitiveness and alignment with efficiency-led product innovation. However, increasing regulatory depth requires continued investments in compliance, systems, and product development to sustain market leadership.



The consumer durables sector continues to operate in a dynamic environment shaped by input cost volatility, policy-led localisation, rapid technological advancements, and the entry of new players across product categories. Rising adoption of energy-efficient and smart technologies is intensifying competition around innovation, product differentiation, speed to market, and customer experience, while government incentives continue to strengthen domestic manufacturing capabilities.

For V-Guard, sustained differentiation through brand strength, product innovation, customer service, and distribution depth remains critical. The Company's continued focus on expanding its portfolio and strengthening execution capabilities positions it well to navigate competitive intensity while protecting margins and market share.



India's consumption story continues to evolve towards aspiration-led, premium, and technology-driven demand. Rising incomes, urbanisation, and expanding credit access are accelerating adoption of smart, connected, and energy-efficient products. Simultaneously, the rapid expansion of digital channels and growing consumption in Tier II, Tier III, and rural markets are reshaping demand patterns.

For V-Guard, these shifts align closely with its focus on innovation, premiumisation, and omni-channel expansion. The ability to deliver differentiated, technology-enabled offerings while deepening market reach will be central to capturing emerging growth opportunities.

BUILDING BLOCKS OF OUR BUSINESS

Our Growth Strategy

Strategic Priorities for Sustained and Profitable Growth

V-Guard's growth strategy is shaped not only by the external environment, but also by a set of internal business priorities that guide capital allocation, strategic focus and execution.

These priorities reflect where the Company sees the most attractive opportunities for value creation, and where it is best positioned to compete with precision, speed and resilience.

At the core of this strategy is a clear intent: to deepen competitiveness in chosen growth spaces, enhance consumer relevance, strengthen execution across markets, and build a more agile and future-ready organization.



Accordingly, the Company's strategic agenda is anchored in five business imperatives

1

Sharper category prioritisation and disciplined growth choices to allocate capital to the most attractive and winnable opportunities, while building depth in priority adjacencies.



2

Product leadership and consumer centricity to drive differentiated innovation, sharpen market relevance and strengthen the overall consumer proposition.



3

Go-to-market excellence and digital focus to respond effectively to evolving channel dynamics and increasingly hybrid buying journeys.



4

Enterprise transformation, agility and resilience to enhance responsiveness, strengthen execution rigor and improve navigation of a volatile operating environment.



5

Strategic investment and cross-business value creation to scale proven growth platforms, unlock portfolio-wide benefits and improve capital efficiency.



These imperatives come together through a focused capability agenda spanning consumer, product, channel and geography. Supported by enterprise-wide enablers, this framework is intended to translate strategic direction into disciplined execution and sustain long-term profitable growth.

Strategic Capability Priorities

CONSUMER



Consumer behavior is evolving rapidly, shaped by higher digital adoption, rising aspirations, increasing premiumization, and the growing influence of younger cohorts such as Gen Z and millennials. These shifts are changing how products are discovered, evaluated and purchased, while also redefining expectations around design, convenience, experience and brand engagement.

In response, V-Guard is sharpening its consumer focus to remain closely aligned with evolving preferences and emerging consumption shifts across categories. The Company is focused on strengthening its ability to identify, prioritize and serve the most relevant opportunities in a changing market environment.

Key consumer priorities include:

- ◆ Deepening understanding of evolving consumer behavior and category expectations
- ◆ Responding to the rise of digitally influenced and research-led omnichannel purchase journeys
- ◆ Capturing premiumization opportunities across relevant categories
- ◆ Increasing relevance among Gen Z and millennial consumer segments
- ◆ Enhancing experience across discovery, purchase and product usage

PRODUCT



V-Guard's product strategy is anchored in innovation, design, technology and sustainability, with a continued focus on building a portfolio that remains competitive, future-ready and aligned to evolving market needs. The Company is also progressively integrating environmental responsibility into its

product agenda through lifecycle assessments, product enhancements, packaging interventions and strengthened disclosures.

The strategic intent is to strengthen differentiation across categories by combining technology, innovation, design relevance and responsible product development. This is expected to support long-term competitiveness, enhance portfolio quality and create a stronger platform for sustainable growth.

Key consumer priorities include:

- ◆ Advancing product leadership through focused investments in R&D, design and technology
- ◆ Sharpening product-market fit through stronger consumer and market understanding
- ◆ Accelerating development cycles and improving speed to market
- ◆ Expanding the portfolio of smart and IoT-enabled offerings
- ◆ Embedding sustainability considerations into product design and packaging
- ◆ Leveraging localisation opportunities to enhance competitiveness

CHANNEL



V-Guard's channel strategy is anchored in extending market reach through a well-established distribution network, strong partner relationships and a robust service backbone. These strengths continue to provide the Company with an important foundation for market access and execution across categories.

As channel structures evolve and purchase journeys become increasingly hybrid, the strategic focus is on building a more responsive and future-ready route-to-market architecture. This is intended to support broader market coverage, stronger channel relevance and a more seamless consumer interface across formats

Key consumer priorities include:

- ◆ Improving execution effectiveness across markets
- ◆ Expanding presence across e-commerce and emerging platforms
- ◆ Strengthening customer experience across channel touchpoints
- ◆ Leveraging channel partnerships to improve reach and market access

GEOGRAPHY



Geographic expansion remains an important lever of future growth for V-Guard. Having built strong brand equity pan India, the Company is focused on broadening its geographic presence in relatively newer non south markets and building a more balanced growth portfolio across markets.

The strategic intent is to expand the Company's growth base by improving market coverage, strengthening regional relevance and supporting scale through a more responsive operating footprint. This is expected to enhance reach, reduce concentration risk and create a stronger platform for sustained expansion.

Key consumer priorities include:

- ◆ Accelerating expansion in non-South markets
- ◆ Strengthening presence across India
- ◆ Enhancing manufacturing footprint to support scale, responsiveness and cost efficiency

Map not to scale; it is for indicative purposes only.

Enterprise Enablers

V-Guard’s strategic priorities are supported by a set of enterprise-wide enablers aimed at improving execution quality and reinforcing long-term competitiveness

BRANDING & CONTENT

The Company continues to invest in brand-building, consumer engagement and digital content to strengthen trust, relevance and salience across markets.

AGILE SUPPLY CHAIN MANAGEMENT

The supply chain is being strengthened through procurement transformation, local sourcing, supplier assessments, traceability and broader operational improvements.

TRANSFORMATION INITIATIVES

Enterprise transformation programmes are supporting productivity improvement, cost optimisation, planning effectiveness and profitability enhancement.

DIGITAL ENABLEMENT

Digital capabilities are being embedded across functions to improve visibility, agility, productivity and data-led decision-making.

COMMERCIAL OPERATING MODEL

The commercial operating model is being strengthened to improve execution, pricing discipline, category focus and channel productivity.

Overall, V-Guard’s strategy is directed at building a more consumer-relevant, execution-driven and resilient organization — one that is better positioned to capture growth opportunities across categories, channels and geographies while delivering sustainable long-term value.



Climate Risk Assessment

V-Guard has undertaken a Task Force on Climate-Related Financial Disclosures (TCFD)-aligned climate risk assessment to evaluate the potential impacts of climate change on its operations and long-term resilience, while strengthening its Enterprise Risk Management (ERM) framework. The assessment covered all manufacturing facilities, three corporate offices, and key logistics routes across the value chain.

GOVERNANCE

Climate risk management at V-Guard is governed through a structured top-down framework, with oversight from the Risk & ESG Committee and implementation driven through cross-functional teams across the organization. This approach ensures that climate-related risks and opportunities are systematically identified, assessed, monitored, and integrated into strategic and operational decision-making.

STRATEGY

To assess the implications of climate change on its business, V-Guard evaluated climate risks under a 2°C transition scenario (IPCC SSP2-4.5 / IEA Announced Pledges Scenario) and a 4°C+ scenario (IPCC SSP5-8.5 / NGFS Delayed Transition) across 2030 and 2050 time horizons. The assessment enabled the Company to understand near-term vulnerabilities and longer-term strategic risks and opportunities.

High and medium-high priority climate risks were assessed for their potential financial impacts, enabling targeted

mitigation and adaptation planning. In addition, climate-related risks across critical supply chain routes and logistics networks were evaluated to strengthen supply chain resilience through enhanced monitoring, supplier engagement, and consideration of alternative routing options.

Together, these actions enhance organizational resilience by strengthening preparedness for evolving physical and transition risks and supporting long-term value creation.

RISK MANAGEMENT

V-Guard adopted a comprehensive approach to identify and assess climate-related risks across its operations and value chain. Physical and transition risks were screened based on geographic exposure, climatic conditions, operational characteristics, regulatory developments, and market trends.

Key physical risks, including drought, flooding, heat stress, water scarcity, and landslides, were assessed using location-specific climate projections and recognized analytical methodologies, with impacts evaluated in terms of operational

disruption, resource dependency, asset exposure, and financial implications. Critical supply routes were also assessed to understand value-chain vulnerabilities. Transition risks were evaluated in the context of India’s Net Zero ambitions, evolving policy and regulatory frameworks, technological developments, and changing market dynamics. The assessment findings have been integrated into the Company’s ERM framework, enabling structured monitoring, prioritization, mitigation, and escalation of material climate-related risks while strengthening resilience across the short, medium, and long term.

METRICS

Climate-related metrics are tracked through our Sustainability framework, with long-term goals and short-term targets. Please refer to the GRI Index for more details.



STRENGTHENING RESILIENCE

Enterprise Risk Management

Navigating uncertainty strengthens V-Guard’s strategy, decisions, and ability to create long-term value. Robust Enterprise Risk Management acts as a strategic enabler by building agility, providing discipline, and supporting risk-aware decisions.

RISK MANAGEMENT PROCESS

V-Guard follows a structured approach to identify, assess and manage risks:

1. Identify

Systematically recognize key internal and external risks under management insights, data analysis and structured assessments.

2. Analyze & Prioritize

Evaluate risks based on impact and likelihood, aligning them with strategic priorities.

3. Mitigate

Implement controls to manage risks within the defined risk appetite and review them periodically for effectiveness.

ENTERPRISE RISK
MANAGEMENT

Strategic Lens
for Navigating
Uncertainty
& Driving
Performance

RISK MANAGEMENT STRUCTURE

The framework that enables effective execution of the risk process:

1. A clear **Governance & Communication**

structure supports top-down and bottom-up risk identification, review and management with defined roles, forums and reporting lines.

2. Risks from operational and business units are consolidated and escalated through **management to Risk & ESG Committee**, ensuring a holistic risk view and informed strategic decisions.

KEY RISKS IDENTIFIED

Emerging
Channels



Information
Security



Impact of
Digitization



ESG



Hyper
Competition
in Market
Place



Supply
Security



Margin
Protection



Talent
Pipeline



BOARD OF DIRECTORS

Steering Excellence Through Visionary Leadership

V-Guard’s enduring success is built on the foundation of unwavering integrity, visionary leadership, and a governance framework that prioritizes transparency, accountability, and long term value creation. The responsibility for ethical governance rests with our Board of Directors which comprises distinguished leaders from diverse domains including finance, banking, technology, manufacturing, academia, and entrepreneurship, each bringing deep expertise and strategic foresight.

Together, they guide the Organization with a shared commitment to strengthening stakeholder trust, driving sustainable growth, and shaping a future ready enterprise anchored in strong ethical governance.



Mr. Kochouseph Chittilappilly
Founder and Promoter of V-Guard Industries Ltd.

Mr. Kochouseph Chittilappilly is the Founder and Promoter of V-Guard Industries Ltd. He has driven and motivated the Company to succeed in its business. He had been the Managing Director of the Company since its inception and took the Company to newer heights and recognition with his experience and vision. In April, 2012, he passed on this baton to his son Mr. Mithun K Chittilappilly. In 2017 he assumed the position of Non- Executive Chairman of the Board and continued as such till March 2020. As Chairman, he had been instrumental in adoption of best governance practices and upholding the Company’s core values. He was holding the office of Chairman Emeritus from April 2020 to March 31, 2025.

Apart from his business acumen, Mr. Chittilappilly is a humanitarian par excellence. “K Chittilappilly foundation” (KCF) founded by him undertakes public charitable activities in India without any discrimination as to religion, caste, creed or gender. The Foundation’s key focus is in the areas of healthcare, education and development of social infrastructure.

He has been bestowed with numerous awards for exemplary performance in business. Noteworthy among them are “Samman Pathra Award” for top income tax payer from the Honorable Union Minister of State for Finance, “Business Man of the Millennium 2000” from Rashtra Deepika and “Tourism Man of the year” from “Destination Kerala”. He was awarded the Kerala Sree by the Government of Kerala. Further, he was also honored by Forbes magazine by listing him in the Asia’s 2018 Heroes of Philanthropy.



Ms. Radha Unni
Chairperson and Independent Director

Ms. Radha Unni is an Associate at Indian Institute of Banking & Finance having more than 36 years of experience in banking sector. During her tenure in the Bank, she was predominantly involved in credit and project appraisal of small, medium and large projects. She had held various positions at the State Bank of India, including deputation to SBI Capital Markets overseeing public issues, debt placements, project appraisal etc. She retired as the Chief General Manager, State Bank of India, Kerala Circle. In the past, she held directorships at The Western India Plywoods Limited, Royal Sundaram General Insurance Co. Limited, Wil Car Wheels Limited, Axles India Limited, Nitta Gelatin India Limited and The South Indian Bank Limited.

She joined the Company as an Independent Director in September 2018 and assumed the office of Chairperson from July 2024. She is the chairperson of Stakeholders’ Relationship and Risk & ESG Committees of the Board. She is also the member of Audit Committee and Nomination and Remuneration Committee of the Board.

M M C C

Audit Committee	●	CSR Committee	●	Nomination & Remuneration Committee	●
Stakeholders Relationship Committee	●	Risk & ESG Committee	●	Chairperson C	Member M



Mr. Mithun K Chittilappilly
Managing Director

M M M M

Mr. Mithun K Chittilappilly is a postgraduate in Management from University of Melbourne, Australia. After completing his graduation in Commerce, he worked with MNCs viz., Deloitte and Hewlett Packard. He joined the Company as Director in April 2003. In January 2005, he took a break from work to pursue his post-graduation in Management from University of Melbourne, Australia.

After graduating in May 2006, he re-joined the Company as Director and later became the Managing Director of the Company in April 2012. He has been actively involved in the overall management of the operations of the Company and implementing appropriate systems and processes for bringing in improvement in each of the functions of the Company. Under his leadership, the Company was able to achieve remarkable growth in non-South markets and was able to roll out various new products to the portfolio. He played a critical role in the company’s unveiling of a new brand identity and logo, leading its transformation into a technology-driven organization offering smart products.

He also holds the position of Managing Director in V-Guard Consumer Products Limited, a wholly owned subsidiary and holds Directorship on the Board of Sunflame Enterprises Private Limited, a wholly owned subsidiary & V-Guard Foundation, a Section 8 company, the principal arm for implementing V-Guard’s CSR programmes/ projects.

He is the member of Audit Committee, CSR Committee, Stakeholders’ Relationship Committee, Risk & ESG Committee & Investment Committees of the Board.



Mr. George Muthoot Jacob
Independent Director

M M M M

Mr. George Muthoot Jacob holds Masters degree in Law from the University of Warwick, UK and has completed Masters in Management from CASS Business School, London.

Currently he holds the position of Deputy Managing Director of Muthoot Finance Limited. He is also on the Board of various companies of Muthoot Group such as Belstar Microfinance Limited, Muthoot Securities Ltd., Muthoot Money. Ltd., among others. He is also serves as an Independent Director in the Board of OEN India Limited and Sunflame Enterprises Private Limited, wholly-owned subsidiary of the Company. He has expertise in the areas of General Management, Marketing, Legal, Finance, Risk Management etc.

He joined the Company as Independent Director in October 2020. He is the member of Audit Committee, CSR Committee, Stakeholders’ Relationship Committee and Risk & ESG Committee of the Board.



Prof. Biju Varkkey
Independent Director

M C M

Prof. Biju Varkkey holds Master’s Degree in Human Resource Management from Mahatma Gandhi University, Kerala and Fellow Title in Management from NIBM, Pune. He is a senior academic in the field of Human Resource Management and has been a full-time faculty member at the Indian Institute of Management, Ahmedabad, since July 2000. He has extensive experience in research, consulting, training and policy advisory assignments with national and international institutions, and various bodies of the Government of India. He has also worked on consulting assignments with the ‘Rajya Sabha’ for administrative review of secretariat cadre in the light of recommendations of the committee for review of the Constitution. He is an Independent Director of ESAF Small Finance Bank Ltd.

He joined the Company as Independent Director in May 2021. He is the Chairperson of Nomination & Remuneration Committee and member of Stakeholder’s Relationship Committee, CSR Committee and Investment Committee of the Board.



Mr. Ishwar Subramanian

Independent Director



Mr. Ishwar Subramanian is a member of The Institute of Chartered Accountants of India (ICAI) and had secured national Rank under the Examination conducted by ICAI. He has also attended Executive programs in Stanford University, Harvard university and Oxford university. He is a Technology Entrepreneur, Co-founder and Executive Chairperson of then India's largest B2B marketplace for construction materials (M Supply). He has more than 4 decades of experience as a CEO of MNC, Private Equity Investor, Technology Entrepreneur, Consultant, Board Member, Advisor and Angel Investor. He is a Private Equity Investor, Co- founder, Executive Chairperson and GP of Forum Synergies (India Focused Private Equity Fund). Currently, he holds the position of Director in Sheenlac Noroo Coatings India Private Limited, Sheenlac Paints Limited, Forum Synergies (India) Pe Fund Managers Private Limited, etc. Further, he is also the Co-founder of Tresa Motors Pvt Ltd., a Company engaged in the manufacture of electric trucks and Machani Robotics Inc, a company in the business of making humanoid robots.

He joined the Company as Independent Director in May 2023. He is the Chairperson of Audit Committee and Investment Committee and member of Nomination & Remuneration Committee of the Board.



Mr. Ramachandran V

Director & Chief Operating Officer



Mr. Ramachandran V, a leading management professional with over 30 years of cross functional experience across blue chip companies like HUL and LG Electronics, has been appointed as a whole time Director under the designation of Director, Marketing & Strategy of the company in June 2013 and has been re-designated as Director & Chief Operating Officer since June 2016.

His primary mandate entails building and enhancing business competitiveness and capabilities required to secure future market position by putting together a strategic framework for the organization. In addition to leading the execution of the corporate strategic initiatives and developing new growth platforms and business development, his mandate includes developing long-term business plans with supporting infrastructure development roadmap.

Mr. Ramachandran V's strategic foresight and pioneering vision has led to several transformational processes being rolled out across various functions including Marketing, Customer Service, Supply Chain Management, Manufacturing Excellence, Research & Development apart from others, to build a future ready organization. He also serves as a Director on the Boards of V-Guard Consumer Products Limited, GUTS Electro-Mech Limited, and Sunflame Enterprises Private Limited — all wholly owned subsidiaries — as well as V-Guard Foundation, a Section 8 company and the principal arm for implementing V-Guard's CSR programmes/projects. He is the member of Risk & ESG and Investment Committees of the Board.



Mr. Antony Sebastian K

Executive Director



Mr. Antony Sebastian K is a leading Management professional having over 40 years of cross functional experience in V-Guard. He joined the Company in the year 1985 and worked in various capacities during his extensive tenure. He holds EMBA in Materials Management, Management Diploma in Electronics Engineering and Diploma in Production Management. He has also attended Quality Management Program in Osaka, Japan and underwent Executive Education Program in IIM, Bangalore. He was instrumental in the development of Supply chain function in the Company and is currently heading the same. He has vast work experience in the fields of Sales and Service, Production Management and Quality Control. He has led many transformational projects in the Company for process improvement.

He was inducted to the Board in Executive Category in May 2023. He is the Chairperson of the CSR Committee of the Board.



Dr. Reena Philip

Non-Executive Non- Independent Director



Dr. Reena Philip is a dental surgeon turned entrepreneur and an emerging changemaker in the CSR and wellness sector. In the year 2010 she began her professional career as a lecturer at a dental college, where she spent two years in academia. She began her entrepreneurial journey in Dental and Permanent Cosmetics industry around a decade ago. Dr. Reena has voluntarily participated in the charity activities of V-Guard Foundation, a Section 8 company and the principal arm for implementing V-Guard's CSR programmes/projects. Currently she holds Directorship in V-Guard Foundation. She has exposure in business management and CSR related activities. Dr. Reena has been recognized with the Business Excellency Award in Cosmetology and Dental Care in 2020 and named Best Young Woman Entrepreneur in 2019, affirming her success in the professional domain.

Dr. Reena Philip has been actively involved in community programmes relating to healthcare, education, skill development, women empowerment and environmental sustainability, aimed at creating lasting positive impact. Her social work focuses mainly on supporting underprivileged women, children and elderly persons.

She joined the Company as Non-Executive Non-Independent Director in January 2026. She is member of Nomination & Remuneration Committee and CSR Committee of the Board.



Ms. Usha Sunny

Independent Director



Ms. Usha Sunny is a qualified Cost Accountant and holds a Master's degree in Commerce from the University of Kerala. She brings over three decades of extensive experience in the banking and financial service sector, with career spanning both Indian and International markets. Throughout her professional journey, she has held senior roles in corporate and investment banking with leading financial institutions, including Standard Chartered Bank, Mashreq Bank PSC, and Indian Overseas Bank.

In the early phase of her career, she headed the Cost Accounting Division at Kerala State Drugs & Pharmaceuticals Limited, a Government of Kerala undertaking. Ms. Usha Sunny currently serves as an Independent Director at Muthoot Finance Limited and as Director at Securaplus Safety Private Limited.

She joined the Company as an Additional Director (Non-Executive Independent) in May 2026. She is member of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Risk & ESG Committee of the Board.

Audit Committee

Stakeholders Relationship Committee

CSR Committee

Risk & ESG Committee

Nomination & Remuneration Committee

Chairperson C

Member M

CORPORATE INFORMATION

Our Corporate Footprint

COMPANY INFO	
Section	Detail
Chief Financial Officer	Mr. Sudarshan Kasturi (Member of Risk & ESG Committee)
Company Secretary & Compliance Officer	Mr. Vikas Kumar Tak
Statutory Auditors	M/s. Price Waterhouse Chartered Accountants LLP
Listed at	National Stock Exchange of India Ltd.; BSE Ltd. 42/962, Vennala High School Road, Vennala, Ernakulam – 682028
Registered Office	Ph No. : +91 484 433 5000 E-mail : mail@vguard.in Website : www.vguard.in
Registrar & Transfer Agent	MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Pvt. Ltd.) Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road Coimbatore – 641028 Phone : 0422-2314792 Email : investor.helpdesk@in.mpms.mufg.com
Subsidiaries	GUTS Electro-Mech Ltd. V-Guard Consumer Products Ltd. Sunflame Enterprises Pvt. Ltd.
Associate Company	Gegadyne Energy Labs Pvt. Ltd.
PLANT LOCATIONS	
Division	Address
Wires & Cable Division	KG Chavadi, Palakkad Main Road, Coimbatore – 641105
Wires & Cable Division	6th KM Stone, Moradabad Road, Khasra No. 86, Village Baseli, Udham Singh Nagar, Kashipur, Uttarakhand – 244713
Pump Division	2/113 E, Karayampalayam Road, Mylampat Post, Coimbatore – 641062
Solar Water Heater Division	KK 12, 13, 14, 15, SIPCOT Industrial Growth Centre, Perundurai, Erode, Coimbatore – 638052
Water Heater Division	Village Bankebad, Near Moginand High School, Nahan Kala Amb Road, Moginand P.O., Tehsil Nahan, Dist – Sirmour, Himachal Pradesh – 173030
Water Heater Division	Rangpo Namchi Road, Mamring, South Sikkim – 737132, Sikkim
Solar Inverter Division	KG Chavadi, Palakkad Main Road, Coimbatore – 641105
Stabilizer Division	Plot No. 2200, Block West Pandam, Duga Laka (Majitar), Gangtok, East Sikkim, Sikkim – 737136
Fan Division	Khasra No. 297, 298, 299, 300 and 301, Vill – Laksarwal Industrial Area, Bhagwanpur, Haridwar, Uttarakhand – 247667
Modular Switches	Plot No. 26, Sector 4, IIE SIDCUL, Haridwar, Uttarakhand – 249403
PLANT LOCATIONS - SUBSIDIARIES	
Subsidiary	Address
GUTS Electro-Mech Limited	163/C & 164/E, IDA, Phase – 11, Cherlapally, Hyderabad – 500051 Plot No. 2, Sector 3A, SIDCUL, Haridwar, Uttarakhand – 249410
V-Guard Consumer Products Limited	Plot No. 1, 2, 27 and 28, Sector – 05, IIE, SIDCUL, Pantnagar, Udham Singh Nagar, Uttarakhand – 263153 Block/Survey No. 129/4, New S. No. 256, Part A, Khata No. 527, Vapi, Morai, Valsad, Gujarat – 396191 Sy No 86 Part, 94 Part and 95 Part, Motheganapur Village, Balanagar Mandal, Mahaboobnagar, Telangana – 50920
Sunflame Enterprises Private Limited	Plot No. – 618 Sector – 69, IMT Industrial Area, Faridabad, Haryana – 121004
BANKERS	HDFC Bank Ltd. ICICI Bank Ltd. Federal Bank Ltd. Yes Bank Ltd. State Bank of India CITI Bank HSBC Bank Kotak Mahindra Bank Ltd.

ETHICS & COMPLIANCE

Purpose Guided by Integrity

At V-Guard, ethical conduct and fair practices are embedded into the organization’s culture and decision-making processes, rather than being confined to policy statements alone. The Company seeks to ensure that integrity, accountability and zero tolerance for unethical behavior are reinforced through governance oversight, internal controls, compliance training and clearly defined reporting and escalation channels. This culture-led approach is underpinned by a robust framework of policies, including the Code of Conduct and Whistleblower Policy, which guide responsible business conduct across the organization.

The Code of Conduct applies to all employees and directors, with violations required to be reported through defined channels. Stakeholders can raise concerns via a protected disclosure to the Ombudsperson (whistle.blower@vguard.in) or, to the Chairperson of the Audit Committee, with assured confidentiality and protection against retaliation.

A secure whistleblower mechanism, enterprise-wide compliance training, ESG-linked compliance mapping, and integration of legal checks into business processes further strengthen oversight and prevention. Supported by strong internal and financial controls, regular audits, and continuous governance oversight, V-Guard ensures effective risk management, regulatory adherence, and consistent ethical conduct across the organization.

V-Guard maintains IT security standards aligned with ISO/IEC 27001:2022. Internal audits of the IT infrastructure and Information Security Management System are conducted periodically, supported by continuous monitoring, regular risk assessments, and external vulnerability assessments and penetration testing to ensure the effectiveness of security controls and compliance requirements. Employee readiness is strengthened via mandatory training, refreshers, and phishing simulations, while a SIEM-driven, CISO-governed incident response process enables real-time detection and mitigation of threats and metrics reviewed monthly by management.

There have been no instances of data breaches, discrimination, harassment, conflicts of interest. For details, please refer BRSR Principle 9.

Policies
V-Guard’s policy framework supports ethical conduct, sound governance, and responsible growth across the organization and our value chain. These policies guide decision-making, translate the Company’s values into everyday practice, promote transparency and accountability, and support long-term value creation while responding to evolving regulatory and stakeholder expectations. The complete set of V-Guard’s policies is available at www.vguard.in

Key Policies

Governance and Board Policies	Code of Conduct and Ethical Practices
◆ Board Diversity Policy	◆ Code of Conduct for Directors & Senior Management of V-Guard Industries Limited
◆ Nomination, Remuneration & Evaluation Policy	◆ Code of Conduct for Employees
◆ Stakeholder Engagement Policy	◆ Supplier Code of Conduct
◆ Risk Management & ESG Charter	◆ Vigil Mechanism / Whistle-Blower Policy
◆ Risk Management Policy	
◆ Dividend Policy	
Insider Trading and Disclosure Policies	Human Rights, Diversity and Workplace Policies
◆ Code of Conduct Insider Trading Policy	◆ Human Rights Policy
◆ Code of Practices and Procedures for Fair Disclosure of UPSI	◆ Diversity, Equity & Inclusion Policy
	◆ Policy on Equal Opportunity & Anti-Discrimination
	◆ Prevention of Sexual Harassment (PoSH) Policy
	◆ Paternity Policy
	◆ Working Mother’s Policy
	◆ Employee travel & safety policy
	◆ Transition Assistance Program / policy
Sustainability and CSR Policies	Information and Data Security
◆ Corporate Social Responsibility Policy	◆ Information Security Policy
◆ Environmental, Occupational Health & Safety Policy	

Sustainability Strategy and Framework

Anchored in its commitment to delivering enduring value, V-Guard’s sustainability strategy is grounded in a clear understanding of the ESG issues most critical to the Organization’s long-term resilience and its **stakeholders**. Guided by insights from its assessment of the operating environment, regulatory developments, enterprise risks, stakeholder expectations, and materiality processes, the strategy establishes a focused and multi-year horizon for embedding sustainability across the business.

Stakeholder Engagement

Stakeholder engagement underpins the Company’s integrated thinking and long-term value creation. Continuous insights from its value chain shape V-Guard’s strategic and operational priorities, strengthening accountability, trust, and alignment with broader economic, environmental, and social expectations.



ENGAGEMENT FRAMEWORK		
Stakeholder Group	Engagement Modes	Capital Linkage
Shareholders & Investors	Annual meetings; Investor presentations; Investor Calls; Press releases; Annual Reports; Intimation to Stock exchanges	Financial; Social & Relationship; Intellectual; Natural
Vendors / Suppliers / Consultants / Agency Partners	Audits; Workshops; Awareness programmes; Consultative engagements	Social & Relationship; Manufactured; Natural
Customers	Surveys; Advertisements; Service centres; Feedback mechanisms; Omnichannel communications; Website	Intellectual; Social & Relationship; Natural
Employees & Workers	Engagement initiatives; Surveys; Performance management systems; Trainings; Mailers; Newsletters; Committee meetings	Human; Intellectual; Social & Relationship
Government & Regulators	Formal dialogue; Representation in trade bodies; Formal communications; Regulatory reporting	Financial; Intellectual; Social & Relationship
Industry Associations	Formal dialogue; Meetings; Written communications	Manufactured; Financial; Natural
Media	Written communications; Interviews; Press releases; Publications; Media Releases	Social & Relationship; Intellectual; Natural
NGOs and communities	Workshops; E-mails; Community events; Partnerships	Social & Relationship



Shareholders & Investors
Expect sustainable returns, strong governance, transparent disclosures, prudent risk management, and long term strategy including ESG integration.



Customers
Value product quality, safety, reliability, innovation, competitive pricing, responsive service, and growing alignment with ESG practices.



Employees & Workers
Prioritize safe working conditions, fair pay, growth opportunities, skill development, DEI, open communication, performance recognition, and organizational stability.

Stakeholder Expectations



Vendors / Suppliers / Consultants / Agency Partners
Seek long-term partnerships, responsible sourcing, fair commercial terms, support on compliance, quality and ESG standards.



Government & Regulators
Focus on adherence to evolving ESG, other regulatory norms, reporting, tax transparency, contribution to national priorities



Industry Associations
Expect collaboration, knowledge sharing, advocacy support, contribution to sector development, and alignment with industry standards and responsible business conduct.



Media
Seek timely and accurate information, responsible corporate behavior, credible sustainability performance, and responsiveness during major developments or crises.

SUSTAINABILITY STRATEGY AND FRAMEWORK

Materiality Assessment

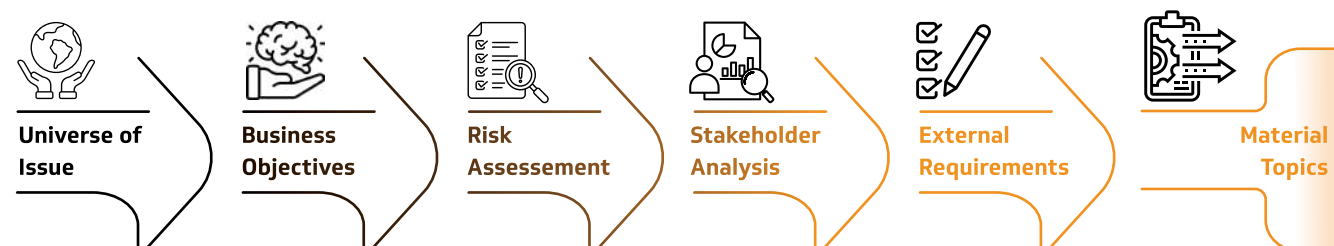
At V-Guard, materiality serves as a strategic lens through which the Company views and sharpens its focus on the ESG issues most critical to its business, stakeholders, and long-term value creation.

In a rapidly evolving consumer and regulatory landscape, materiality assessment guides the Organization's priorities on resilience, brand trust, innovation, and responsible value chain management. A disciplined materiality approach ensures that the Company's sustainability agenda remains closely aligned with business strategy and risk oversight, and that its disclosures reflect the issues that truly drive value.

The Company's comprehensive materiality assessment underpins the material topics presented in this Integrated Report. Conducted using IIRC and GRI-aligned methodologies, it incorporated insights from key internal and external stakeholders to identify priority ESG issues. In line with the Organization's governance processes, the assessment is periodically refreshed to remain responsive to stakeholder expectations and evolving regulatory and market dynamics.

Our Comprehensive Approach

V-Guard's materiality assessment follows a structured and comprehensive process to ensure that the ESG topics prioritized by the Company are strategically relevant, risk-informed, and aligned with stakeholder expectations. The process begins by defining a broad set of ESG issues (universe of issues) drawn from sector standards, peer practices, and emerging sustainability frameworks. These topics are then aligned with the Organization's business objectives and evaluated for their impact on performance, resilience, and long-term value creation. They are also mapped to the Company's enterprise risks to determine their influence on risk elimination, mitigation, and overall preparedness.



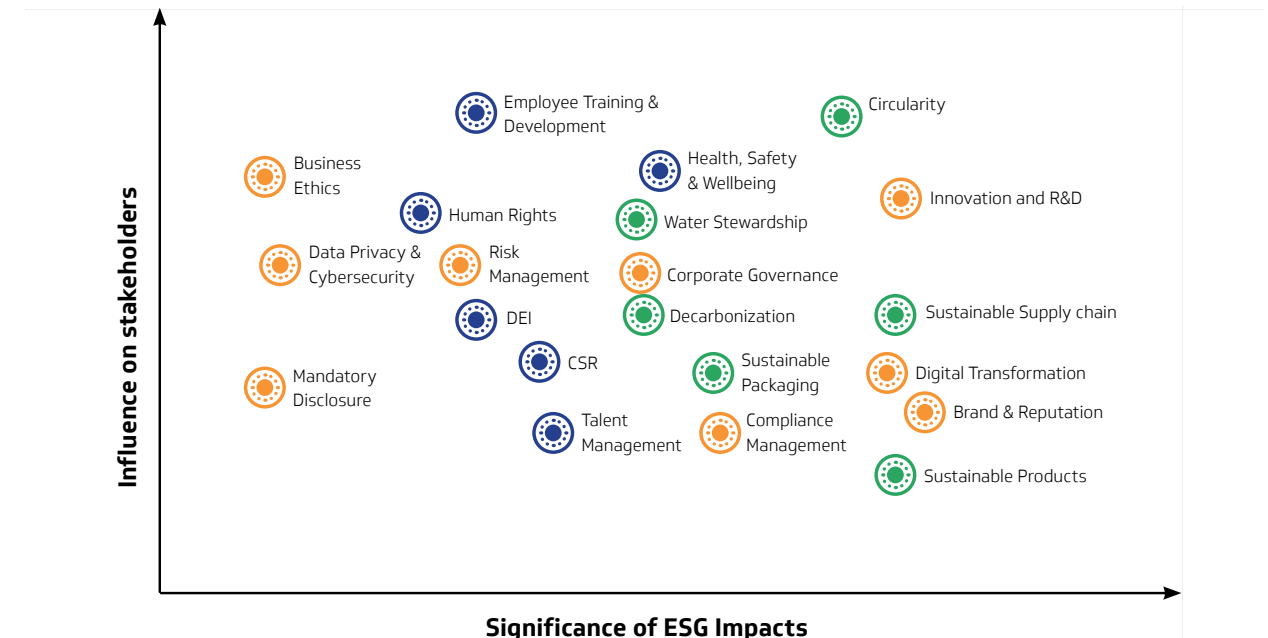
The Company engages a diverse group of internal and external stakeholders, including suppliers, vendors, investors, customers, NGOs, and senior leadership, to validate priorities and bring in wider perspectives. The shortlisted topics are also benchmarked against external requirements such as rating agency criteria and investor needs. This integrated, multi-layered approach enables V-Guard to identify material issues that reflect both business significance and stakeholder relevance, and to embed them effectively into its strategy, governance, and performance management processes.

Prioritized Materiality Matrix

Stakeholder interactions were key to prioritising and identifying material issues based on their significance to stakeholders and their impact on V-Guard's business strategy and risk profile. Stakeholder inputs and assessment findings were reviewed with the Board and Senior Management, whose insights informed the final material topics. This rigorous process resulted in 21 material aspects across key ESG dimensions.

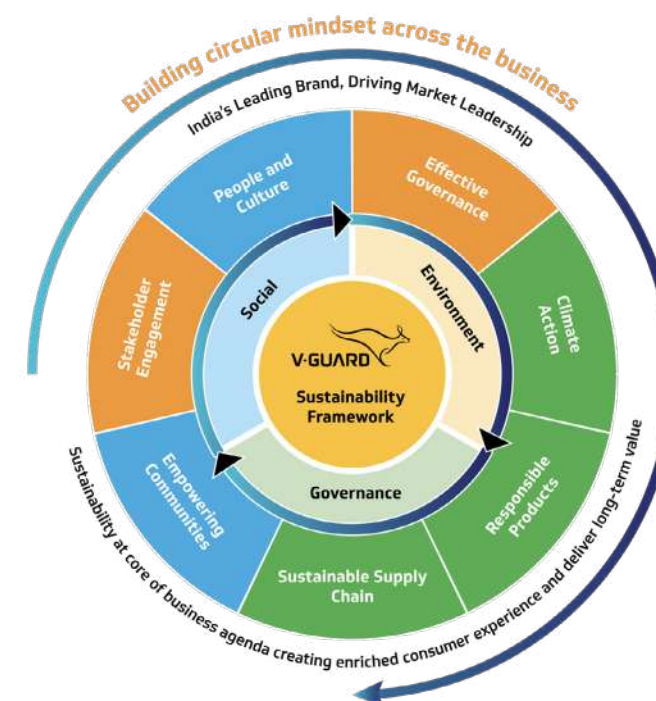
The Company assessed positive and/or negative impacts on external stakeholders resulting from its business operations, products and services, and/or supply chain.

V-Guard is in the process of conducting a double materiality assessment to refresh its material topics. This will enable a comprehensive view of risk and opportunity by considering both the financial impact on the Company and the Company's impact on the business environment.



Sustainability Framework

At the core of the Company's sustainability framework are the 21 material topics, consolidated into seven strategic pillars: Climate Action, Responsible Products, Sustainable Supply Chain, Empowering Communities, People and Culture, Effective Governance, and Stakeholder Engagement. These pillars guide V-Guard's efforts to embed ESG considerations into decision-making, guide policy development, and determine performance priorities across its operations and value chain.



21
Focus Areas

7
Pillars

Each pillar is supported by specific goals, targets and roadmaps designed to drive measurable progress and strengthen accountability. Together, these elements form the Company's Sustainability Strategy 2030, which outlines the outcomes it aims to achieve, and the actions required to advance V-Guard's long-term ambitions.

SUSTAINABILITY STRATEGY AND FRAMEWORK

Sustainability Strategy 2030 Roadmap: Goals & Progress

Environment

Pillar	Material Topic	Long-term Goal
Climate Action	Decarbonization	Enhance renewable energy portfolio
	Water Stewardship	Achieve significant reduction in freshwater withdrawal
	Circularity	Transition towards Zero Waste to landfill (ZWL) operations Enhance % of recycled material used as input material
Supply Chain	Sustainable Supply Chain	Assess all critical suppliers on sustainability aspects
Responsible Products	Sustainable Products	Enhance responsible attributes across the product portfolio
	Sustainable Packaging	Reduce environmental impact by mainstreaming sustainable packaging solutions portfolio-wide

Status FY 2026	UN SDG	Capitals
16% of energy consumption from renewable sources	   	Natural Manufactured
26% reduction in freshwater withdrawal	 	Natural
Pilot ZWL assessments completed 14.5% of raw materials sourced in FY 2026 are recycled	 	Natural
~75% of critical suppliers were assessed	    	Natural Social & Relationship
36% of SKUs have at least one responsible attribute	    	Natural Intellectual
56% sustainable packaging in FY 2026	    	Natural Intellectual

Social

Pillar	Material Topic	Long-term Goal	Status FY 2026	UN SDG	Capitals
People & Culture	Talent Management	To foster an inclusive workplace prioritising employee satisfaction, growth, and sustainable people practices	Employee survey completed, and performance management upgrades underway, strengthening sustainable people practices		Human
	Employee Training and Development	Establish an Industry leading Learning Academy which develops internal talent effectively	Learning strategy introduced, e-learning academy launched for off-roll employees	 	Human
	Diversity Equity and Inclusion	Foster an inclusive workplace that strengthens diversity, ensures equity, and enables equal opportunity and belonging	A Women's Network introduced, and DEI awareness programmes conducted to strengthen inclusion	 	Human
	Human Rights	Uphold human rights across operations and value chain through safe, fair and dignified workplaces	Human Rights assessments conducted for factories & head office	 	Human Social & Relationship
	Health, Safety & Wellbeing	To achieve Zero fatality across workplace	Zero fatality	 	Human
Empowering Communities	Corporate Social Responsibility (CSR)	Improve the life of communities with quality education, accessible healthcare, and sustainable resources for lasting societal and environmental well-being	78,000+ beneficiaries Impacted	     	Social & Relationship



Pillar	Material Topic	Long-term Goal	Status FY 2026	UN SDG	Capitals
Effective Governance	Governance & Business Ethics	Achieve highest levels of governance beyond compliance	Compensation for senior management responsible for ESG outcomes, linked to relevant material topics		Financial Human Social & Relationship
	Risk Management	Achieve transformative stage in the risk maturity ladder	Climate-risk assessments conducted in alignment with TCFD	 	Social & Relationship Natural Financial
	Digital & Cyber Security	Strengthen a secure and resilient digital environment that protects data, systems and stakeholder trust	ISO 27001:2022 certification for Kochi Head Office	  	Intellectual Financial
	Compliance Management	Strengthen a robust compliance management framework that enables proactive adherence to applicable laws, regulations and internal control	Compliance tool enhancements and trainings completed, with milestone based compliance checks in place	  	All capitals
Stakeholder Engagement	Disclosures	Achieve top quartile across ESG Indices	ESG Scores FY 2025: CRISIL – 63 (Strong) SES – 76.2 (Medium Risk) NSE – 69 (Aspiring)	                	All capitals
	Brand & Reputation	Achieve top quartile in stakeholder satisfaction survey	NPS of 92 among customers	 	Social & relationship Financial

SUSTAINABILITY GOVERNANCE FRAMEWORK

The Company has established an effective multi-tier governance model led by the Board of Directors, which guides and oversees the implementation of the Company’s sustainability agenda, including climate-related issues, through the Risk and ESG Committee. Progress on ESG and climate goals are reviewed by the Board/Committee twice a year, ensuring continued oversight on risks and performance. The ESG Steering Committee, comprising cross functional leaders, drives sustainability initiatives supported by unit- and department-level sub-committees.

Each of the seven pillars of the Company’s sustainability framework is led by a member of senior management, with dedicated ESG Champions coordinating the execution of identified initiatives across V-Guard facilities. The Governance Council monitors progress through periodic reviews with ESG Champions across all seven pillars. These reviews help track key performance metrics, identify implementation challenges and enable timely interventions. Periodical reviews chaired by senior leadership, including the Chief Financial Officer, further strengthen accountability, strategic alignment and informed decision-making on investments and process improvements.

The Organization has also implemented a digital tool to monitor energy and water consumption, as well as waste generation and disposal.

Additionally, annual performance goals for relevant management personnel incorporate ESG-linked KRAs, reinforcing accountability and embedding sustainability into strategic decisions.



Performance Snapshot

The six capitals that comprise our value creation framework are pivotal to furthering V-Guard's sustainability ambitions. In the sections that follow, we present the Company's progress on each of these dimensions, highlighting advances we have made in FY 25-26 and the value created for business and our stakeholders.



FINANCIAL CAPITAL



MANUFACTURED CAPITAL



INTELLECTUAL CAPITAL



HUMAN CAPITAL



SOCIAL & RELATIONSHIP CAPITAL



NATURAL CAPITAL



FINANCIAL CAPITAL

Scaling Growth Through Financial Resilience

The Company's robust financial capital is underpinned by disciplined growth, solid profitability, and sound cash flow management. This financial resilience gives the Organization the flexibility to invest in innovation, sustainability, capacity expansion, and new markets, ensuring long-term value creation and sustained stakeholder trust.

Highlights

₹5,966 Cr
Net Revenue

₹527 Cr
EBITDA

₹308 Cr
Profit After Tax

₹459 Cr
Cash Flow from Operations

₹2,373 Cr
Net Worth

16.1%
ROCE

Stakeholders



Shareholders & Investors

Sustainability Pillars



Effective Governance

Cross Linking Capitals



Intellectual



Natural



Human



Manufactured

SDGs Impacted



The Company delivered consistent financial performance during the year, reflecting steady growth, strong earnings, and a resilient balance sheet. Supported by sustained operational efficiencies and cost discipline, V-Guard reported net revenue of ₹5,965.78 crore, with EBITDA of ₹526.76 crore (margin of 8.8%). Profit after tax stood at ₹308.33 crore, translating to a net profit margin of 5.2% and diluted earnings per share of ₹7.01.

The Company's Balance sheet remains very strong with near zero net debt position and a net worth of ₹2,373.05 crores. In April 2026, ICRA upgraded the company's long term credit rating to [ICRA]AA+, while CRISIL reaffirmed the company's short term credit rating of A1+.

ROCE at 16.1% - including the effect of investment in the Sunflame acquisition

- reflects disciplined capital allocation and steady operating performance. Working capital management remains efficient, resulting in robust operating cash flows of ₹458.55 crore. The Company maintains a consistent record of dividend payouts, indicating a well-balanced capital strategy.

Asset Base and Capital Expenditure

The Company's asset base continued to expand, with the gross block at ₹2,009.93 crore, including right-of-use assets, capital work in progress, and intangible assets, reflecting the scale and diversity of V-Guard's operations. Capital expenditure during the year was ₹173.66 crore, which aimed at enabling in-house manufacturing, capacity expansion, new product development and IT investments. V-Guard follows a structured, ongoing transformation approach to improve EBITDA through

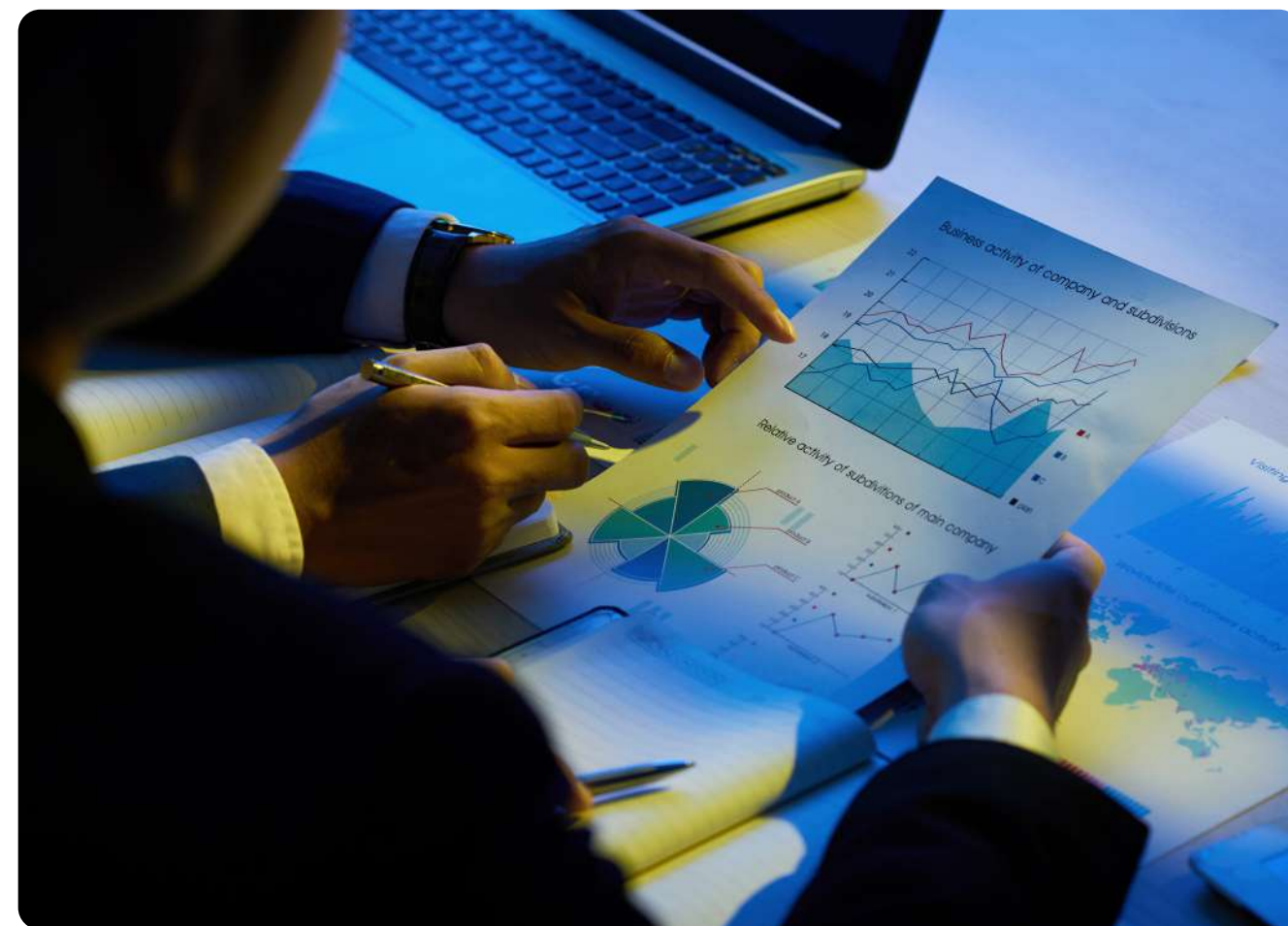
targeted cost and process efficiencies with disciplined execution. The focus spans three core areas:

- **Cost optimization:** Driving value across direct and indirect costs through systematic savings initiatives

- **Network efficiency:** Optimizing inventory norms and warehousing to support efficient operations and growth

- **Supply chain excellence:** Strengthening end-to-end supply chain capabilities with technology enablers for scalability

This approach consistently unlocks cost efficiencies while enhancing planning, warehousing, and overall supply chain effectiveness across the organization.

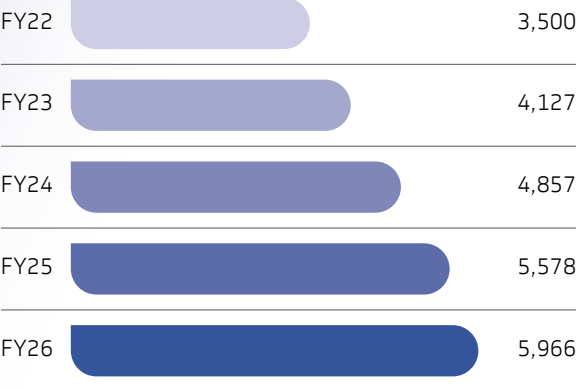


Financial Performance – Trend Analysis

The year reflected consistent revenue growth, improved profitability, and healthy returns on capital employed, underscoring disciplined execution. EBITDA and profit after tax were supported by effective cost control and operational efficiencies. Strong and consistent operating cash flows enabled the Company to fund capital needs, meet obligations, and maintain steady dividend payouts, reinforcing confidence in the sustainability of its earnings.

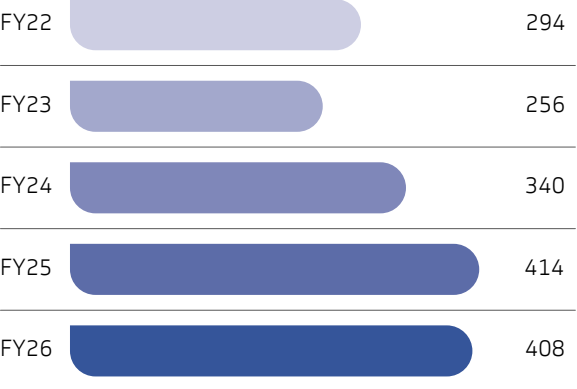
Revenue

(in ₹ Cr)



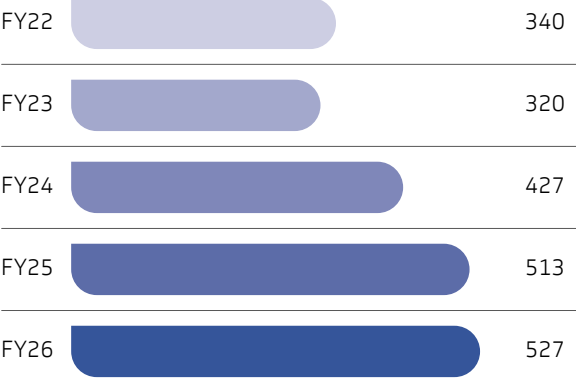
PBT

(in ₹ Cr)



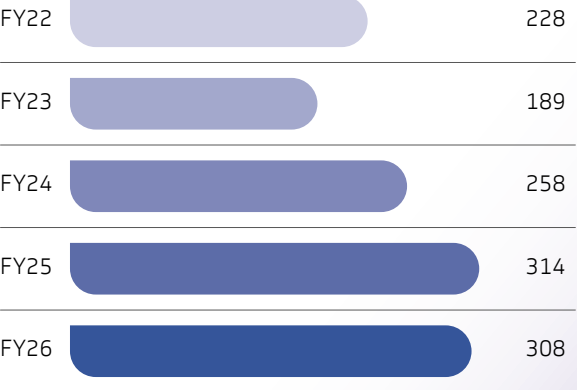
EBITDA

(in ₹ Cr)



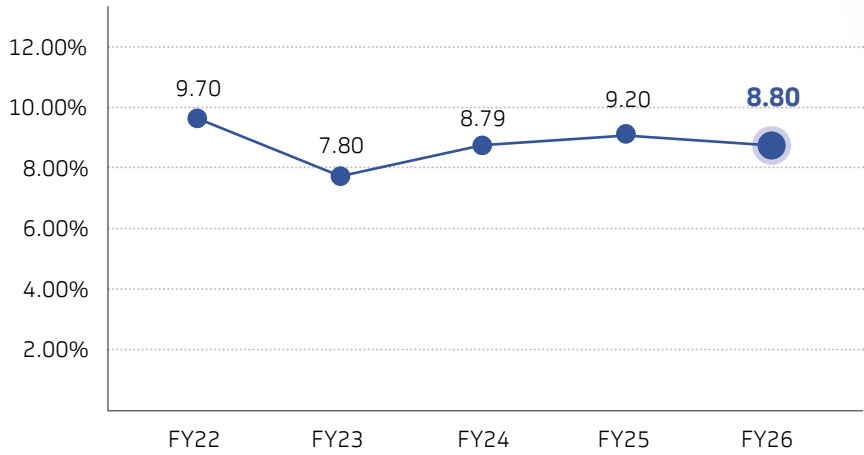
PAT

(in ₹ Cr)



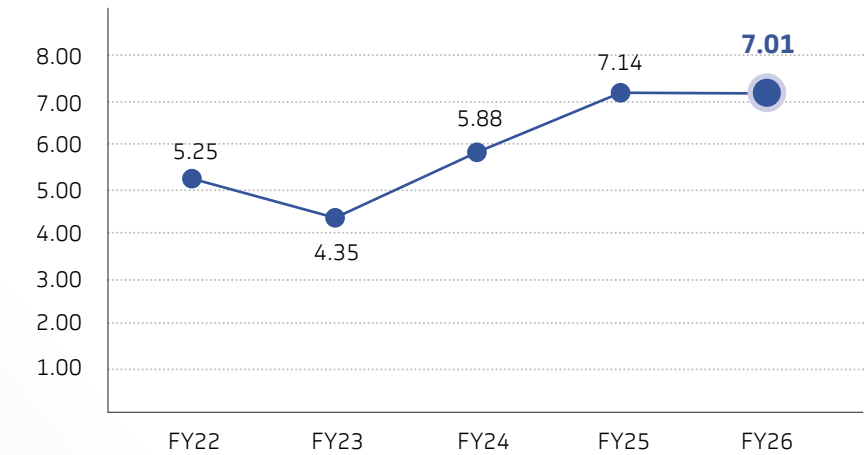
EBITDA Margin

(in %)



EPS

(in ₹)



Value Created

By combining financial discipline with growth-focused capital allocation, the Company continues to strengthen V-Guard’s financial capital, enabling resilient performance today and sustainable value creation for the future.



MANUFACTURED CAPITAL

Building scalable, agile and responsible operations

Manufactured Capital is a critical driver of long-term value creation at V-Guard. It provides the foundation for scalable growth, supports product leadership, and enables the agility needed to respond to an evolving and dynamic market. The Company’s geographically diversified manufacturing footprint strengthens business continuity, improves supply responsiveness, and enhances cost competitiveness, while ensuring consistent quality across product categories.

Highlights

16 Factories
Across India to optimize production

65%
Revenue from in-house production

₹174 Cr
CAPEX

24 Lakhs+
Sq.ft. Warehouse space

12
Sites with ISO 14001 & ISO 45001 Certification

Stakeholders



Shareholders & Investors



Customers



Employees

Sustainability Pillars



People & Culture



Effective Governance



Climate Action



Responsible Products

Cross Linking Capitals



Intellectual



Natural



Human



Financial

SDGs Impacted



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Over the years V-Guard has progressively expanded its in-house manufacturing capabilities, improving its ability to pilot, test and scale new products efficiently reinforcing its competitive advantage in a market where speed, reliability, and differentiation are critical.

Backed by focused investments in capacity expansion, lean manufacturing, automation, digital systems and quality infrastructure, V-Guard continues to build a resilient, high-performance manufacturing network that creates value for the business and its stakeholders.

Capacity aligned to growth and product leadership

V-Guard continues to expand and strengthen its manufacturing footprint

in line with its growth strategy. New facilities for fans in Hyderabad, expansion at the existing battery plant, and the relocation of the Hyderabad switchgear unit to a more modern facility are strengthening our ability to respond to rising demand with greater speed and efficiency.

These expansions also raise the Company’s ability to scale production quickly, support the introduction of new products, and respond to changing market demand with agility. In-house manufacturing enables shorter development-to-launch cycles by allowing products to be piloted, tested and introduced in smaller batches before full-scale rollout. This helps improve both time-to-market and speed-to-market, while also giving the business

the flexibility to validate new offerings in target markets before wider deployment.

V-Guard continues to advance its warehousing and logistics capabilities, optimising inventory across upstream and downstream operations to ensure production readiness and reliable customer fulfilment. Supported by 24 lakh sq. ft. of dedicated warehouse space, streamlined workflows, fleet integration and digital planning systems, the Company delivers enhanced supply chain visibility, operational excellence and consistent on-time performance.

By aligning manufacturing investments with strategic growth priorities, V-Guard is strengthening its ability to increase market share while supporting one of its core ambitions: Product Leadership.



Agile and efficient operations

V-Guard's manufacturing configuration is designed to be lean, agile and responsive. Across plants, focused interventions under the Manufacturing Excellence Framework are helping reduce lead times, improve throughput and enhance operating flexibility.

Manufacturing Excellence Framework (VGMEA 2.0)

VGMEA 2.0 is V Guard's unified Manufacturing Excellence Assessment framework that standardizes expectations across all plants and evaluates both system maturity and performance outcomes. Through structured assessments across core manufacturing and support functions, it enables objective benchmarking between plants, identifies priority improvement areas, and drives a shift from reactive operations to proactive, capability led excellence with strong cross functional ownership.

Plant governance is strengthened through the active engagement of the workforce across levels through a structured DWM approach driven through the VGMEA framework, thereby embedding ownership, accountability and continuous improvement into shop-floor operations. Formalized idea generation platforms, supported by recognition and reward mechanisms, drive employee-led innovation and alignment to organizational priorities. Complemented by value stream mapping, industrial engineering interventions and man-machine capability enhancements through meaningful automation, these efforts are improving productivity, reducing waste and enhancing responsiveness.

Workforce capability in supporting manufacturing agility

Employees are trained in at least three skills each, enabling higher multi-skilling across plants and allowing faster adaptation to changing production requirements. This improves shopfloor flexibility while reducing the productivity impact of product mix changes.

A strong testament to these efforts is V-Guard's recognition with the prestigious IMC Ramkrishna Bajaj National Quality (RBNQ) Performance Excellence Award —one of India's most respected benchmarks for organizational business excellence. The accolade underscores the company's success in building a robust, enterprise-wide manufacturing excellence system that seamlessly integrates lean methodologies, enhanced stable agility, workforce multi-skilling, and a resilient, future-ready supply chain. Together, these capabilities enable V-Guard to consistently drive superior operational performance, quality, and efficiency at scale.



Quality excellence and product reliability

Quality remains central to V-Guard's manufacturing philosophy and customer promise. The company's six-pillared approach ensures quality is driven at every operational level.

V-Guard's FY 2025-26 quality commitment is focused on stronger governance, standardisation, and compliance across product categories. The company launched its Quality

Policy across new factories, integrated Sunflame into the V-Guard Quality Framework, and achieved ISO 9001:2015 QMS certification for VCPL Vapi, EMW Coimbatore and Sunflame. Quality management systems at 15 manufacturing facilities are aligned with ISO 9001 standards, supported by internal audits and structured training for stakeholders, reinforcing a robust approach to ensuring product quality.

During the year the company piloted, robust track-and-trace solution for V-Guard's critical raw materials, enabling end-to-end visibility from supplier to production. This strengthens quality assurance by ensuring traceability of source, batch with defined standards. It also enables faster root cause identification and corrective actions, reducing quality risks and improving overall reliability.



Strengthening Quality Infrastructure

During the year, V-Guard commissioned a new state-of-the-art Reliability Lab in Kochi, equipped with advanced testing systems for comprehensive product assessment. Establishment of stringent in-house reliability testing protocols has reduced product validation timelines by 50%, significantly improving time-to-market without diluting quality expectations.



Exceptional Progress at Sunflame

Sunflame's quality transformation represents a significant step in scaling V-Guard's quality governance, compliance discipline and manufacturing excellence across an expanded product portfolio. Key interventions include the establishment of product validation and reliability testing frameworks, 100% compliance coverage for BIS, BEE, RoHS and EPR, assessment of 180+ vendors, deployment of QAP/PDI processes, commissioning of new quality labs, and implementation of advanced tools such as PFMEA, SPC, MSA, CTQ and process capability studies. The transformation is further reinforced through ISO 9001:2015 certification, SAP QM integration, raw material traceability initiatives and the launch of the "Lakshya Zero Defect" programme to drive defect prevention and sustained quality excellence.

Digitisation and automation for smarter manufacturing

Digitisation and automation continue to be key enablers of V-Guard's operational excellence agenda, helping the Company build a more connected, efficient and resilient operating model. Industrial automation is being driven through a centralized framework led by the corporate Industrial Engineering team, in collaboration with identified automation specialists. Each project is evaluated against defined outcomes such as improved process efficiency, faster operations, reduced manual intervention, better ergonomics and enhanced quality reliability.

Digital tools are also being deployed to improve compliance, governance and decision-making across factories. The contract labor management system supports more effective workforce administration and compliance management, while the upgraded Suraksha 360 EHS platform enables

digital tracking of EHS performance through scorecards, audit follow-ups and action monitoring. A digital platform for plant-level ESG data capturing has also been implemented, improving standardisation and visibility of sustainability performance. In parallel, online energy and water metering systems are being installed to generate actionable insights for better resource efficiency.

Safe, compliant and responsible operations

V-Guard has established a robust Environment, Health and Safety (EHS) infrastructure across manufacturing operations, aligned with regulatory requirements and industry best practices. This reflects the Company's commitment to protecting people, assets and the environment while maintaining operational continuity.

V-Guard's manufacturing excellence is underpinned by best-in-class processes, with a consistent focus on quality, safety and environmental performance. 12 of our factories have been awarded ISO 14001 and ISO 45001 certifications. We intend to expand the coverage to include remaining factories over the coming years. The Company also holds ISO 50001 certification for 2 factories, with plans to expand adoption and further enhance energy management and disclosure practices.

The Company has established a robust EHS framework encompassing systems for fire, electrical, machine and chemical safety, supported by preventive maintenance, risk-based controls and rigorous workplace safety practices. Occupational health and emergency preparedness are reinforced through integrated health centres, first-aid infrastructure and well-defined response



protocols, safeguarding employee well-being across locations.

Environmental management infrastructure, including STPs (sewage treatment plants), ETPs (effluent treatment plants), scrubbers and emission-control systems support the responsible management of emissions and effluents. These measures reflect V-Guard's commitment to regulatory compliance, and safe and sustainable operations, while ensuring that manufacturing growth is supported by responsible resource and risk management practices.

To read more about V-Guard's initiatives within Occupational Health & Safety, and Environment Stewardship, please refer to the Human Capital and Natural Capital sections of this report.

Value Created

Collectively, these initiatives support agile and sustainable operations, strengthen manufacturing resilience, support responsible growth, and enable delivery of high-quality products, thereby creating sustained value for shareholders, customers, employees, and society.





INTELLECTUAL CAPITAL

Driving Innovation- Led, Future-Ready Growth

Intellectual Capital is a key driver of long-term value creation at V-Guard. Its innovation ecosystem enables product differentiation, faster time to market, and sustained customer relevance. Through focused investments in research and development, structured innovation governance, digital enablement, and lifecycle-led design, the Company strengthens product vitality, builds intellectual property, and advances responsible and sustainable innovation across categories.

Highlights

220+

Number of R&D Professionals

15

New patents filed

₹35 Cr

R&D Spent

140+

Products having Ecolabels /
Environmental declarations

550+

New SKUs launched
during the year

40%

Of total revenue from
categories covered
under LCA

1,50,000 Sq. Ft.

Innovation & R&D Centre

27

New smart products
launched

59

Designs filed with
authority

Stakeholders



Value Chain Partners



Customers



Employees

Sustainability Pillars



People & Culture



Effective Governance



Supply Chain



Responsible Products

Cross Linking Capitals



Human



Social &
Relationship



Manufactured



Financial

SDGs Impacted



9



11



12

Strengthening the Innovation Ecosystem

To support structured and scalable innovation, V-Guard is building a dedicated innovation architecture anchored by a Central Innovation Team. This framework integrates consumer insights, technology intelligence, and design thinking into our Technology Roadmap (TRM), enabling sharper and category-relevant innovation. This structured approach enhances speed, consistency, and alignment between innovation investments and market opportunities.

Key focus areas include

Strategic partnerships
with startups,
design institutions,
and technology
collaborators

Integration of
patent intelligence
and technology
landscape analysis
into product
planning

Internal capability
building to enhance
innovation depth
and agility

Cross-functional
innovation workshops
to strengthen
collaboration and
ideation

V-Guard's R&D capabilities and infrastructure are designed for excellence in product reliability testing, supported by best-in-class prototype labs, advanced testing facilities, and state-of-the-art innovation centres to ensure high-quality and reliable product development. The organization's R&D and innovation footprint spans 1,50,000 sq. ft., including the Kochi Innovation Campus, Head Office, and all R&D and innovation centres across India.

Kochi Innovation Campus

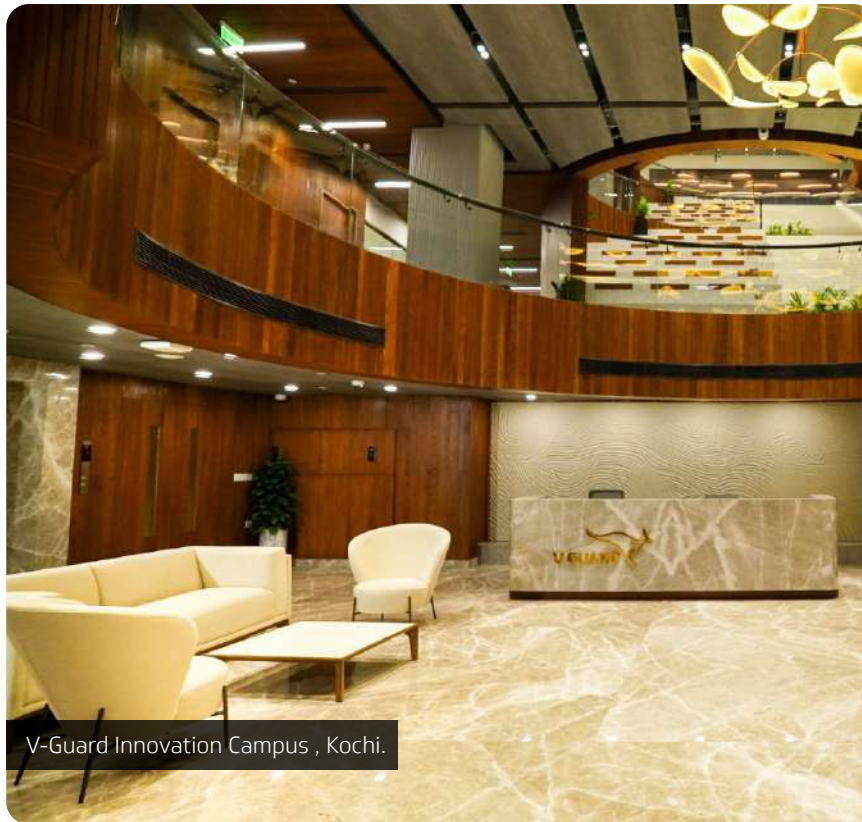
The Kochi Innovation Campus represents a defining investment in V-Guard's future—an institution conceived not merely as a physical space, but as an engine of imagination, engineering excellence and long-term capability building. Located at KINFRA Electronics Manufacturing Cluster, Kochi, and spanning 1.15 lakh sq. ft. across a 3-acre site, the campus brings together advanced R&D, electronics and IoT labs, reliability testing, consumer insights, product design, training and collaborative environments within one integrated ecosystem.

Envisioned as a catalyst for new thinking and an incubator of ideas, the campus is designed to accelerate innovation, compress development cycles, strengthen validation rigor and foster deeper collaboration across functions. Its architecture reflects the same philosophy of thoughtful performance—combining climate-responsive design, flexible workspaces, controlled laboratory zones and a light-filled central atrium that encourages interaction, learning and cross-pollination of ideas.

Built to IGBC Gold standards and underpinned by deliberate integration of technology, talent development and sustainability, the Innovation Campus reflects V-Guard's commitment to develop not only the products of tomorrow, but also the capabilities, culture and confidence required to lead the future.

Eco-friendly products

V-Guard continued to advance its sustainability agenda through solar and eco-friendly product launches focused on energy efficiency, resource conservation and lower environmental impact. During FY25-26, the Company launched various such products, reinforcing its commitment to greener customer solutions.



V-Guard Innovation Campus , Kochi.

New Product Development

A structured 7 stage-gate framework underpins all New Product Development (NPD) initiatives, reinforcing a disciplined and knowledge-led approach to innovation. Each stage culminates in a formal review led by the Project Lead, bringing together cross-functional teams across NPD, R&D, Supply Chain, Design, Quality, Finance and Category Strategy. These reviews enable rigorous evaluation, cross-functional alignment and informed decision-making before progression to subsequent stages.

Advanced technologies and strategic collaborations enable V-Guard to strengthen its product development and manufacturing capabilities. By combining external expertise with strong internal competencies, the Company enhances design efficiency, accelerates time-to-market and drives scalable innovation, while fostering continuous capability building and a knowledge-driven ecosystem.

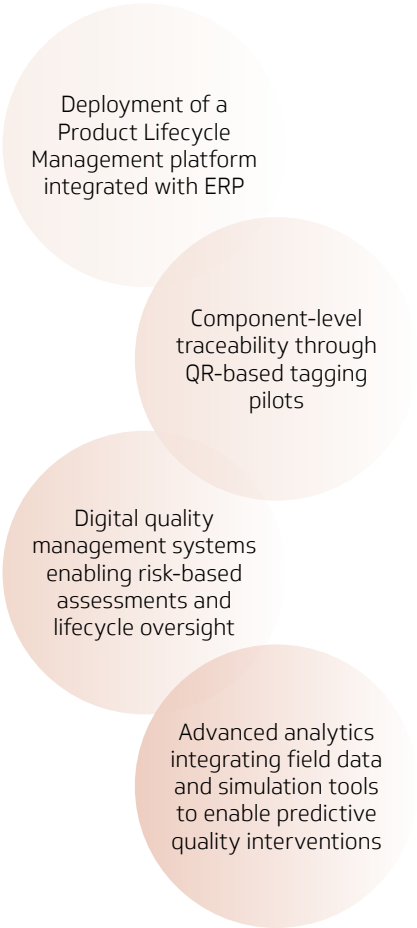
Innovation-forward University Partnerships

V-Guard strengthens its R&D and innovation capabilities through strategic collaborations with leading academic institutions, gaining access to advanced research, specialized expertise, and next-generation engineering insights. Through these partnerships, the company leverages AI/ML-driven fault prognosis to enhance product reliability, enable predictive maintenance, and support data-driven engineering. It also benefits from specialized CFD consultancy to improve design optimisation, thermal performance, and fluid flow engineering across its product portfolio

Digital Enablement & Technology Advancement

Digitalization is embedded across product development and enterprise systems to enhance transparency, traceability, and responsiveness. PLM (Product Lifecycle Management) anchors new product development across categories, integrating data analytics, cross-functional collaboration, and intelligent testing frameworks. Complementing this, R&D leverages a proprietary task management system to streamline execution, enhance accountability, and ensure seamless operational flow.

Key Initiatives include



In addition, investments in data infrastructure, including a centralized Sales Data Lake and business intelligence dashboards, enhance decision-making agility across functions.

The Company is transforming its operating model to enhance agility, efficiency, and cross-functional integration. Through process standardization, digital tools, and stronger governance, V-Guard is improving decision-making and execution, creating a more responsive, future-ready organization.

Responsible Products

Sustainability is increasingly embedded into product design through lifecycle thinking that integrates environmental considerations across design, material selection, manufacturing, packaging, usage, and end-of-life stages.

The Responsible Attribute framework defines measurable benchmarks across five dimensions:



Design

Prioritizing energy efficiency and minimal environmental impact

Raw Materials

Promoting resource efficiency and recyclability

Manufacturing

Ensuring high environmental and social standards for factories

Packaging

Supporting plastic-free and circular solutions Non pollutants (A-F)

People

Driving positive impact for employees, partners, and communities

Green Pro Certification

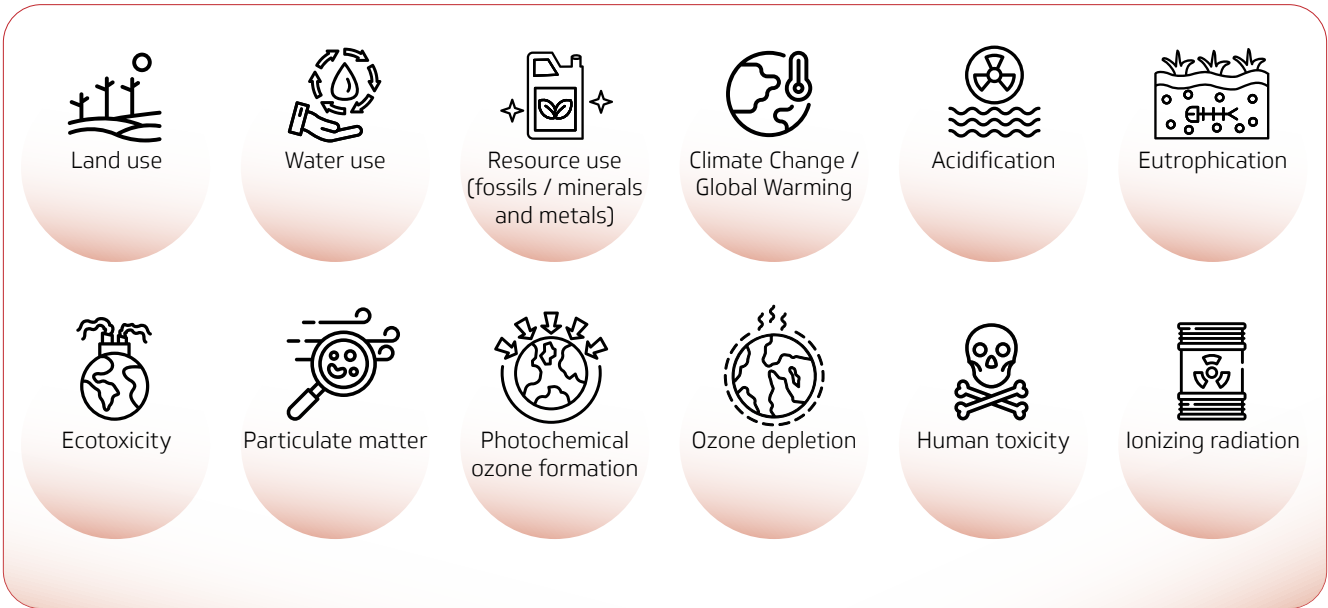
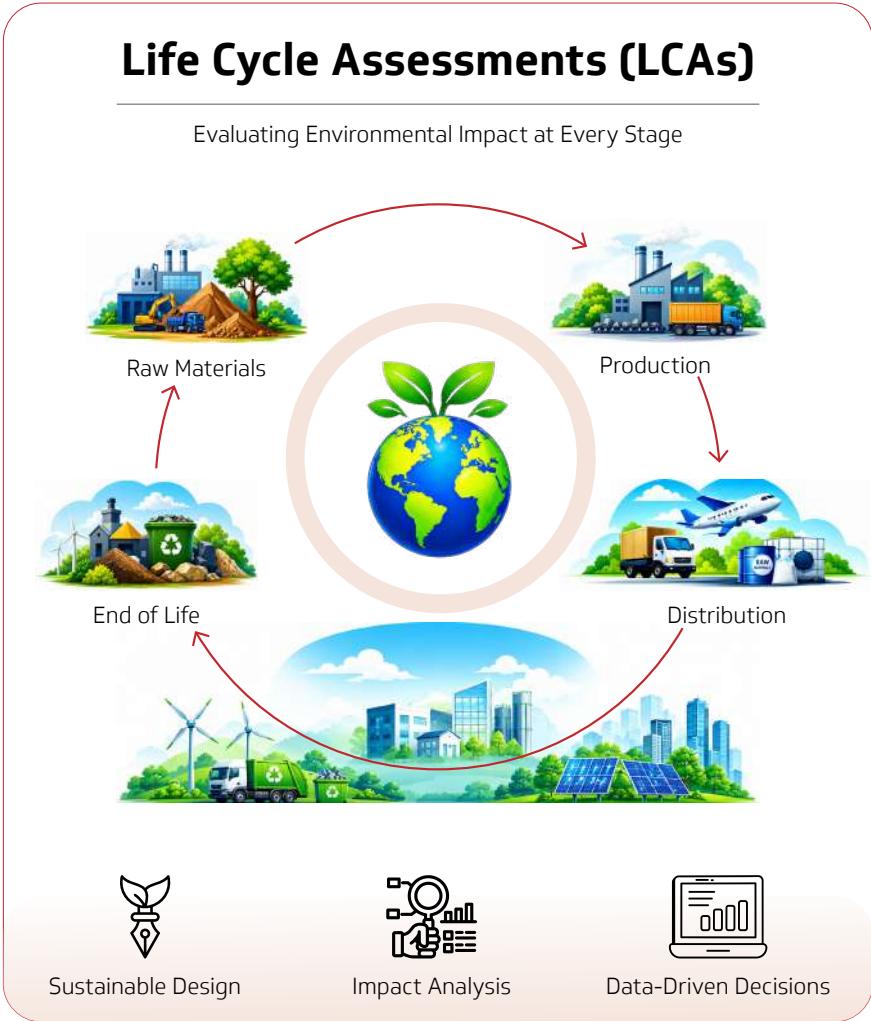
The GreenPro Certification in January 2026 for Arizo Plus and Superio Plus cables manufacturing at the Chavadi facility reinforces V-Guard's emphasis on sustainable product innovation. This milestone marks a significant industry first, with V-Guard becoming the first in India in the HFFR (Halogen Free Flame Retardant) wires category to receive this certification.



To strengthen responsible packaging, V-Guard has introduced a Sustainable Packaging Scorecard. ~ 56% of packaging that we currently use is non-polluting, with initiatives underway to transition the remaining portfolio across SKUs. A 2030 roadmap with defined milestones guides the Company's ongoing packaging improvements.

Life Cycle Assessments (LCAs)

Life Cycle Assessments (LCAs) have been conducted for select SKUs of our 2 largest categories i.e Stabilizers and Wires, identifying environmental impact hotspots and enable lifecycle improvements. These assessments were undertaken with a cradle to gate boundary and are now being expanded to cradle to grave. The assessments cover around 12 broader environmental impact categories and reflect the Company’s commitment towards developing environmentally responsible, low carbon products.



Building on this foundation, in the upcoming years we intend to cover all product categories with a cradle to gate boundary. This expansion reflects a structured approach to embedding sustainability considerations into product design and development, while also enhancing internal knowledge, analytical capabilities, and data-driven decision-making.

Further, V Guard is committed to reducing and, where required by RoHS and applicable regulations, phasing out restricted hazardous substances in products within prescribed timelines.

Value Created

Through disciplined investment in research, technology, digital capabilities, and sustainable product design, V-Guard’s Intellectual Capital strengthens differentiation, enhances product vitality, accelerates innovation cycles, and supports responsible growth. These capabilities reinforce V-Guard’s competitive positioning while creating long-term value for customers, partners, employees, and shareholders.



HUMAN CAPITAL

Strengthening Capability, Enabling Growth

Our people remain central to driving business growth, operational excellence and innovation across the organization. V-Guard is committed to fostering a workplace that promotes collaboration, continuous learning and professional development, enabling individuals and teams to perform at their best.

Highlights

Employee Count:

11,500+
(On-roll and off-roll)

24%

Gender Diversity

~4.45 Lakhs

Total manhours investment in employee development and capability building

ZERO

Fatalities

14.7%

Employee Turnover

Stakeholders



Employees and workers

Sustainability Pillars



People & Culture

Cross Linking Capitals



Intellectual



Social & Relationship



Manufactured



Financial

SDGs Impacted



During the year, the Company continued to invest in leadership development, capability building, employee engagement and workplace transformation initiatives. Together, these efforts strengthened organizational culture, enhanced the employee experience and supported the development of a future-ready talent pipeline aligned with evolving business requirements.

Workforce

The Company's workforce comprises about 3500 on-roll and about 8000 off-roll employees, representing a balanced mix of technical expertise, operational capability and leadership depth. With median employee age of 37 years, the organization benefits from a combination of institutional knowledge and fresh perspectives. To build a coherent and future-ready talent ecosystem, V-Guard has introduced a comprehensive people transformation programme focused on enhancing capability, agility, digital enablement and overall employee experience. Designed as an integrated framework, the programme aligns business strategy with workforce structure, talent development, rewards and employee experience to support sustainable performance and long-term growth.

The programme is anchored in four key dimensions. **Strategic HR**

Architecture focuses on evolving the HR operating model into a stronger business-partnering framework that aligns talent, organizational design and capability with strategic priorities, thereby strengthening alignment, scalability and accountability. **The Talent Capabilities & Development Framework** supports capability building through critical role identification, succession planning, competency frameworks and clearly defined career paths. **The Workforce Effectiveness**

& Total Rewards Framework is designed to enhance performance and retention through workforce planning, role clarity and competitive rewards. The **HR Process Revamp & Employee Experience** agenda seeks to create a more digital and employee-centric HR environment through process redesign, Darwin-box enablement and analytics-led improvements that support more seamless and consistent employee experiences.



Project TATVA

Project Tatva was launched to establish a unified culture code that aligns the organization around shared values, a common purpose and consistent ways of working across the organization. As part of this initiative, the Mission, Vision and Values (MVV) were revisited, resulting in a refreshed vision statement, a newly articulated mission and a clearly defined value framework, formally unveiled by the leadership team. The rollout is being supported by structured engagement initiatives aimed at encouraging dialogue, reflection and ownership of these values across the organization.



Employee Engagement & Well-Being

Employee engagement and well-being are reinforced through a range of culturally driven and strategically aligned initiatives implemented across functions and locations. Regular

programmes are conducted to promote preventive healthcare and healthy lifestyles, contributing to workforce well-being and aligning with broader stress management and mental health best practices. Engagement is further strengthened through recognition platforms, employee-connect initiatives,

cultural and sports events, and participation in industry forums such as AIMA, KMA and CII, which support continuous learning, external exposure and collaboration. Collectively, these initiatives help foster a positive, engaged and high-performing work culture.



Vigyan Leadership Session



V-Guard Toastmasters Club



Spice Coast Marathon 2025



Foundation Day Celebration



Cultural Festival Celebrations



Sports Tournament



Foundation Day Celebration



Cultural Festival Celebrations



Sports Tournament



Women's Day Celebration



Women's Day Celebration



Women's Day Celebration

The employee experience is designed around the principles of inclusion and equity across the entire employee lifecycle, from onboarding to exit. The Company has several employee-friendly policies that reinforce its commitment to inclusion and well-being. Engagement is also supported through a structured feedback framework comprising organization-wide surveys, touchpoints for new joiners, focus group discussions and regular interactions with functional leaders.

Learning and Capability Development

At V-Guard, learning is viewed not as a support activity but as a strategic investment. Through a blended approach spanning classroom, on-the-job and digital formats, the organization is strengthening role readiness, leadership capability and functional excellence at scale. In FY 2026, participants were trained across more than 11,800 sessions, contributing over 4,44,600 manhours of learning and capability development.

Business Impact through Focused Learning Intervention



AI Skill-Building

Technology readiness for the future of work



DEI Understanding

Promoting inclusion through consistent actions that foster respect and a sense of belonging



Thriving Future

Innovation + belonging = sustainable success



The organization made significant progress in structured capability building through an enterprise-wide learning strategy. Role- and function-specific programmes were implemented across key workforce segments, including Sales & Marketing, Customer Service/ ASP Technicians, Manufacturing and R&D. These interventions included competency-linked sales and promoter capability building, large-scale technician upskilling enabled through multilingual digital learning, future-ready manufacturing programmes such as Industry 4.0 and Advanced Pneumatics, safety training, and advanced technical and behavioral capability development for R&D teams. In addition, a dedicated Manufacturing Learning Plan was implemented during the year to further strengthen manufacturing capability. Leadership readiness within specialized functions was also reinforced through an R&D capability programme focused on leadership-adjacent skills such

as Influencing Without Authority, Accountability and Stakeholder Management, enabling technically strong professionals to transition more effectively into leadership roles.

V-Guard Leadership Acceleration Program (V-LEAP)

V-LEAP is an ongoing structured management trainee programme designed to attract high-potential talent from leading B-schools and build a strong pipeline of future leaders. The programme combines cross-functional rotations, mentoring by senior leaders and structured development plans to accelerate capability building and leadership readiness.

Leadership Pipeline and Performance Enablement

V-Guard is strengthening its leadership pipeline organization wide through a structured three-tier architecture comprising the Young Leader Development Programme (YLDP), Emerging Leader Development Programme (ELDP) and Senior Leader Development Programme (SLDP). Together, these programmes provide a progressive framework for leadership development across career stages and support the creation of a stronger internal pipeline aligned with the Company’s growth ambitions. A key initiative during the year was the introduction of the Product-In-Charge (PIC) Development Journey which aims at grooming frontline sales executives to take on potential managerial roles.

Diversity, Inclusion and Human Rights

V-Guard remains committed to fostering an inclusive, safe and equitable workplace, underpinned by a robust governance framework and a refreshed DEI policy. The Company remained fully compliant with applicable human rights, supported by the human rights policy, 100% compliance training completion, and effective grievance mechanisms, with zero discrimination complaints reported during the year.

The Company implemented a company-wide human rights due diligence process,

completing assessments across all manufacturing sites and the Head Office in line with OECD-aligned risk identification and mitigation principles. The framework covers key risks such as discrimination, forced and child labor, and freedom of association, focusing on employees, women, and third-party workers. This commitment extends to the value chain through a Human Rights Values Champions initiative. Together, these efforts help ensure that the Company’s approach to diversity, inclusion and human rights is embedded internally and progressively extended across its broader ecosystem.

Health and Safety

Health, safety and well-being are embedded into operations through robust Occupational Health and Safety Management Systems, ISO 45001 certifications across 12 manufacturing facilities and proactive safety governance. A layered EHS governance framework ensures effective oversight and accountability, led by a Corporate EHS Steering Committee supported by focused sub-committees. These committees oversee standards and procedures, safety observations, training and capability, incident investigation, contractor safety, and environmental domains such as energy, water, air and waste management.

EHS Policy

- Management Commitment
- Clear Definition
- Safety Pledge
- Organizational Alignment

Process and Systems

- Awareness Building
- EHS Protocols
- Standards and Procedures
- Integrated Management System
- ISO 14001:2015 &ISO45001:2018

Behavioral Safety

- Management Safety Representatives
- One Day Safety Officers (Workmen)
- Senior Management EHS Audit
- External Audits
- EHS Leading and Lagging Indicators
- Contractor Safety and Work Permits

Cultural Sustenance

- Rigorous Monthly Reviews with COO & MD
- EHS Committee
- EHS Performance scoring (Leading & Lagging)
- Suraksha 360° Portal for real time Dashboard
- Green Energy and Rainwater Harvesting
- Mitigating Risks, Compliance Tracker
- MR forum
- EHS Governance framework

Sustainability Champion Model

Execution

Direction

Results

Continuous Improvement Challenger Model

Strategy and Commitment

Culture and Wellness

Responsible Workplace

Environment and Ecology

EHS Maturity Beginner Model

Safety Management

Process Safety

Equipment Safety

Behavioral Safety

Occupational Health

Environment

Compliance

The Suraksha 360 platform strengthens digital incident tracking, risk assessment and preventive action, while the launch of the EHS mascot, SURAKSHA VEER, was aimed at reinforcing a culture of workplace safety by improving recall of safe practices and promoting shared responsibility. During the year, the Company recorded zero fatalities, underscoring the strength of its safety systems and culture. V-Guard also achieved 100% Occupational Health and Safety training coverage for all contract workers and management personnel.

Value Created

Through focused investment in people, leadership, learning and well-being, V-Guard’s Human Capital strategy enhances organizational capability, strengthens engagement and productivity, and reinforces business resilience. This, in turn, provides a stronger foundation for disciplined execution, organizational agility and sustained long-term value creation for employees, customers and shareholders.

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SOCIAL & RELATIONSHIP CAPITAL

Strengthening Trust, Partnerships, and Shared Value

Social and Relationship Capital is integral to V-Guard’s approach to sustainable value creation. Enduring relationships with customers, value chain partners, and communities strengthen responsible growth and business credibility. Through structured stakeholder engagement, responsible supply chain practices, brand management, and community investments, the Company builds long-term relational equity and create social impact while advancing shared value creation.

Highlights

~ ₹7 Cr
CSR spend

78,000+
Beneficiaries impacted

75% +
Critical vendors assessed for ESG analysis

₹156 Cr
Investment in brand building

NPS 92
Dealer Survey

Stakeholders



Customers



Value Chain Partners



Communities

Sustainability Pillars



Empowering Communities



Stakeholder Engagement



Supply Chain

Cross Linking Capitals



Natural



Human



Financial

SDGs Impacted



1 NO POVERTY



2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholder Engagement and Trust Building

Enduring stakeholder trust is fundamental to V-Guard’s resilience and sustainable growth. The Organization recognizes that transparent, inclusive engagement is critical not just for responsible governance and sustained performance, but for driving purposeful innovation that underpins the business.

Guided by V-Guard’s Stakeholder Engagement Policy, a structured framework has been established to interact with key partners across the value chain, ensuring cultural appropriateness and strict compliance with disclosure requirements. During FY 2026, the Company maintained active dialogue with a diverse network of stakeholders, including shareholders, suppliers, customers, employees, regulatory bodies, and the media.

To systematically align these interactions with the broader business goals, V-Guard’s engagement framework operates across three interconnected dimensions:

Stakeholder Group

Identifying and prioritising key voices.

Engagement Mode

Utilising tailored platforms for engagements, from investor interactions and formal consultations to vendor audits, employee connects, and consumer feedback channels.

Capital Linkage:

Connecting insights directly to the six capitals that underpin the business



Financial



Manufactured



Intellectual



Human



Social & Relationship



Natural

By institutionalising this process, the Company transforms routine interactions into actionable insights. This ensures stakeholder perspectives are deeply embedded into the business planning, helping V-Guard anticipate market shifts, strengthen accountability, and deliver sustainable value to all.

Stakeholder engagement mechanisms also serve to strengthen trust, reinforce accountability, and enable timely responsiveness, supporting the Company’s aspiration to rank among the top quartile in stakeholder satisfaction and leading ESG indices by 2030.

Embedding Sustainability into a Resilient Supply Chain

V-Guard continues to strengthen the resilience, responsiveness and sustainability of its supply chain by embedding responsible practices across its operating model. Structural initiatives — including the expansion of warehousing capabilities, improved inventory and space optimisation, and the integration of Sunflame into standardized operating frameworks — are enhancing business continuity, reducing dependency risks and improving the Company’s ability to respond effectively to an uncertain global environment.



Digitally Enabled, Responsible Planning

Digital-led planning frameworks, including re-engineered S&OP and Profit S&OP, are enabling more efficient resource utilization, better demand-supply alignment, and reduced operational inefficiencies—supporting both business resilience and responsible resource management.

Responsible and Transparent Ecosystem

Sustainability is integrated into supplier management through a structured Supplier Code of Conduct, ESG-based assessments, and a risk-based prioritization approach. This is governed through the Company's broader ESG governance framework, with oversight from the Board of Directors through the Risk and ESG Committee.

The Company identified critical suppliers based on their business significance, considering factors such as revenue exposure, operational impact, and category or commodity-specific risks, including dependency on critical materials, reliance on single-source suppliers, and potential supply continuity challenges. These suppliers are being assessed through vendor self-assessments and supporting document reviews.

The Company continues to advance sustainable sourcing through:

Backward traceability,

strengthening transparency across the value chain

Green logistics initiatives,

Including usage of EVs for local deliveries

Localization, diversification, and low-cost country sourcing,

enhancing resilience while optimizing environmental and social impact

Supported by cross-functional quality oversight and supplier capability-building initiatives, these efforts foster a culture of accountability, improve supplier performance, and build a trusted, transparent, and sustainable supply ecosystem.

Customers, Brand, and Market Engagement

Brand equity remains a core pillar of V-Guard's Social and Relationship Capital. The Company continues to strengthen brand relevance and trust through a data-led, multi-channel engagement strategy spanning traditional media, digital platforms and retail touchpoints.



Building on this foundation, V-Guard actively enhances engagement with customers, channel partners, investors and other stakeholders through responsive service, expanding digital access and a strong distribution ecosystem. The Company resolved ~87% of customer calls within 24 hours, reflecting its focus on timely support and customer satisfaction.

Digital platforms further improved customer convenience, with over 2

million consumers engaging through online service and commerce channels, which continue to contribute meaningfully to revenues. This is complemented by an extensive on-ground network of distributors and retailers, enabling strong market reach and consistent customer access across geographies.

36

Branches across the country

1 Lakh +

Channel partners nationwide

Enhancing Brand Equity

During the year, we strengthened our brand presence through a series of integrated marketing initiatives spanning television, digital platforms, retail, and on-ground engagement. Our communication strategy focused on enhancing consumer relevance by aligning campaigns with key cultural, seasonal, and national moments. Through targeted media planning, contextual storytelling, and category-led communication, we improved visibility across priority product segments and deepened consumer engagement across markets.

Our Marketing Initiatives

Above-The-Line (ATL) Campaigns

Cricket-led Brand Visibility:

We leveraged high-viewership cricketing events—including the Indian Premier League (IPL), India vs Pakistan, India vs Australia, and the Women's World Cup Final—to strengthen nationwide visibility for our seasonal product portfolio and the Luxecube Water Heater range. These associations enabled us to enhance brand awareness and deepen consumer engagement across key markets.



Hum, Tum aur V-Guard:

To capitalize on seasonal demand during the summer months, we launched the Hum, Tum Aur V-Guard campaign, bringing together fans, AC stabilizers, air coolers and inverters under a unified communication platform. The campaign was deployed across Connected TV (CTV), Over-the-Top (OTT) platforms, social media, linear television, and Out-of-Home (OOH) media, enhancing category visibility and strengthening consumer recall across markets.



Influencer and Digital Engagement:

In collaboration with a diverse set of influencers across YouTube and Instagram, we drove awareness for kitchen appliances, fans, wires, and TV stabilizers. Partnerships with regional celebrities, including Wamiqa Gabbi, Priya Bapat, and RJ Praveen, helped deepen regional relevance and expand digital reach.



Bihar Elections Campaign:

We executed a targeted digital campaign supported by high-visibility placements across news platforms on the counting day of elections in Bihar. By aligning with a period of heightened public engagement, the campaign enhanced brand visibility and expanded digital reach.



Festival Marketing:

We continue to leverage contextual storytelling riding on festival fervor across the country. Major highlights include the following:



Durga Puja Campaign:

During the festive season, we launched an AI-enabled digital campaign centred on women's safety. By combining a socially relevant message with immersive digital storytelling, the campaign strengthened audience engagement and reinforced brand connect.



Onam Festive Campaign:

In Kerala, during the Onam season, we rolled out a multi-media campaign to strengthen visibility for our kitchen appliances portfolio. This initiative improved festive visibility and enhanced consumer awareness during a key consumption period.



Out-of-Home (OOH) Advertising:

Our brand's outdoor presence was enhanced through billboard and metro pillar branding across high-footfall locations in our key markets. These initiatives bolstered brand visibility, supported category communication, and improved consumer recall during critical seasonal windows.



Retail Visibility Enhancement:

We continued to strengthen the last mile buying with in-store presence through focused retail branding and Below-the-Line (BTL) initiatives aimed at improving shopper engagement and conversion. These efforts enhanced product displays, strengthened category communication, and elevated the overall retail experience across markets.



AI-enabled Content Creation:

Artificial intelligence was integrated into our content creation processes to improve agility, reduce turnaround times, and enhance execution efficiency. AI-enabled tools supported the development of contextual and scalable communication across campaigns and product categories.



Other Key Initiatives

Sales Enablement and Distribution Strengthening

During the year, we continued to support frontline sales execution across focus categories while improving market alignment across regions. A key milestone was the successful integration of frontline sales teams between V-Guard (VG) and Sunflame (SF), enabling greater coordination and enhanced operational efficiency across markets.

We continue to strengthen our distribution presence across all markets through a clear distribution policy, complemented by enhanced sell-out systems. These were supported by structured loyalty programmes, and focused sales promoter initiatives, driving improved execution and market responsiveness.



Key highlights

- Strengthened frontline execution across focus categories
- Expanded distribution reach in key markets
- Improved operational alignment between VG and SF teams
- Enhanced sell-out effectiveness through system-driven initiatives

Retailer and Channel Engagement

We deepened our engagement with retailers, electricians, and plumbers through targeted loyalty programmes designed to strengthen channel participation and connectivity.

During the year, we piloted with One VG retailer engagement program, alongside continued engagement through channel meets, structured reward programmes and simplified payout processes.

Key highlights

- Strengthened engagement across the retailer and influencer ecosystem
- Increased channel participation through loyalty and reward programmes
- Improved payout efficiency and engagement processes
- Expanded outreach across growth categories and priority markets



Omni-Channel Strategy:

E-commerce & Direct-to-Consumer Channels

E-commerce and direct-to-consumer (D2C) channels continued to strengthen business effectiveness and customer reach during the year, supported by an expanded digital footprint and a sharper focus on service-led differentiation. Improved operational discipline, enhanced fulfilment models, and higher product availability contributed to faster delivery and a more consistent customer experience.

The portfolio saw sustained traction across key categories, reflected in improved market standing and enhanced consumer adoption. This was further supported by a series of targeted initiatives, including the introduction of differentiated offerings, expansion across relevant online platforms, and the continued strengthening of owned digital assets. Together, these efforts enhanced visibility, discoverability, and consumer engagement across channels.

The ecosystem was further strengthened through the introduction of service-led propositions and tighter channel integration, enabling a more

responsive and seamless end-to-end consumer journey.

Looking ahead, the priority is to build a more integrated and scalable digital architecture, supported by improved planning and forecasting capabilities and sharper service responsiveness. The increased use of personalized and automated engagement will further deepen consumer relationships, reinforcing the Company's commitment to a customer-centric and digitally enabled growth model.

Large Format Retail (LFR)

The Large Format Retail (LFR) channel delivered a steady performance during the year, supported by continued network expansion and a disciplined approach to portfolio and partner management. Despite a challenging demand environment in certain seasonal categories, the channel demonstrated resilience, with non-seasonal segments—particularly the kitchen portfolio—providing strong support to overall performance.

Sunflame continued to strengthen its presence within the channel through a calibrated expansion strategy

focused on improving partner quality, enhancing account productivity, and driving premiumization. The selective onboarding of higher-potential partners, coupled with portfolio rationalisation, has strengthened channel productivity and supported a more sustainable and profitable growth profile.

Execution capabilities across the channel are being further strengthened through targeted investments in technology and frontline teams, enabling a transition towards a more sell-out-driven model. Improved in-store visibility, sharper display interventions, and more focused consumer engagement initiatives are expected to enhance conversion and overall channel effectiveness, while reinforcing the Company's emphasis on profitable and sustainable growth.

Government Institutional Channels

During the year, we also enhanced capabilities across government institutional channels (canteen) by strengthening teams and improving sales processes, thereby driving greater operational efficiency and expanding market reach across channel formats.



Key highlights

- Expanded presence across focus modern retail formats
- Strengthened institutional sales capabilities across people and systems
- Enhanced execution efficiency across multi format channels

V-Guard Corporate Social Responsibility

Community Development and Social Impact

Through the V-Guard Foundation, the Company's CSR (Corporate Social Responsibility) initiatives focus on education, healthcare, skill development, environmental conservation, women empowerment, and community well-being. During the year, CSR programmes touched over 78,000 beneficiaries across multiple regions.

Education & Skill Development

The Company expanded access to quality education and employability through investments in school infrastructure, inclusive learning, and vocational training. CSR interventions benefited 15,500+ students across various government schools with improved classrooms, sanitation, laboratories, playgrounds, and drinking water facilities. Inclusive education efforts under Project Navdarshan reached approximately 3,000 children with special needs in FY26 across Odisha, Telangana, and Karnataka. In addition, Project Tarang provided technical training to over 700 youth, enhancing their employability and enabling them to pursue careers in electrical and electro-mechanical fields.

Healthcare

Healthcare initiatives focused on better access to preventive and essential medical services, particularly for underserved communities. During the year, these efforts reached 44,000+ beneficiaries, through 8 health camps and targeted screening programmes. Additionally, under Cancer Shield, 1,100 women received free mammogram and ultrasound screening for early detection of breast cancer while Project Edam provided emotional and mental health support through 100+ counselling sessions, benefiting 1,500+ women. Through Project Samaveshah, the Company also extended medical support to the transgender community, benefiting 150 individuals.

44,000+

Beneficiaries

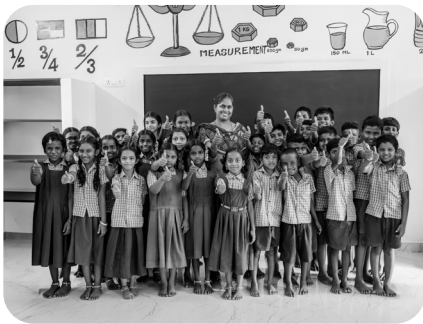
1500+

Women benefited

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Build India & Relief

Under this theme, the Company supported environmental sustainability and community well-being with safe drinking water, clean energy, and ecological restoration initiatives. The programme reached 18,000+ beneficiaries and contributed to the plantation of 6,500 trees.



Project Navdarshan

Inclusive Development for Children with special needs

Project Navdarshan supports special needs schools in their efforts to provide education, therapeutic services, and vocational training to improve learning, development, and independence.

FY26 Highlights

30

Special educators deployed

150+

Parent-teacher meetings conducted

Teaching-learning materials provided to

30

Schools

Physiotherapy and speech therapy support strengthened

Vocational training introduced in selected schools

Impact

The project has expanded across 30 special schools in Odisha, Telangana, and Karnataka, benefiting over 4,000 students till date through more inclusive and holistic developmental support.



V-Serve

Employee Volunteering for Community Impact

Need

Community development and environmental sustainability require collective action and active employee participation.

Intervention

V-Serve provides a structured platform for employees to contribute through tree plantation, environmental conservation, school improvement, and community care activities.

FY26 Highlights

Implemented across

7

Locations



Activities included tree plantation, mangrove restoration, beach cleaning, school painting, and palliative care support

Impact

V-Serve strengthened green cover, environmental awareness, school infrastructure, and community engagement, while fostering a strong culture of volunteering across the organization.

220

Employees participated

1,200

Volunteering hours contributed

Women Empowerment

The Company's women empowerment initiatives focused on emotional well-being, confidence building, and economic independence. These programmes impacted 155 direct beneficiaries through targeted interventions in counselling and livelihood development. Through the Nari Shakthi initiative, 120 widows and single mothers were trained in micro-entrepreneurship to enhance their income-generation capabilities.

155

Direct beneficiaries

120

Widows and single mothers



V-Guard Big Idea Contest

V-Guard Big Idea Competition is a flagship annual initiative that brings together corporate insights and academic innovation to solve real-world challenges. Now in its 15th edition, it engages students from top management schools and engineering colleges through business and tech competitions, fostering industry-academia collaboration and talent development. The 2025 edition witnessed participation by over 800 students. The competition provides students with a unique platform to apply classroom learning to real business challenges, gain industry exposure, and enhance their career readiness through hands-on problem-solving and interaction with industry leaders.

Value Created

Through responsible stakeholder engagement, resilient supply chain practices, trusted brand stewardship, and sustained community investment, V-Guard's Social and Relationship Capital strengthens trust, enhances resilience, and enables inclusive growth. These relationships support long-term business continuity, reinforce brand credibility, and create shared value for society and the enterprise.

Over

800

Students participated





NATURAL CAPITAL

Natural Capital is central to V-Guard’s commitment to long-term, sustainable value creation. V-Guard’s approach focuses on reducing environmental impact across operations and the value chain while building resilience to climate and resource risks. Through targeted investments in renewable energy, energy efficiency, water stewardship, and circular practices, the Company decouples growth from resource intensity and supports responsible, future-ready operations. Anchored in climate action, lifecycle thinking, and regulatory compliance, our strategy enhances operational continuity, deepens stakeholder confidence, and aligns business growth with environmental responsibility.

Highlights

16%	2%
RE integration	Scope-1 emissions reduction
100%	1,867 GJ
Extended Producer Responsibility (EPR) compliance	Energy saved via energy efficiency initiatives
2,254 KL	26%
Rainwater harvested	Reduction in freshwater withdrawal

Stakeholders



Investors



Communities



Customers



Value Chain Partners

Sustainability Pillars



Climate Action



Responsible Products

Cross Linking Capitals



Manufactured



Intellectual



Financial

SDGs Impacted



3 GOOD HEALTH AND WELL-BEING



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS

V-Guard’s Natural Capital strategy is anchored around three key pillars: Decarbonization, Water Stewardship, and Circularity. These pillars guide a combination of plant-level actions and corporate-level initiatives, ensuring that environmental considerations are embedded across operations, decision-making, and long-term planning. In addition, a company level champion has been established to lead environmental stewardship efforts and strengthen governance and accountability. Together, these measures enable a structured and scalable approach to reducing environmental impact while supporting sustainable growth.

Decarbonisation

Decarbonisation is a strategic priority in reducing the environmental footprint of the Company’s operations while strengthening long-term resilience. V-Guard’s efforts focus on increasing renewable energy adoption, improving energy efficiency, reducing overall energy consumption, supporting carbon sequestration and green cover development.

Between FY 2024 and FY 2026, the Organization expanded onsite solar capacity across multiple locations, including Chavadi, Panthnagar, Hyderabad, Haridwar and Coimbatore factories. The Company also procured renewable power through the Indian Energy Exchange (IEX) and is evaluating group captive renewable energy options to further scale low-carbon electricity sourcing. Through onsite solar, wind turbines, and IEX green power, the Organization achieved a renewable energy capacity of 5.24 MW, resulting in an estimated offset of approximately 5,324 tCO₂e and taking the renewable energy contribution to approximately 16% of total energy consumption.

The Company is also progressing towards Energy Management System (EMS) certification for all energy-intensive factories, with 2 factories already certified. Energy consumption

across all operations is monitored through globally aligned systems and a digital management tool that enables effective tracking and data-driven decision-making.

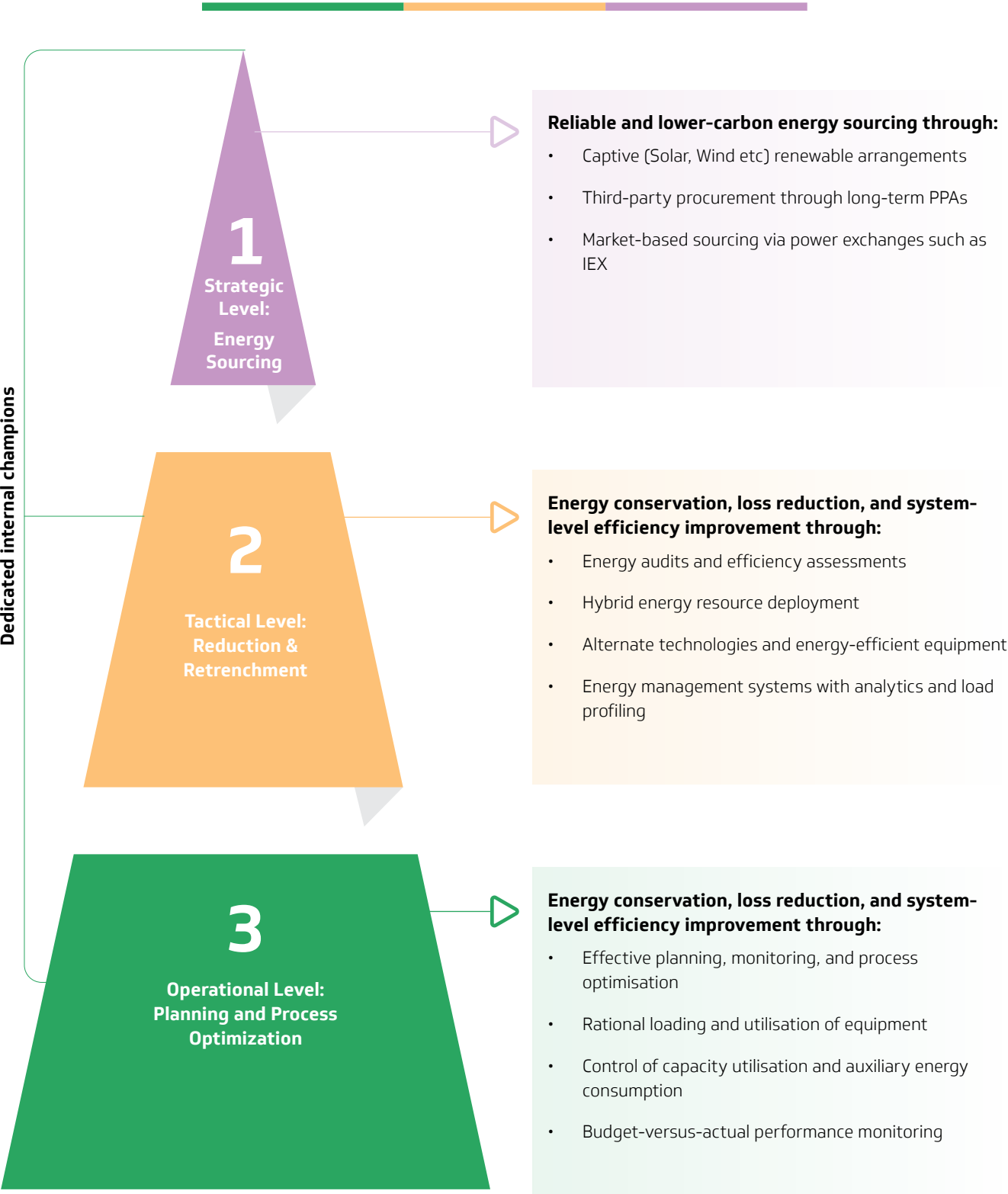
In addition, across plants, energy efficiency projects are being implemented through measures such as replacement of conventional drives with Variable Frequency Drives (VFDs), deployment of energy-efficient HVAC systems, process optimisation, and improved production planning to maximize utilization of the most energy-efficient machines. Beyond

manufacturing operations, all new and replacement office appliances are being transitioned to BEE-rated energy-efficient models. To accelerate progress, V-Guard has launched an energy management programme across manufacturing units, encouraging each facility to identify and propose implementable initiatives. These initiatives have been prioritized for execution and are being implemented under the oversight of a cross-functional team with regular reviews to monitor progress.



Energy Management Programme

A three-tier approach integrates strategic sourcing, tactical efficiency measures, and operational optimisation, supported by dedicated champions to drive accountability and continuous improvement.



The Company has assessed Scope 3 emissions across key categories amounting to 1,01,69,219 tCo2 in FY 26. Energy consumption during usage of our products by households emerged as the key areas of focus. In response, V-Guard is strengthening its emphasis on energy-efficient product design and enhancing product-level performance to reduce energy consumption during use. The Company will continue to expand its portfolio of energy-efficient solutions, helping lower downstream emissions while supporting more sustainable consumption for customers.

Water Stewardship

Water stewardship is a key pillar of V-Guard’s environmental strategy. The Company focuses on reducing freshwater dependency through water balance assessments, rainwater harvesting, and wastewater recycle and reuse initiatives, supported by efficient water management practices across manufacturing and office locations. These efforts have enabled approximately 26% reduction in fresh water withdrawal, strengthening resource efficiency across operations.

Across its plants, V-Guard continues to strengthen water stewardship through initiatives focused on improving freshwater efficiency and reducing consumption. These efforts are complemented by enhanced performance of sewage treatment plants (STPs) and effluent treatment plants (ETPs), enabling greater reuse of treated water across operations. Collectively, these measures have resulted in a 37% increase in water recycling and reuse compared to the previous year. Rainwater harvesting systems are

operational at Chavadi, Kashipur, Pantnagar, and Perundurai, enabling the use of harvested water for non-potable applications.

Further, the Company has installed IoT-enabled smart water meters across few of the manufacturing facilities to enable real-time monitoring and optimisation of water use.

Rainwater Harvesting Initiative at the Perundurai Factory

In the reporting year, the Company implemented a rainwater harvesting system at its Perundurai factory to strengthen water conservation and promote more sustainable water use in operations. The system captures rooftop rainwater, stores it through a pre-collection tank and a 250 KL rainwater pond, and treats it through filtration and disinfection for reuse in non-potable applications such as gardening, floor cleaning, and utility use. Automated controls and flow monitoring further enhance operational efficiency and enable tracking of treated water use. The initiative increased the Company’s overall rainwater harvesting storage capacity by 8%, reinforcing its commitment to responsible water management.



Circularity

V-Guard is progressing from the traditional linear model of “Take, Make, Dispose” towards a more sustainable circular approach of “Make, Use, Repurpose” enabling more efficient and responsible use of resources and supporting a regenerative economy. In line with this approach, the Company is embedding circular economy principles across product design, material sourcing, and waste management to reduce lifecycle environmental impact and improve resource efficiency. Core initiatives include reduction of waste generation at source, responsible storage and disposal through authorized and approved channels, and increasing material use efficiency through a circular economy programme.

V-Guard maintains full compliance with Extended Producer Responsibility (EPR), the rules for e-waste, plastic waste, and battery waste management, supported by valid Central Pollution Control Board (CPCB) registrations. The Organization also collaborates with government-authorized recyclers to meet the EPR obligation and maintains partnerships with authorized vendors for the responsible disposal of hazardous waste. In addition, waste reduction training is also being provided to employees, drawing on Six Sigma principles to improve process efficiency and minimize waste generation.

Beyond this, the Company has implemented an effective monitoring and evaluation framework that tracks the quantity and type of waste from the point of generation to end disposal. The FY 2026 waste generation data indicates that non-hazardous waste is the predominant waste stream, followed by plastic and hazardous waste. Due diligence has been initiated for non-hazardous waste vendors, supporting the broader objective of achieving Zero Waste to

Landfill. To strengthen responsible waste disposal, V-Guard has initiated vendor audits to assess waste handling processes, disposal capabilities, and supporting documentation. A new onboarding framework has also been introduced for non-hazardous waste vendors, under which vendors are required to produce all required documents, which are further validated through subsequent audits. As part of the roadmap towards Zero Waste to Landfill, audits were completed at the Roorkee plant and initiated at 3 more plants to identify opportunities for improving waste performance, enabling site-specific action plans to improve segregation, recycling, and recovery. These action plans help lower the amount of waste sent to landfill by better integrating recycling and recovery programmes.

The Company prioritizes the use of recycled and recyclable materials in its products, with recycled inputs accounting for close to 15% of its total material consumption. It continues to advance targeted initiatives to further increase the use of recycled materials wherever feasible. These efforts are complemented by process and product optimisation initiatives aimed at reducing scrap and improving material efficiency across operations.

Value Created

Through focused climate action, efficient resource management, and circular practices, V-Guard's Natural Capital strategy reduces environmental impact, fortifies operational resilience, and supports regulatory readiness. These efforts enable V-Guard to pursue responsible growth while creating long-term value for investors, customers, communities, and the environment.

Ultra-Filtration System for STP Water Reuse at VCPL Pantnagar

At the VCPL Pantnagar factory, the Company installed an ultra-filtration system to enhance onsite water reuse and strengthen water circularity. Previously, treated STP water from the facility was discharged to the Common Effluent Treatment Plant (CETP). With the commissioning of the ultra-filtration system, this water is now further treated and reused within the facility for cleaning, gardening & flushing purposes, thereby reducing dependence on freshwater sources.

The wastewater treatment initiative contributed approximately 9,500 KL of freshwater savings during the year and accounted for around 21% of the facility's recycled and reused water consumption.



Awards & Certifications

Brand & Marketing Excellence

Hum, Tum Aur V-Guard Campaign

Gold at the ET Shark Awards and recognition at the CII Design Awards, for creative excellence and impactful storytelling.



Superbrand Status — 5th Consecutive Year

Strengthening leadership credentials in the Voltage Stabilizer category, backed by high consumer trust and preference.



Trust, Governance & Employer Reputation

World's Most Trustworthy Companies 2025 — Newsweek & Statista

Recognition on this global list reflects V-Guard's strong governance standards, ethical business practices, and sustained consumer trust. Being featured among the world's most trusted companies reinforces the company's credibility not only with customers, but also with employees, investors, and broader stakeholders. It highlights V-Guard's consistent focus on quality, reliability, transparency, and responsible business conduct - qualities that continue to strengthen the brand's reputation in a highly competitive market.



India's Best Employers 2025 — TIME & Statista

This recognition is a testament to V-Guard's people-first philosophy, inclusive culture, and continued focus on employee well-being. It reflects the company's commitment to creating a workplace where employees feel valued, empowered, and motivated to contribute meaningfully. By fostering trust, collaboration, learning, and a strong sense of belonging, V-Guard has built an employer brand that stands out as progressive, responsible, and deeply people-centric.



Product Design & innovation Leadership

Red Dot Design Concept Award 2025 — Celestair Ceiling Fan

Recognized for innovation, user-centric design, and ergonomic excellence, the Red Dot Design Concept Award 2025 places V-Guard's Celestair ceiling fan among globally respected design-led innovations. The recognition reinforces V-Guard's ability to combine aesthetics, functionality, and everyday usability while meeting international benchmarks for thoughtful, consumer-focused product design.



German Design Awards — Luxecube Water Heater & Insight-G BLDC Fan

Recognized for product innovation and superior design quality, the German Design Awards for the Luxecube Water Heater and Insight-G BLDC Fan highlight V-Guard's growing focus on design-led differentiation. The recognition reinforces the company's ability to create products that combine performance, aesthetics, functionality, and user convenience while meeting global standards of design excellence.



India's Best In-House Design Studio (3rd Consecutive Year)

Reinforcing our growing in-house design capability and innovation culture.



CII Design Excellence Awards 2025

Luxecube Premium Water Heater and Airwiz ceiling fan were recognized as 'India's Best Design Project 2025' at the India's Best Design Awards and were also winners at the CII Design Excellence Awards 2025.



Design Invidia + distribution board & Elegna Refrigerator stabilizer were recognized as 'India's Best Design Project 2025' at the India's Best Design Awards.



Management Discussion & Analysis

1. Economic Review & Outlook

During the Financial Year 2025-26, the global economy transitioned from a period of fragile resilience into a landscape defined by aggressive trade protectionism and severe energy shocks. The period began with structural shifts in trade policy and was later destabilized by the outbreak of a major conflict in the Middle East.

The major global events that shaped economic dynamics during the year were:

- The United States (US) implemented a minimum 10% tariff on many foreign goods, with significantly higher rates for China and India, triggering a global trade shock. While trade initially adjusted via front-loading, the average effective US tariff rate rose to 10% by April 2026, up from 2.5% at the start of 2025.
- India Pakistan Relations hit a low following a militant attack in Pahalgam on April 22, 2025. India responded with "Operation Sindoor" on May 6, 2025, striking nine sites across the Line of Control and subsequently suspended the Indus Waters Treaty and downgraded diplomatic ties.
- The Russia Ukraine conflict entered its fourth year, as of February 24, 2026, with Russia still occupying roughly 20% of Ukrainian territory.
- The outbreak of the Middle East war has significantly disrupted global energy markets by impacting shipping routes through Strait of Hormuz and damaging critical production facilities in a region central to hydrocarbon supply. The potential closure of this key shipping route, combined with serious infrastructure losses, has created the risk of an energy crisis on an unprecedented scale by constraining both the flow and production of oil and gas. As a result, global supply chains have been strained, energy prices have surged and economic uncertainty has intensified. This shock has interrupted what had previously been a steady growth trajectory, increasing inflationary pressures and raising the likelihood of a broader economic slowdown.

Due to the aforementioned global events, economies worldwide experienced notable shifts across key global economic indicators:

- Global growth for 2025 was recorded at 3.4%, but the 2026 reference forecast was revised downward to 3.1% from the earlier estimate of 3.4% reflecting the impact of evolving geopolitical uncertainties, including the Middle East conflict. A steady projection of 3.2% is indicated for 2027, assuming the war turns out to be relatively short-lived. At market exchange

rates, world output is projected to grow by 2.6% in both 2026 and 2027.

- Oil prices surged substantially between August 2025 and March 2026. Oil shipments through the Strait of Hormuz were disrupted, curtailing significant portion of crude exports. Under normal conditions, the strait handles around 20% of global daily consumption making the disruption a significant constraint on global energy flows. Major oil-producing facilities were also temporarily shut down as a precaution or as storage ran out or was damaged. Global strategic and commercial inventories, standing at a five-year high of 8 billion barrels, offer only a partial buffer. Prices peaked in March 2026, however retreated subsequently. On natural gas prices, Title Transfer Facility (TTF) trading hub prices in Europe spiked by 61%, and Asian liquefied natural gas (LNG) prices surged during the same period as more than three-quarters of global LNG shipments through the strait are destined for Asia. With strikes across gas and energy hubs, the situation still remains fluid.
- If the Middle East conflict is short lived, global headline inflation is projected to rise from ~4.1% in 2025 to ~4.4% in 2026, marking an upward revision. However, in case of a severe scenario, it could rise to close to ~6%.

India entered this volatile period with stronger macroeconomic fundamentals than most major economies, navigating external shocks through domestic strength and strategic reforms.

- India was levied an effective export tariff rate of 50% on most merchandise goods to the US (a combination of 25% reciprocal and 25% penal tariffs) on August 6, 2025. However, these were reduced to 10%, globally, on February 20, 2026. In response to tariff-related disruptions, India is strategically recalibrating its export portfolio, progressively diversifying trade flows toward alternative high-potential markets. India's growth outlook has been revised upward. For 2025, GDP growth is now projected at 7.6%, up 1.0 percentage point from October, driven by stronger-than-expected performance in Q2-Q4. For 2026, growth is revised to 7.7%, supported by strong carryover from 2025 and lower US tariffs, despite some drag from Middle East tensions. RBI expects GDP growth for FY27 to be at 6.9%.
- The provisional All India CPI for March 2026 is 104.84, with inflation at 3.40%. Inflation rose gradually in the first quarter, from 2.74% in January, 2026 to 3.21% in February, 2026. Over the past four years, retail inflation has steadily declined, falling from 6.7% in FY23 to 1.7% in FY26 (up to December, 2025).

- The Reserve Bank of India kept policy repo rate unchanged at 5.25%, citing rising global uncertainties and inflation risks.
- Despite global headwinds, gross FDI inflows reached ~\$64.7 billion between April and November 2025, from ~\$55.8 billion in the past year period. Further, new guidelines aim to improve ease of doing business in India, boost investment and FDI inflows, enable technology access, increase domestic value addition and strengthen integration with global supply chains – enhancing India's competitiveness as a preferred investment and manufacturing hub.
- India's total exports reached \$825.3 billion in FY25 with momentum continuing in FY26. Services exports grew 6.5% through December 2025, providing a buffer against merchandise trade volatility.
- Key initiatives include the National Manufacturing Mission (NMM), the notification of four new Labour Codes in November 2025, and the National Critical Mineral Mission to secure high-tech supply chains and GST 2.0 introduced in September 2025.

India's economic trajectory continues to sustain strong growth while building strategic buffers. Therefore, despite a turbulent macroeconomic environment, the outlook remains positive. Strong domestic demand, supportive policy frameworks, and sustained investment flows anchor stability. Like a well-positioned brand, the economy leverages its core strengths to absorb shocks, navigate uncertainty and reinforce long-term competitiveness.

2. Sector Overview

The Indian Consumer Durables sector is currently the fastest-growing major market globally, with projections indicating it will become the world's fourth largest by FY27. This structural expansion is supported by a resilient domestic economy, with private final consumption expenditure rising to 61.5% of GDP in FY26, its highest level since FY12, according to the first advance estimates. Notwithstanding this, towards the close of the Financial Year, escalating geopolitical tensions generated broader macroeconomic headwinds, while demand-supply imbalances influenced key input costs. In addition, seasonal variability further shaped short-term sectoral performance dynamics.

Copper and Aluminium are critical industrial inputs with broad-based applications across sectors and form an essential component of the cost base for Consumer Durables manufacturers. Pricing dynamics for these commodities have been influenced by global supply disruptions alongside evolving demand-supply conditions, highlighting the sector's inherent exposure to external market forces. Copper prices gradually increased to record levels during the year, driven by surging demand from AI data centres and green technology. While Aluminium markets experienced a structural supply

shock as disruptions, coupled with constraints at the Strait of Hormuz, compressed both primary output and alumina flows. This dual pressure propelled London Metal Exchange prices sharply higher signalling a regime of acute global scarcity. Consequently, firms across the sector implemented price increases in response to the escalation in key raw material costs.

Such dynamics underscore the significance of a stable macroeconomic architecture, within which sustained and calibrated policy interventions by the Government have helped anchor economic resilience and long-term structural stability across sectors. Against this backdrop, Government initiatives have further supported the sector through a range of targeted measures.

The electronic sector continues to benefit from policy support and localisation initiatives. Under the Production Linked Incentive scheme for white goods, 85 companies have committed investments of ₹ 11,198 Crore, aimed at increasing domestic value addition. This has supported localisation of key components such as compressors, BLDC motors and heat exchangers, strengthening the domestic manufacturing ecosystem. Government support for electronics manufacturing is further driving investment and capacity creation.

Complementing this, the National Mission on Manufacturing (NMM), announced in the Union Budget 2025-26, provides a foundational blueprint to double the manufacturing sector's GDP contribution by 2035 to 25% and generate 143 million jobs, along with boosting merchandise exports to \$1.2 trillion by deepening integration into Global Value Chains (GVCs). Other key policies include the National Policy on Electronics 2019 and the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors, notified in April 2020, providing a 25% financial incentive on capital expenditure for key electronic goods, bridging supply chain gaps by encouraging domestic production. In the high-growth electronics segment, the Electronics Components Manufacturing Scheme, notified on April 8, 2025, has emerged as a cornerstone of India's strategy to integrate into GVCs. Given the strong industry response, the Union Budget 2026-27 increased the scheme's outlay from ₹ 22,919 Crore to ₹ 40,000 Crore. As of December 2025, the scheme had attracted expected investment commitments of ₹ 1.15 Lakh Crore, nearly double its original target.

The 56th GST Council meeting marked the rollout of GST 2.0, introducing a simplified rate structure anchored by a Standard Rate of 18% and a Merit Rate of 5%, alongside a 40% demerit rate for select sin-goods (inclusive of the earlier compensation cess, with no additional tax burden). Effective September 22, 2025, this rationalisation represents the third pillar of India's tax reform agenda, following the corporate tax cuts of 2019 and the personal income tax reforms implemented from April, 2025. The implementation of GST 2.0 across industries, provided a substantial uplift to the sector. Tax rates in the Electronic Appliances category were reduced on major appliances

like air conditioners, large televisions, dishwashing machines, monitors and projectors from 28% to 18%, helping manufacturers offset the incremental costs associated with new energy efficiency norms.

The Bureau of Energy Efficiency (BEE) as of January 1, 2026 revised the mandatory star labelling for a broad range of appliances – including refrigerators, televisions, LPG stoves, chillers, deep freezers, transformers and solar inverters – as part of its updated energy-efficiency regime. This shift tightened efficiency standards and expanded compulsory labelling beyond earlier voluntary categories to drive lower power consumption across key household and industrial equipment. Manufacturers noted that while the tighter standards make high-star rated products more expensive, the GST benefit kept consumer prices largely stable, supporting demand sentiment throughout FY26.

Technology adoption remains a key industry driver. The use of energy-efficient technologies, including BLDC motors and inverter-based systems, is expanding across product categories. The development of a domestic semiconductor ecosystem is expected to improve component availability for smart and connected devices. Regulatory initiatives such as expanded energy labelling norms continue to support adoption of energy-efficient products.

In 2025, solar power emerged as the largest source of new electricity globally, increasing by 636 TWh, i.e., 18 times the growth of gas, the only fossil fuel to register an increase. Electricity generation from coal and other fossil sources declined, reflecting a broader structural shift toward cleaner energy. India mirrored this transition, with renewable generation rising by 98 TWh – twice the pace of demand growth. Solar also became the country's largest source of clean electricity, surpassing hydropower for the first time, underscoring the accelerating shift toward distributed solar and battery-enabled electrification.

Various Government support schemes like PM-KUSUM scheme (for solar pumps) and PM Surya Ghar: Muft Bijli Yojana (for solar rooftop) have contributed significantly for solar transformation in both rural and urban landscapes.

Technological developments are reshaping the industry through AI integration and smart connectivity, with smart products becoming mainstream. India shipped over 12 million smart TV units in 2024, an increase of 8.6% YoY. Across the sector, leading brands are scaling smart features. Smart technology is being integrated across all

major product categories, including washing machines, water heaters, refrigerators, lighting and bulbs.

Key appliance categories also reflect strong growth momentum: the refrigerator market is expected to grow at a CAGR of ~9.01% (FY 2025-30); the electric fans market is projected to grow at a CAGR of ~12.20% over the next decade; and the washing appliances market is expected to grow at CAGR of ~4.92% over the next five years. Air conditioners remain a key growth category, making it one of the world's fastest-growing segment.

India's smart home market was valued at ~₹ 8,000 Crore in 2023 and is expected to reach ~₹ 36,000 Crore by 2028. The broader home category, including non-smart segments, was valued at about ₹ 90,000 Crore in 2023 and is projected to grow to ~₹ 1,40,000 Crore by 2028.

This is supported by a shift from import dependence toward local manufacturing, aided by Government initiatives, alongside improving affordability driven by technological advancement and rising competition. Against this backdrop, rural India overtook urban markets in September, 2025 in consumption of affordable premium FMCG products, with villages accounting for 51% of total volumes. The Make in India initiative has further enabled global firms to establish manufacturing bases in India, enhancing cost efficiency and affordability. Building on this momentum, FY26 targets envisaged electronics manufacturing reaching \$300 billion, with exports of \$120 billion.

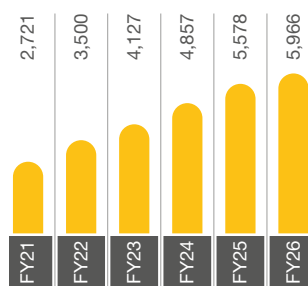
In alignment with these developments, the Government launched the India AI Mission to mobilise domestic talent toward collaborative innovation and reduce dependence on foreign proprietary systems. Concurrently, the transition toward advanced manufacturing is reinforcing process discipline, ensuring that India-manufactured goods meet stringent global quality benchmarks.

The outlook for India's Consumer Durables sector remains constructive, supported by strategic resilience and sustained domestic demand amid geopolitical uncertainties. While input costs and supply chains may remain volatile, the sector is adapting through deeper localisation and greater operational agility. India's shift toward innovation-led, productivity-driven growth, along with stronger MSME integration into global value chains, continues to enhance structural competitiveness. Even amid currency fluctuations and elevated commodity costs, the macroeconomic environment is expected to sustain robust growth, reinforcing consumer confidence and India's position as a resilient and trusted participant in the global landscape.

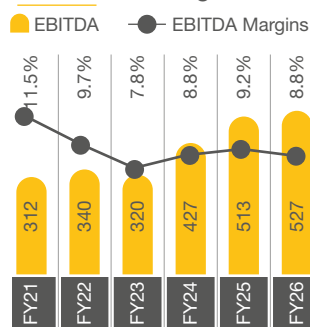
3. Review of Operations

Financial Performance (FY21-26)

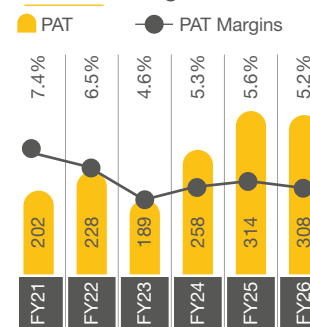
Revenue



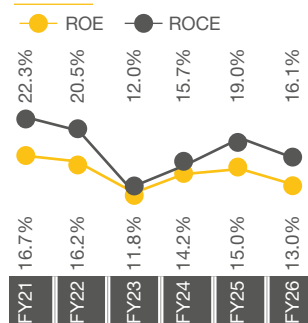
EBITDA and Margins



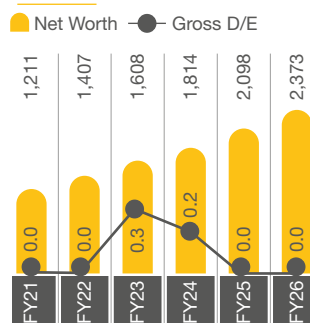
PAT and Margins



ROE & ROCE

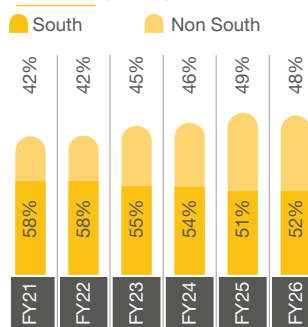


Net Worth & Debt-Equity Ratios

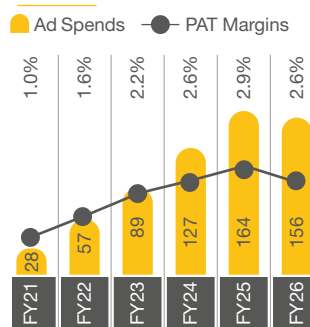


Operational Performance (FY21-26)

Expanding Geographic Presence



Ad Spends and as a % of Sales



Note: Financial performance detailed above is basis consolidated financial statements.

Key ratios (%)	FY26	FY25
Gross Margin	36.3%	36.3%
EBITDA Margin (excl. other income)	8.8%	9.2%
Profit after Tax	5.2%	5.6%
Ad & Promotion Expenditure/ Revenue	2.6%	2.9%
Employee Cost/ Revenue	9.0%	9.3%
Other Expenditure/ Revenue	18.5%	17.7%
Tax rate	24.4%	24.2%
Diluted EPS (₹)	7.01/-	7.14/-

Balance Sheet Snapshot (₹ cr)	31 Mar 2026	31 Mar 2025	31 Mar 2024
Net Worth	2,373.05	2,097.83	1,814.22
Gross Debt	8.84	10.81	291.03
Current Investments	180.70	10.14	30.17
Cash and Cash Equivalents	59.30	64.50	57.37
Net Cash Position	231.16	63.83	(203.49)
Fixed Assets	1,291.46	1,169.90	1,116.81

Balance Sheet Snapshot	31 Mar 2026	31 Mar 2025	31 Mar 2024
Debtor (days)	33	35	44
Inventory (days)	98	102	92
Creditor (days)	71	67	62
Working Capital Turnover (days)	60	70	74
RoE (%)	13.0%	15.0%	14.2%
RoCE (%)	16.1%	19.0%	15.7%

S. No.	Particulars	UOM	31 Mar 2026	31 Mar 2025
1	Debtors Turnover	Times	11.1	10.4
2	Inventory Turnover	Times	3.7	3.6
3	Interest Coverage Ratio	Ratio	34.0	17.9
4	Current Ratio	Ratio	1.8	1.7
5	Debt Equity Ratio	Ratio	0.0	0.0
6	Operating Margin i.e. EBITDA	%	8.8%	9.2%
7	Net Profit Margin	%	5.2%	5.6%
8	Return on Net worth	%	13.0%	15.0%

Note: Explanation if difference is more than 25%

- a. The variance observed in the Interest Coverage Ratio is primarily attributable to the fact that all outstanding borrowings were fully repaid during the previous Financial Year, resulting in a significant reduction in debt levels and consequently influencing the comparative ratio metrics for the current period.
- b. The reduction in Return on Net Worth is primarily attributable to the decline in overall profitability during the period. A significant contributing factor to this decrease in profit was the recognition of an exceptional item related to the implementation of the labour code, which adversely impacted earnings and, consequently, the Return on Net Worth for the year.

4. Dividend

The Company's Board has recommended final dividend of ₹ 1.5 per equity share. This translates to a payout for the Financial Year 2025-26 of ~₹ 65.52 Crore (₹ 65.40 Crore in 2024-25). The dividend payout, for the year under review is ~21%.

The Company believes in maintaining a fair balance between dividend distribution and cash retention that may be required for future growth, synergistic acquisitions, meeting unforeseen contingencies and maintaining a healthy balance sheet position.

5. Segment-wise Review

Products	FY26 (₹ Cr)	Contribution (%)	FY25 (₹ Cr)	Contribution (%)	YoY growth (%)
Electronics	1,639.58	27.5%	1,509.63	27.0%	8.6%
Electricals	2,461.08	41.2%	2,169.94	38.9%	13.4%
Consumer Durables	1,615.88	27.1%	1,643.87	29.5%	-1.7%
Sunflame	250.23	4.2%	254.38	4.6%	-1.6%
Less: Intersegment Revenue	(0.99)	0.0%			
Grand Total	5,965.78	100.0%	5,577.82	100.0%	7.0%

Electronics

The Electronics segment comprises Voltage Stabilizers, UPS, Digital UPS Systems (Inverter-Batteries) and Solar Power Systems.

In FY26, the Electronics segment reported revenues of ₹ 1,639.58 Crore, representing growth of 8.6%. Growth was primarily driven by strong performance in Inverters, Batteries and Solar Power Systems, which offset weakness in Stabilizers, particularly AC stabilizers impacted by a weak summer and a high base in the prior year. The segment's mix continues to gradually shift toward higher-growth energy storage and renewable-linked categories. The segment contributed 27.5% to the Company's revenue.

Segment margins stood at 17.9% in FY26 versus 19.7% in FY25. Margins were supported by higher backward integration due to increased in-house manufacturing, improved scale in Digital UPS systems and Solar Power Systems with corresponding operating leverage benefits. However, gains were moderated by adverse product mix and lower utilisation of stabilizer manufacturing capacity due to a weak summer.

The **Stabilizers** business remains a market-leading category, with V-Guard holding a dominant ~40-45% market share.

Manufacturing is supported by facilities in Sikkim and Pantnagar, enabling efficient supply chain coverage. Pantnagar facility serves as the first manufacturing plant established under V-Guard Consumer Products Ltd. (VCPL), a wholly owned subsidiary of the Company, and forms a key pillar of its stabilizer business. The plant manufactures a diversified range of stabilizers catering to applications such as air conditioners, LED televisions, refrigerators, washing machines and treadmills. This product breadth enhances portfolio resilience and enables the Company to address varied consumer requirements, thereby strengthening its operational flexibility and market responsiveness.

The stabilizer category witnessed subdued demand, primarily due to weak sales of air conditioners and other cooling appliances amid an inconsistent summer. Despite near-term headwinds, the category continues to benefit from structural drivers such as rising penetration of high-value appliances and increasing need for voltage protection, supporting a gradual recovery over the medium term. Despite near-term volatility, the category has delivered steady growth over the last few years, supported by penetration in newly electrified rural and upcountry markets.

The **Digital UPS Systems** category, encompassing Inverters and Batteries, remained a key growth driver in FY26, supported by sustained demand arising from power reliability gaps. The category remains structurally linked to recurring electricity shortages, supporting steady demand visibility.

In line with its long-term strategy, the Company continued to scale up backward integration in battery manufacturing. This has strengthened supply chain control, improved cost efficiencies and strengthened product competitiveness, while enabling faster response to demand. Inverters and batteries have delivered consistent growth over the past 6-7 years.

In addition to the inverter manufacturing facility at VCPL Pantnagar, a battery manufacturing facility was established under VCPL on the outskirts of Hyderabad, which became operational at the end of FY24. The facility continues to deliver strong output and has significantly enhanced operational agility with in-house capacity contributing ~ 50% of total sales. The efficiencies have translated into better margins for the category.

In May 2025, the Company has initiated a strategic capacity expansion at Hyderabad battery manufacturing facility of VCPL which will more than double the existing capacity. The expansion, involving an investment of ~₹ 50 Crore and targeted for completion within 18 months, is driven by anticipated growth in the domestic battery storage market. It is also expected to improve margins through enhanced in-house manufacturing efficiencies and scale benefits.

Digital UPS Systems' growth in FY26 was led by targeted market expansion and extraction backed by deeper backward integration into batteries. The reduction in GST on lead-acid batteries from 28% to 18% has supported affordability thereby improving demand. The Inverter and Battery business remains one of the most structurally resilient and scalable growth engines within the Electronics portfolio.

V-Guard has augmented its technology portfolio through a calibrated investment in Gegadyne Energy Labs Pvt. Ltd. (GEL), a Mumbai-based deep-technology enterprise engaged in the development of next-generation battery systems. Incorporated in 2017, GEL is focused on advancing alternative battery technologies at both the cell and pack levels, as well as battery rack systems, with innovation directed toward enhancing lifecycle performance, charging efficiency, safety and maintenance parameters. In March 2026, the Company has further invested ₹ 25 Crore in GEL resulting in an increased shareholding of 30.35% on a fully diluted basis. This strategic alignment reflects a forward-looking orientation toward integrating advanced energy storage solutions into V-Guard's product architecture, while simultaneously enabling GEL to strengthen its technological capabilities and operational readiness.

Gegadyne has successfully moved from prototype to pilot stage and is presently navigating the critical transition from pilot production to commercialisation, having initiated limited-scale supplies to local participants as proof of concept. The partnership offers the Company a strategic pathway into the evolving energy storage domain which can integrate with current product offerings while also providing GEL with sufficient headroom to continue with

further refinement of products and scale up to commercial production stage.

The **Solar Power Systems** business, mainly solar rooftop inverter and panel business continues to scale up fast. It recorded strong growth in FY26, driven by rising adoption of rooftop solar solutions across residential and commercial segments. V-Guard operates in the solar space with a focused presence in rooftop solutions covering both on-grid and off-grid systems. Its integrated offering of solar rooftops with inverters and batteries is witnessing strong market acceptance, supported by favourable policy incentives and rising energy transition trends.

Affordability of Solar Power Systems has significantly improved with the reduction in GST rate from 12% to 5% supported by ongoing technological improvements. The improved affordability is expected to further improve demand and growth for the category. Overall, the Solar Power Systems remain a high-growth but price-competitive and externally influenced category.

Electricals

Electricals segment is the largest revenue contributor and comprises Wires, Pumps, Modular Switches, Switchgears and Lighting. Its performance is closely linked to macroeconomic and external factors such as construction activity, real estate growth, seasonal weather patterns, water table levels and shifts in consumer spending. In recent periods, the segment has demonstrated healthy growth momentum, supported by a combination of pricing actions, commodity tailwinds, introduction of new products and gradual expansion into adjacent categories.

In FY26 revenue for this segment was at ₹ 2,461.08 Crore, a growth of 13.4% from ₹ 2,169.94 Crore in FY25. The segment contributed 41.2% to Company's revenues. Segment margins were at 11.4% vs. 10.1% last year.

Within this segment, **Wires** category remains the single largest contributor to revenues, with a strong presence in the domestic house wiring (B2C) market. Demand is fundamentally driven by electrification trends and real estate expansion, with approximately 90-95% of sales coming from the retail trade. The business operates on a fully integrated, 100% in-house manufacturing model, with facilities located in Coimbatore and Kashipur, enabling operational agility and supply responsiveness. Performance in this category is closely tied to copper price movements. Pricing remains dynamic, with increases and decreases passed on to the market to offset commodity fluctuations.

The **Pumps** category represents another significant pillar within the Electricals segment, with demand patterns that are inherently seasonal and more skewed toward rural markets. Sales tend to rise during summer months when falling water tables increase the need for pump replacements, while periods of heavy monsoon and high water tables can dampen demand. Consumer purchase decisions in this category are often influenced

by retailers and plumbers, highlighting the importance of channel relationships.

Switches and Switchgears represent a key pillar of the Company's long-term growth strategy, serving as a natural adjacency to the core Wires business and enabling deeper participation in the broader electrical ecosystem. While these categories currently contribute a relatively smaller share of overall segment revenues, they have demonstrated encouraging growth indicating improving underlying demand and execution.

A major strategic milestone in this segment has been the acquisition and integration of Simon Electric Pvt. Ltd. (SEPL) in FY23, a company affiliated with Spain's Simon Group. The manufacturing unit located in Haridwar, Uttarakhand, strengthens the Company's capabilities in the modular switches category and provides a platform for scaling this business. Furthermore, through a brand license agreement and technology collaboration with Simon Global, the Company gains access to advanced design, technology and product innovation capabilities, enabling it to tap into higher-value segments of the switches market. Alongside this, the Company is actively undertaking product refresh initiatives to enhance competitiveness and drive growth.

In the Switchgear space, the Company has established itself as a preferred brand across several Indian states, supported by over a decade of sustained market development. To further strengthen its position, it acquired 100% equity in GUTS Electro-Mech Ltd. (GUTS), a company based out in Hyderabad. GUTS specializes in the manufacturing of critical electrical protection devices such as Miniature Circuit Breakers (MCBs) and Residual Current Circuit Breakers (RCCBs), enhancing the Company's backward integration and product portfolio depth in this segment.

The Company has announced its foray into the **Lighting** Business in FY26, a strategic move designed to diversify operations and bridge a critical white space within its Electricals portfolio. This expansion aims to complete its basket of offerings by initially targeting Consumer and Residential markets through an outsourced model. The category will initially be launched in the Company's stronger markets in South enabling steady early wins. Future investment will be scaled according to market response and operational needs.

The Electricals segment houses a strong, diversified portfolio across core and adjacent categories enabling it to be well positioned for sustained growth. This strength is reinforced by favourable industry dynamics and continued strategic investments in manufacturing capacity, acquisitions and product innovation, underscoring the segment's competitive advantage and long-term growth potential.

Consumer Durables

The Consumer Durables segment comprises Fans, Water Heaters, Air Coolers and Kitchen Appliances. In FY26, the segment reported revenues of ₹ 1,615.88 Crore, a

decline of 1.7% YoY impacted by a weak summer season which significantly dampened demand for summer-centric products like Fans and Air coolers. The segment contributes 27.1% to the Company's overall revenues.

Segment margins stood at 1.6% versus 4.2% in the previous year, impacted by operating deleverage on lower volumes as well as weak summer.

The **Fans** category, comprising Ceiling Fans, Table, Pedestal and Wall (TPW) and Exhaust Fans is the largest revenue contributor within the segment. The Company continues to focus on premiumisation through investments in technology, innovation and design, alongside increasing in-house manufacturing to reduce dependence on non-exclusive third-party vendors and enhance control over quality and differentiation. The Roorkee facility, focused on premium ceiling fans, is nearing full capacity for liquid-painted models. A new manufacturing facility in Hyderabad, announced in FY25 with an investment of approximately ₹ 100 Crore through VCPL, is under development and is expected to commence commercial production in FY27, manufacturing both ceiling and TPW fans.

Demand during FY26 remained muted due to a weak summer season. While revenue from Ceiling fans remained stable compared to last year, TPW revenue saw a decline impacted by unseasonal rains, reflecting their highly seasonal nature as secondary cooling products. This resulted in elevated inventory levels across the industry, which shall normalize gradually. The category also witnessed cost pressures due to sharp copper inflation, necessitating price revisions, along with the implementation of new BEE energy rating norms effective January 1, 2026.

These regulatory and cost shifts are accelerating a structural transition toward BLDC (Brushless Direct Current) fans, which now account for a significant portion of total fan sales. New product introductions, including a mid-premium BLDC platform, have delivered better-than-anticipated outcomes, underscoring strong market acceptance and effective positioning within the evolving product mix. However, adoption in rural and upcountry markets remains constrained due to challenges such as volatile voltage conditions, which impact the performance of electronic controllers in BLDC fans.

The Company is strategically prioritising leadership in mid-market premium and BLDC segments rather than the economy segment.

The **Water Heaters category** includes electric and solar water heaters along with heat pump models catering to both residential and institutional customers across a wide price spectrum. Water heaters' manufacturing is supported by facilities in Kala Amb (Himachal Pradesh), Sikkim and Perundurai (Tamil Nadu), enabling efficient regional distribution, supplemented by a growing e-commerce presence.

The category demonstrated relatively resilient performance during FY26, supported by new product launches such as the Luxecube range of electric and smart water heaters, which seen strong initial traction and widespread market acceptance. Demand remains seasonally influenced, with potential upside linked to colder weather conditions. The category continues to be highly competitive, with 20-30 active brands, necessitating sustained focus on innovation, product refresh and differentiation.

The **Air Coolers** category includes desert, window-mounted, personal and room variants catering to residential and institutional requirements. Performance during FY26 was tempered by an early monsoon and an unusually mild summer, particularly in Southern and Eastern markets, which temporarily softened demand conditions.

While inventory levels built up temporarily across the Company and trade channels, they were progressively normalized, supported by disciplined working capital management. The Company has continued investment in advertisement expenditure for the category, which impacted profitability for the year. Looking ahead, the Company expects a strong rebound in demand, supported by a low base effect and normalisation of seasonal conditions, along with continued investments in product innovation and design upgrades.

The **Kitchen Appliances** portfolio includes induction cooktops, mixer grinders, gas cooktops, rice cookers, water purifiers and a range of small and large appliances such as kitchen hoods and breakfast appliances. Manufacturing capabilities have been strengthened through a dedicated facility in Vapi under VCPL, operational since the end of FY24, with a focus on mixer grinders and gas stoves. Water purifiers are currently distributed primarily through e-commerce platforms, with a phased expansion into organized retail.

The category, characterized by deep household penetration, witnessed consumption headwinds during FY26, in line with trends observed in FMCG segments, resulting in subdued growth.

The **Sunflame** brand remains central to the Company's kitchen appliances strategy. In July 2025, the Board accorded in-principle approval for merger of wholly owned subsidiary Sunflame Enterprises Pvt. Ltd. with the Company to accelerate synergy realisation across sourcing, R&D, product development and go-to-market (GTM) capabilities.

Operational integration, particularly in customer service, has been completed, resulting in improved service levels and faster resolution rates, while salesforce and distribution integration is nearing completion. The category continues to face demand pressure in institutional channels such as the Canteen Stores Department (CSD), while general and modern trade channels have shown relatively better traction. E-commerce business is being scaled up and continues to remain a key growth lever. With the integration

nearing completion, the Company is expecting the revenue growth to pick up in the coming years.

A structured product refresh cycle is underway to address portfolio gaps and improve competitiveness. Despite near-term revenue pressures, gross margins have remained resilient due to effective price transmission. The Company expects segment margins for the Sunflame business to improve over the medium term, supported by scale efficiencies and integration synergies.

While FY26 performance was impacted by transient external factors, the Company's focused investments in premiumisation, capacity expansion and integration initiatives position the segment for recovery. With improving demand conditions and structural margin levers in place, the Consumer Durables segment is well positioned to deliver sustained and profitable growth.

6. Financial Performance

The Financial Year 2025-2026 was marked by a challenging operating environment, shaped by unfavourable seasonal patterns and broader macroeconomic volatility. Demand remained subdued across key categories, while geopolitical tensions contributed to higher input costs and increased market uncertainty.

Revenues for the year were at ₹ 5,965.78 Crore as compared to ₹ 5,577.82 Crore in FY25 representing a growth of 7%. The initial half of the year witnessed weak demand for categories such as fans, air coolers and stabilizers, due to an unusually mild summer and prolonged rainfall. Festive demand also remained subdued during the year. Momentum improved, driven by the Electricals segment, particularly wires, where higher commodity prices contributed to value-led growth supported by switches and switchgears which delivered good volume led growth. Overall, growth in non-seasonal categories partially mitigated the impact of weather-related disruptions in seasonal categories.

Gross margins remained unchanged at 36.3% for FY26. Margin performance remained broadly stable during the year, with margins reverting to pre-COVID levels. During the year, margins were supported by favourable inventory dynamics in the wires segment amid rising copper prices, resulting in realisation gains, along with benefits from backward integration that improved cost efficiency and reduced external dependence. However, volatility in input costs, particularly copper, necessitated calibrated pricing actions, with lag effects in price pass-through. In addition, a shift in product mix towards the Electricals segment supported revenue growth but resulted in some gross margin dilution at overall level.

EBITDA for the year stood at ₹ 526.76 Crore in FY26 as compared to ₹ 513.23 Crore in FY25, an increase of 2.6%, with EBITDA margins at 8.8% as compared to 9.2% in FY25. Profitability in the first half was impacted by operating deleverage due to muted revenue growth

against a relatively fixed cost base. Margins improved in second half, supported by revenue recovery, improved operating leverage and cost optimisation measures. The Company continued to invest in brand-building initiatives. Advertising and Promotion (A&P) expenditure stood at 2.6% of sales, compared with 2.9% in FY25, reflecting the Company's continued focus on brand investment and market development.

Profit Before Tax stood at ₹ 407.89 Crore in FY26 as compared to ₹ 413.95 Crore in FY25. For the quarter ended December 31, 2025, the Company recognized an exceptional charge of ₹ 22.11 Crore pertaining to the reassessment of employee benefit obligations, including gratuity and leave encashment, following notifications related to the implementation of new labour codes, a one-time impact.

The effective tax rate for the year stood at 24.4% as compared to 24.2% in FY25.

During the year, GST 2.0 rate reductions were implemented in select categories, including batteries, solar products and certain kitchen products, with the benefits fully passed on to end consumers. This has improved product affordability and supported demand over the medium term, thereby strengthening customer dynamics.

Profit After Tax stood at ₹ 308.34 Crore in FY26 as compared to ₹ 313.72 Crore in FY25, a decline of 1.7%. Excluding the exceptional charge, on an underlying basis, profitability improved by 5.34% reflecting better operating performance, improved cost absorption and disciplined expense management.

The Company reported a net cash position of ₹ 231.16 Crore as at March 31, 2026 as compared to ₹ 63.83 Crore as at March 31, 2025, supported by healthy cash generation and disciplined working capital management. The Company continues to deploy capital towards strategic investments, including capacity expansion and strengthening of manufacturing capabilities.

The Company has maintained operational discipline and steady execution across segments, in an environment of external and seasonal headwinds and economic reforms. The financial position remains strong, supported by consistent cash generation and a robust balance sheet.

Note: Financial performance detailed above is basis consolidated financial statements.

7. Outlook

The Financial Year 2025-26 was marked by macro-economic headwinds that weighed on global and domestic economies, while within India, the sector was further influenced by regulatory developments including GST 2.0, albeit supportive in nature, BEE norms and uneven seasonality. Despite this, for V-Guard, the year was characterized by a steady expansion in geographic reach, diversification across segments and entry into

new categories, innovation and increasing manufacturing integration across its business lines.

Towards the end of the Financial Year, macro conditions remained volatile. Copper and aluminium prices rose significantly, while steel and plastics softened partially.

Around 60% of the Company's portfolio is summer-dependent, and is prone to weather-driven cyclicity. The revised BEE norms mandate compliance with more stringent energy efficiency standards. This development presents a significant opportunity for organized players, particularly those with in-house manufacturing capabilities.

The Company is supported by a strong distribution network of ~1,00,000 retail touchpoints, strengthening year on year, enabling deeper penetration in underpenetrated markets. The Company continues to focus on building a more responsive and future ready route to market architecture which supports broader market coverage, stronger channel relevance and a seamless consumer interface across formats.

Geographic expansion remains an important lever for future growth of the Company. With a strong pan India brand presence, the Company is broadening its geographic presence in relatively newer non south markets and building a more balanced growth portfolio.

Innovation, design, technology and sustainability remain at the core of the Company's product strategy with a focus on building a competitive, future ready portfolio that is aligned to evolving market needs. The Company continues to invest in R&D, design and technology to this effect while accelerating development cycles and improving speed to market.

A key strength of the Company lies in its capability base, including advanced manufacturing infrastructure, deep industry expertise and a skilled workforce. In-house manufacturing stands at ~65%, improving cost control, quality and responsiveness. In FY26, the Company has invested ~ 180 Crores towards capex in a new R&D and innovation centre, enhancing manufacturing capacity and development of moulds for new models, aimed at enhancing long-term capacity and capability.

The solar segment represents a large, structurally expanding opportunity supported by Government initiatives, rising electrification and increasing adoption of distributed solar solutions across residential and semi-urban markets. V-Guard is leveraging this trend through offerings such as solar rooftop inverters and panels, solar water heaters and solar pumps, aligning with its strategy of expanding into high-growth adjacent categories and strengthening its presence in future energy solutions beyond its core portfolio.

Strategically, the Company follows a disciplined and gradual category development approach. Through Sunflame integration, Sunflame's margins are anticipated to improve over the next 2-3 years, while Lighting marks

a new adjacency in the portfolio. Investments in retail, R&D and capacity are expected to deliver long-term operating leverage.

FY27 is expected to benefit from normalized demand conditions, and operating leverage from recent investments. However, if the middle east conflict is prolonged, it may adversely impact demand and consumption. Overall, V-Guard's balanced portfolio, which has demonstrated resilience by delivering strong growth year after year, supported by strong innovation and R&D, distribution reach, disciplined category expansion, manufacturing integration and improving penetration in solar-linked opportunities, positions the Company towards sustained strong growth.

8. Strengths and Opportunities

Strengths

- The Company has invested significantly in building its brand equity over the past decade, which has led to high brand recall and enabled entry into new product categories.
- Consumer centric organization with emphasis on after-sales service, quality, innovation, R&D and new product development.
- Strong pan-India footprint with investments in a well-entrenched distribution network spread across 100,000+ retail touch points.
- Comprehensive and diversified product portfolio across fast growing categories in the consumer electricals, electronics and durables space, catering to the mass consumption market in India.
- Strong execution track record and demonstrated ability to grow competitively and profitability.
- Experienced management team with strong understanding of the business complexities.
- Over the years, the Company has increased its in-house manufacturing and lessened its dependence on imports and outsourcing which ensures better quality and innovative products with value engineering.

Opportunities

The industry is expected to maintain a strong growth trajectory over the medium to long term, supported by favourable macroeconomic and sectoral tailwinds such as the expansion of the middle class, rising disposable incomes, and improved access to financing, which would improve adoption of electronics and consumer durables.

Additionally, premiumisation in metropolitan and urban markets, coupled with the continued expansion of distribution networks into Tier II and Tier III cities, would further drive demand.. In addition, the Government's push for housing for all, increasing availability of electricity and

infrastructure development augur well for long term growth prospects of the sector.

Non-South markets account for ~48% of the Company's current revenues and hold significant scope for further expansion and market share gains.

The Company is present in key product categories having significant market sizes. Increasing formalization of the market presents an opportunity for organized players to benefit - especially market leaders, with established brands and entrenched manufacturing and distribution capabilities.

The Company continues to scale up its presence in e-commerce and modern trade outlets which are delivering steady growth.

9. Enterprise Risk Management

A strong governance structure has been put in place where the Risk & ESG Committee of the Board oversees the adequacy and effectiveness of the Risk Management Framework. It incorporates leading risk management standards and practices to identify, assess, prioritize, manage and report risks. The key risks identified and its mitigation plan are as follows:

Key risks	Risk Statement	Mitigation Plan
 Emerging channels	The channel landscape is fast changing with multiple trade formats and inadequate presence in certain emerging channels; hence the need arises to focus on Go-To-Market, customer management & trade terms capabilities.	- Channel-centric focused organizational structure and agile operating model. - Robust insights mechanism and digital marketing capabilities. - Established SCM, Service & Sell-out systems. - Developed D2C, Quick Commerce & other Digital Operating Models. - Key Account Management and retail marketing capabilities. - Differentiated GTM Model (sell-out) & exclusive products.
 Impact of digitization	Advent of digitization may bring about very significant changes to business model, including disruption in sales and distribution, fundamental process changes and shift in consumer behaviour and products.	- Investing in capabilities required to scale up e-commerce operations. - Processes around digital content and digital customer acquisition. - Smart products roadmap to drive digital product plans. Digitally driven Sell-out system and next-generation supply chain capabilities. - Enterprise analytics for better visibility and collaboration.
 Hypercompetition in marketplace	Cost of doing business is rising and growth is impacted due to traditional electrical players expanding focus to adjacent categories, slew of e-Com players leveraging vendor ecosystem, consolidation of companies and MNCs shifting focus on Indian FMCE market.	- Adoption of digital Product Life Cycle Management for faster time to market. - Product value chain to enhance product differentiation. - Consumer-centric long-term NPD pipeline. - Building sell-out management capability.
 Margin Protection	Commodity price volatility, geopolitical risk, rising input cost and increased cost of compliance.	- Velocity of pass-through of cost and timely pricing actions. - Monitoring commodity price movements and competitors' action. - In-house manufacturing of established products. - Value engineering initiatives for cost reductions. - Premiumization of product portfolio.
 Information security	Due to the increased threat of cyber security incidents globally, IT downtime and data loss can adversely impact business operations.	- Robust Information Security Management Systems in line with global standards and industry benchmarks. - Disaster Recovery Plan for critical applications. - Incident management response systems. - Building awareness among users. - Cyber threats are mitigated by deploying advanced systems, tools, and processes.

Key risks	Risk Statement	Mitigation Plan
 Environment, Social and Governance	Impact on business continuity and reputation due to Environmental & Social incidents, Non-compliance of regulations.	- Transitioning to low-carbon operations to address climate-related risk by: Integrating renewable energy, water conservation, circular waste management practices, and investing in responsible products. - Well-established Environment, Health, and Safety compliance framework. - Human Rights assessments for employees and value chain partners. - Empowering communities through CSR initiatives. - Multi-tier governance mechanism to consider the aspects beyond compliance. - Disclosures as per standards.
 Supply Security	External and internal factors can lead to supply disruption, impacting availability of materials.	- Reducing dependency on imports through in-house manufacturing and developing domestic alternatives. - With the help of R&D, continuously developing alternate make, designs and models. - Disaster management plan for own manufacturing plants.
 Inadequate Talent Pipeline	Non-availability of people with appropriate skills for evolving business requirements and growth.	- Strengthening organization capability and culture through Saksham and Tatva; focusing on Employee friendly policies. - Identifying and developing internal talent with leadership competencies. - Focused employee value propositions. - E-learning Academy for employees.

10. Human Resources

Over the last year, HR has taken various initiatives for employee benefit and retention. During the year, the Company continued with succession planning & risk mitigation programme for critical senior leadership positions and continues with strategic initiatives for career development for high potential managers and creation of a talent pool.

Continuing with retaining and attracting talent pool the Company continued with its ESOP plan and granted options as per ESOP 2013 Scheme to 16 employees during the year. Overall ~80 employees are covered under ESOP plan.

Relationship of the Company with employees has been cordial during the year.

As on March 31, 2026, the total number of employees of the Company is 3,219 against 3,133 on March 31, 2025.

11. Audit & Internal Control Systems

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities which is integrated with Company policies, defined Standard Operating Procedures across processes and approved Delegation of Authority Matrix. The key objective of the

internal control systems is to manage business risks, enhance shareholder value and safeguarding of the assets.

Internal audits are conducted at all major locations and across functions to ensure high standards of Internal Controls are maintained. It provides reasonable assurance on the internal control environment and against non-occurrence of material misstatement or loss. Every quarter, Audit Committee reviews the adequacy and effectiveness of internal control system and monitors the implementation of audit recommendations.

The Company has a robust Internal Financial Controls monitoring framework. The Company continuously monitors process changes and updates the Risk and Control Matrices (RCMs) along with identification of process automation opportunities and enhanced management monitoring mechanisms to strengthen the control environment. Key controls across processes were evaluated during the year to provide assurance regarding compliance with the existing policies and significant operating procedures, and no significant weaknesses/deviations were noted in effectiveness of the controls. Further, the Statutory Auditors of the Company also conducted audit of the Internal Financial Controls Over Financial Reporting of the Company as on March 31, 2026, and issued their report which forms part of the Independent Auditor's report.

Board's Report

Your Directors take pleasure in presenting their 30th Annual Report ("Report") on the business and operations of V-Guard Industries Ltd. ("the Company"), together with the Audited Financial Statements for the Financial Year ended March 31, 2026.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The summarized standalone and consolidated financial performance of your Company with previous year's figures are given in the table below:

(₹ in Crore)

Particulars	Financial Year ended		Financial Year ended	
	Standalone		Consolidated	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
Revenue from operations	5,691.78	5,308.87	5,965.78	5,577.82
Other Income	36.12	18.86	23.51	20.89
Total Income	5,727.90	5,327.73	5,989.29	5,598.71
Operating expenditure	5,274.13	4,886.40	5,439.02	5,064.59
Operating profit before Depreciation, Interest & Tax	453.77	441.33	550.27	534.12
Finance Cost	6.93	19.92	12.38	24.51
Depreciation and amortization expense	82.06	73.68	107.89	95.66
Exceptional Item*	20.91	-	22.11	-
Profit Before Tax	343.87	347.73	407.89	413.95
Tax Expense:				
a) Current Tax	90.58	86.18	105.83	100.59
b) Deferred Tax	(6.08)	1.33	(6.28)	(0.36)
Profit After Tax before share of profit/(loss) of associate (net)	259.37	260.22	308.34	313.72
Share of (loss) of associate (net)	0.00	0.00	(0.01)	0.00
Profit After Tax	259.37	260.22	308.33	313.72
Basic EPS (₹)	5.92	5.95	7.03	7.17
Diluted EPS (₹)	5.90	5.92	7.01	7.14

* Pursuant to New Labour Codes an incremental charge towards gratuity and leave encashment provisions has been recognised as exceptional item.

2. COMPANY PERFORMANCE

The key highlights of the Company's financial performance during the Financial Year 2025-26 are given below:

- The consolidated revenue from operations increased by 7.0% from ₹ 5,577.82 Cr. to ₹ 5,965.78 Cr. in the Financial Year 2025 - 26, whereas the standalone revenue from operations increased by 7.2% from ₹ 5,308.87 Cr. to ₹ 5,691.78 Cr. in the Financial Year 2025- 26.
- The consolidated EBITDA increased by 2.6% from ₹ 513.23 Cr. to ₹ 526.76 Cr. in the Financial Year 2025-26 and standalone EBITDA decreased by 1.1% from ₹ 422.47 Cr. to ₹ 417.65 Cr. in Financial Year 2025-26.
- The consolidated Net Profit decreased by 1.7% from ₹ 313.72 Cr. to ₹ 308.33 Cr. in the Financial Year 2025-26 and standalone Net Profit decreased by 0.3% from ₹ 260.22 Cr. to ₹ 259.37 Cr. in Financial Year 2025-26. The decrease in profit is mainly due to exceptional item as detailed in point 1 above.

The segment wise performance of the Company is provided in Management Discussion and Analysis Report which forms part of this Report. The consolidated financial results comprise of full year financial performance of Wholly-

owned subsidiaries - GUTS Electro-Mech Ltd., V-Guard Consumer Products Ltd., Sunflame Enterprises Pvt. Ltd., and Associate Company, Gegadyne Energy Labs Pvt. Ltd.

3. TRANSFER TO RESERVES

During the year under review, no amount was transferred to any of the reserves by the Company.

4. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2026, your Company continues to have following Wholly-owned Subsidiaries (WoS) and Associate Company:

- GUTS Electro-Mech Ltd. (GUTS): WoS.
- V-Guard Consumer Products Ltd. (VCPL): WoS.
- Sunflame Enterprises Pvt. Ltd. (SEPL): WoS.
- Gegadyne Energy Labs Pvt. Ltd. (GEL): Associate Company.

During the year under review, VCPL was identified as material subsidiary of the Company as defined in Regulation 16(1) (c) of the Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Policy for determining Material Subsidiaries, adopted by your Board, is in conformity with Regulation 16 of SEBI Listing Regulations. During the year under review, the Board of Directors has approved revisions to the said policy to incorporate recent changes in the SEBI Listing Regulations. The Policy can be accessed on the Company's website at https://www.vguard.in/uploads/investor_relations/Policy-on-Material-subsidiary.pdf.

During the year under review, no Company has become or ceased to be Subsidiary or Associate of the Company. Further, the Company does not have any joint venture.

5. CHANGES TO THE SHARE CAPITAL

Authorised Share Capital:

During the year under review, there was no change in the Authorised Share Capital of the Company. As on March 31, 2026, it stood at ₹ 1,91,50,00,000 (Rupees One Hundred and Ninety One Crores and Fifty Lakhs Only) divided into 1,91,50,00,000 (One Hundred and Ninety One Crores and Fifty Lakhs) Equity Shares of ₹ 1/- (Rupee One Only) each.

Issued, Subscribed and Paid-up Share Capital

During the year under review, 10,24,783 equity shares of face value ₹1/- (Rupee One Only) each, were allotted to the employees who exercised options under Employee Stock Option Scheme of the Company (ESOS 2013). The details are mentioned in point no. 16(g) below.

The Paid-up Share Capital of the Company as at March 31, 2026, was ₹ 43,68,03,816/- (Rupees Forty Three Crores Sixty Eight Lakhs Three Thousand Eight Hundred and Sixteen Only) divided into 43,68,03,816 (Forty Three Crores Sixty Eight Lakhs Three Thousand Eight Hundred and Sixteen) Equity Shares of ₹ 1/- (Rupee One Only) each.

Save and except, as stated above, there was no change in Share Capital of the Company. During the Financial Year under review, your Company had neither issued nor allotted any preference shares, debentures, bonds, warrants, equity shares with differential rights or sweat equity shares.

6. DIVIDEND

In line with the Dividend Distribution Policy of the Company, the Board of your Company in its meeting held on May 12, 2026 has recommended a final dividend of ₹ 1.50/- (One Rupee and Fifty Paise Only) @150% per equity share of ₹ 1/- (Rupee One Only) for the Financial Year 2025-26 payable to those members whose name/s appear in the Register of Members/list of beneficiaries as on July 31, 2026 i.e. the record date. The total final dividend payout will amount to ~₹ 65.52 Cr. The payment of final dividend is subject to the approval of shareholders in the 30th Annual General Meeting ("AGM") of the Company to be held on August 11, 2026. The aforesaid final dividend, if approved by the shareholders, will be paid by the Company from its profits earned during the Financial Year on or before September 9, 2026.

Pursuant to Income Tax Act, 2025, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, your Company shall make the payment of dividend after deduction of tax at source at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Notice of 30th Annual General Meeting and the Income Tax Act, 2025.

7. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, unclaimed/unpaid dividend of which was lying in the Unpaid Dividend Account for the Financial Year 2017-18, pursuant to the provisions of Section 124(5) of the Companies Act, 2013 ("the Act"), was transferred to IEPF. The Company has transferred 13,383 equity shares, in respect of which dividend(s) have not been claimed for seven consecutive years, to IEPF Authority. The details of unpaid or unclaimed dividend(s) & shares transferred to IEPF during the year, pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and the dividend(s) which are due for transfer to IEPF in the forthcoming years, are provided in the Report of Corporate Governance forming part of this Report.

Details of Nodal Officer

The details of the nodal officer appointed by the Company under the provisions of IEPF is available on the website of the Company at <https://www.vguard.in/uploads/downloads/Nodal-officer-communication-details.pdf>.

8. PUBLIC DEPOSITS

Your Company has not invited or accepted any deposits within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), from public during the year under review. Therefore, no amount of principal or interest was outstanding, as on the balance sheet closure date.

9. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS

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

10. CREDIT RATING

During the year under review, CRISIL ESG Ratings & Analytics Ltd., SES ESG Research Pvt. Ltd. and NSE Sustainability Ratings and Analytics Ltd, independent ESG rating agencies, have rated your Company on ESG Parameters. The Company has not engaged the aforementioned rating agencies for ESG Rating. The said

agencies have independently assessed the Company based on public disclosures on ESG parameters and other information available in the public domain.

Particular	CRISIL ESG Ratings & Analytics Ltd.	SES ESG Research Pvt. Ltd.	NSE Sustainability Ratings and Analytics Ltd.
ESG rating	'Strong' category; Score: 63 (FY 25) (improved from 62 in FY 24)	ESG Score: 76.2 (FY25) (improved from 72.0 in FY24)	ESG Score: 69 (FY25) (improved from 68 in FY24)

Further, during the year under review, M/s. Crisil Ratings Ltd. re-affirmed the top-notch ratings i.e. Crisil A1+ (pronounced as CRISIL A one plus rating) on ₹ 150 Crores Commercial Paper of the Company.

M/s. ICRA Ltd. vide its letter dated April 7, 2026, has upgraded the rating and revised the outlook as detailed below:

Instrument	Rated Amount (₹ Crore)	Rating Action	Outlook
Long term/short term-fund based/non fund based-working capital facilities.	820.00	[ICRA]AA+, upgraded from [ICRA]AA; outlook revised to Stable from Positive/ [ICRA] A1+, reaffirmed.	Revised to Stable from Positive.

11. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to the provisions of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms part of this Report. The report outlines the Company's initiatives from an Environmental, Social and Governance (ESG) perspective. This is complemented by an independent limited assurance report on BRSR core and selected non-core parameters, conducted by an independent third-party assurance provider M/s. Price Waterhouse Chartered Accountants LLP.

12. BOARD OF DIRECTORS AND ITS COMMITTEES

a) Composition of the Board of Directors

As on March 31, 2026, the Board of Directors of the Company comprised of eight Directors, with three Executive, four Independent Directors including one Woman Independent Director and one Non-Executive Non-Independent Woman Director. The composition of the Board of Directors meets the requirement of provisions of Regulation 17 of the SEBI Listing Regulations and Section 149 of the Act.

b) Change in office of Directors, Key Managerial Personnel and Senior Management Personnel of the Company during the year under review and details of Directors seeking Appointment/Re-appointment at the 30th Annual General Meeting

The members of the Company in their 29th AGM held on August 7, 2025 approved:

- Re-appointment of Mr. Ramachandran V (DIN: 06576300), Director & COO, who retired by rotation as per the provisions of the Act.

- Re-appointment of Mr. Mithun K. Chittilappilly (DIN: 00027610) as Managing Director of the Company for a further period of 5 (five) years with effect from April 1, 2026.
- Re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as Non - Executive Independent Director for a second and final term of 5 (five) consecutive years with effect from October 5, 2025.

Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, wherever applicable, the Board of Directors in their meeting held on January 28, 2026, have:

- Approved the appointment of Dr. Reena Philip (DIN: 11462302) as an Additional Director (Non-Executive, Non-Independent) of the Company effective from January 28, 2026, and recommended her appointment as Non-Executive Non-Independent Director for a period of 4 (four) years.
- Recommended re-appointment of Prof. Biju Varkkey (DIN: 01298281), as Non-Executive Independent Director of the Company for a second and final term of 5 (five) consecutive years, effective from May 26, 2026.

The appointment / re-appointment of Dr. Reena Philip and Prof. Biju Varkkey were approved by the shareholders of the Company through postal ballot on March 8, 2026, with requisite majority.

Pursuant to Section 161 of the Act and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company

at its meeting held on May 12, 2026, has approved the appointment of Ms. Usha Sunny (DIN: 07215012) as an Additional Director in the capacity of Non-Executive Independent Director. Ms. Usha Sunny (DIN: 07215012) will hold office as an Additional Director upto the date of ensuing AGM.

Pursuant to provisions of the Act and SEBI Listing Regulations and based on recommendations of Nomination and Remuneration Committee, the Board of Directors has recommended following for the approval of the shareholders of the Company in the ensuing AGM:

- i) re-appointment of Mr. Antony Sebastian K (DIN: 01628332), Whole-time Director, who is liable to retire by rotation and being eligible offers himself for re-appointment.
- ii) appointment of Ms. Usha Sunny (DIN: 07215012) as Non-Executive Independent Director of the Company for a period of 5 (five) consecutive years w.e.f. May 12, 2026 to May 11, 2031.

Your Company has received necessary declarations/ consent and requisite notices in writing, proposing the candidature of Mr. Antony Sebastian K and Ms. Usha Sunny for appointment/re-appointment under Section 160 and other relevant provisions of the Act.

A brief resume of the Directors proposed to be appointed/re-appointed, their expertise in specific functional areas, name of companies in which they hold directorships, Committee membership/s/ Chairmanship/s, shareholding, wherever applicable, etc. as stipulated under Secretarial Standard-2 issued by Institute of Company Secretaries of India and Regulation 36(3) of the SEBI Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

The present term of the office of Ms. Radha Unni, Chairperson and Independent Director (DIN: 03242769) of the Company, who was re-appointed for second and final term of 5 (five) consecutive years with effect from September 27, 2021, will expire on September 26, 2026. The Board of Directors places on record its deep appreciation and sincere gratitude to Ms. Radha Unni, Chairperson of the Company, for her exemplary leadership, strategic guidance and continued valuable contributions to the Company.

During the year under review, no Director has resigned from the Company. The particulars of Senior Management along with changes made during the Financial Year as per the SEBI Listing Regulations, are given in the Report on Corporate Governance which forms part of this Report.

As on March 31, 2026, Mr. Mithun K Chittilappilly (DIN: 00027610), Managing Director, Mr. Ramachandran

V (DIN: 06576300), Whole-time Director & COO, Mr. Antony Sebastian K (DIN: 01628332), Whole-time Director, Mr. Sudarshan Kasturi, Chief Financial Officer and Mr. Vikas Kumar Tak, Company Secretary & Compliance Officer are the Key Managerial Personnel (KMP) of your Company. During the year under review, there were no changes to the KMP of the Company.

c) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The Nomination and Remuneration Committee has formulated Nomination, Remuneration and Evaluation Policy, which details the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the SEBI Listing Regulations. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf.

d) Declaration by Independent Directors

Your Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 25(8) read with Regulation 16 of SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Your Company has also received declaration from the Independent Directors confirming compliance of Rule 6(1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the Indian Institute of Corporate Affairs ("IICA"), for inclusion/renewal of name in the databank of Independent Directors. Accordingly, all the Independent Directors of the Company had registered their names with data bank of IICA. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Independent Directors prescribed in Schedule IV of the Act. The Board of Directors of the Company have taken on record the declarations and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same and confirmed that the Independent Directors fulfil the conditions of independence specified in SEBI Listing Regulations and the Act, as amended and are independent of the management.

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

e) Certificate from Practising Company Secretary

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI Listing Regulations, M/s. Dedhia Shah & Partners LLP, Company Secretaries, Mumbai, has certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority and the certificate forms part of the Report of Corporate Governance forming part of this Report.

f) Number of Meetings of the Board of Directors

The Board meets at regular intervals to consider and approve financial results, business policies and strategic proposals apart from other items of business. The Board and Committee meetings are pre-scheduled, and a tentative annual calendar of meetings is circulated to the Directors in advance to ensure participation of all Directors.

During the year under review, six Board meetings were held on May 14, 2025, July 29, 2025, October 29, 2025, January 28, 2026, March 10, 2026, and March 25, 2026. Necessary quorum was present for all the meetings and the intervening gap between the meetings was within the period prescribed under the Act and the SEBI Listing Regulations. The details of the Board meetings are given in the Report on Corporate Governance which forms part of this Report. The Company provides all the Board Members the facility to participate in the meetings of Board and its Committees through Video Conferencing/Other Audio-Visual Means.

Pursuant to the requirements of Schedule IV to the Act and the SEBI Listing Regulations, separate meetings of the Independent Directors of the Company were held on May 14, 2025, September 10, 2025 and March 25, 2026, and the Independent Directors reviewed the matters enumerated under Schedule IV(VII)(3) to the Act and Regulation 25(4) of the SEBI Listing Regulations. All the Independent Directors attended the said meetings.

g) Statutory Committees of the Board

Pursuant to the requirements under the Act and the SEBI Listing Regulations, the Board of Directors have constituted various committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility ("CSR") Committee and Risk & ESG Committee.

The composition and terms of reference of the Committees including changes, if any, and number of

meetings held during the Financial Year under review are given in the Report on Corporate Governance forming part of this Report. All the recommendations made by the Committees of the Board including the Audit Committee were accepted by the Board.

h) Performance Evaluation

Pursuant to the provisions of the Act and the SEBI Listing Regulations, annual evaluation of the performance of the Board, the Directors and the Committees of the Board was conducted through an external agency.

The Nomination and Remuneration Committee of the Company has engaged an external agency to carry out the performance evaluation of each individual Director, Committee and Board as a whole. Performance evaluation was carried out through a digital platform, based on a structured questionnaire, formulated taking into consideration the criteria approved by the Nomination and Remuneration Committee.

Evaluation criteria of the Board were based on the role played by the Board in the governance, overall functioning, evaluating strategic proposals, financial reporting process, internal controls and its effectiveness, technology, digital & AI oversight, and review of risk management process and risk appetite including geopolitical, supply chain, climate and regulatory risk. The evaluation of individual Directors was carried out based on various parameters such as participation in the Board and its Committee meetings, contribution towards strategic proposals, suggesting risk mitigation measures, putting in place internal controls, governance, leadership, and talent development, and managing external stakeholders. Performance evaluation of various committees of the Board was carried out based on the criteria such as constitution, effective functioning of the committees as per the terms of reference, periodical suggestions and recommendations given by the committees to the Board, etc.

In the meeting of Independent Directors held during the year, the members considered evaluation of the performance of the Chairperson based on criteria such as giving guidance to the Board and ensuring the independence of the Board, etc. The performance of the Non-Independent Directors was also evaluated based on their contribution made to the growth of the Company, strategic initiatives and Board deliberations.

i) Familiarization Programme

In terms of Regulation 25(7) of the SEBI Listing Regulations, the Company familiarizes its Directors about their roles and responsibilities at the time of their

appointment through a formal letter of appointment. The letter of appointment /re-appointment is available on the website of the Company at <https://www.vguard.in/investor-relations/appointment-letter>.

During the year under review, presentation on regulatory updates on SEBI Regulations, ESG, statutory policy updates, updates on projects and investments made by the Company, CSR Projects undertaken/to be undertaken by the Company pursuant to the Act were made for the Directors.

The details of the programs/sessions conducted for familiarization of Independent Directors can be accessed on the website of the Company at https://www.vguard.in/uploads/investor_relations/Familiarisation-Program-2025-26.pdf.

j) Directors' Responsibility Statement

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Directors to the best of their knowledge and belief, confirm:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed, and no material departures have been made from the same;
- ii) That they had selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2025-26 and of the profit and loss of the Company for that period;
- iii) That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they had prepared the annual accounts on a going concern basis;
- v) That they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi) That they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The aforesaid statement has also been reviewed and confirmed by the Audit Committee of the Board of Directors of the Company.

13. AUDIT RELATED MATTERS

a) Statutory Auditors

The members in the 26th Annual General Meeting of the Company had approved the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Registration No.012754N/N500016) as the Statutory Auditors of the Company for a term of 5 (five) years to hold office from the conclusion of the 26th AGM until the conclusion of the 31st AGM of the Company to be held in the calendar year 2027.

The Board has duly examined the Statutory Auditors' Report on the financial statements of the Company for the Financial Year 2025-26, which is self-explanatory. The Auditor's Report for the Financial Year ended March 31, 2026, does not contain any qualification, reservation or adverse remarks.

b) Cost Auditors

Pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, on recommendation of the Audit Committee, the Board of Directors has re-appointed M/s. BBS & Associates, Cost Accountants, Kochi as Cost Auditor for the Financial Year 2026-27 to conduct audit of cost records maintained by the Company. The appointment and remuneration payable to the Cost Auditor was approved by the Board, based on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration payable to the Cost Auditor, by the members of the Company is set out in the Notice of the ensuing AGM. The Cost Auditor has certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the Act.

The Cost Audit Report for the Financial Year 2024-25, issued by M/s. BBS & Associates, Cost Accountants, Kochi was duly filed with the Ministry of Corporate Affairs within the prescribed timeline. The Cost Audit Report does not contain any qualifications, reservations, or adverse remarks.

M/s. BBS & Associates, Cost Accountants, Kochi are in the process of carrying out the cost audit for applicable products for the Financial Year 2025-26. The Report to be issued by them will be considered by the Board of Directors and the same will be filed with the Ministry of Corporate Affairs within stipulated time as prescribed in the Act and rules made thereunder.

The Company made and maintained the Cost Records under Section 148 of the Act for the Financial Year 2025-26.

c) Secretarial Auditors

Pursuant to the provisions of Section 204(1) of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 24A of the SEBI Listing Regulations and amendment therein, the members of the Company in their 29th AGM appointed M/s. Dedhia Shah & Partners LLP, Company Secretaries (Unique Code Number: L2025MH019000) as Secretarial Auditors of the Company for a term of 5 (five) consecutive years commencing from April 1, 2025, i.e., from the Financial Year 2025-26 to Financial Year 2029-30.

The Secretarial Auditors of the Company and VCPL (Material Subsidiary) have submitted their reports for the Financial Year 2025-26, confirming compliance of all the provisions of applicable corporate laws. The aforementioned reports are annexed as **Annexure-I(a)** and **Annexure-I(b)** respectively, which forms part of this Report. The Board has duly examined the Secretarial Auditors' Report for the Financial Year 2025-26, which is self-explanatory. The Secretarial Auditor's Report of the Company and VCPL for the Financial Year ended March 31, 2026, does not contain any qualification, reservation or adverse remarks.

d) Internal Auditors

Pursuant to the provisions of Section 138 of the Act, the Board of Directors, on recommendation of the Audit Committee, re-appointed M/s Mahajan & Aibara Chartered Accountants LLP, Mumbai, as the Internal Auditors of the Company for the Financial Year 2025-26 in its meeting held on May 14, 2025.

14. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors or the Cost Auditors have reported any instances of fraud committed against the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act.

15. POLICY MATTERS**a) Nomination, Remuneration and Evaluation Policy**

In terms of provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee of the Company has formulated and recommended to the Board a policy, containing the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and it highlights the guiding principles for determining the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that it covers the matters mentioned in Section 178(4) of the Act. During the

year under review, the Nomination, Remuneration and Evaluation Policy was amended for updating the required changes. The Nomination, Remuneration and Evaluation Policy is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf.

b) Vigil Mechanism/Whistle Blower Policy

Your Company, as required under Section 177 (9) of the Act and Regulation 22 of the SEBI Listing Regulations, has established a Whistle Blower Policy, which enables the Directors, Employees, etc. to report instances of unethical behaviour, fraud or violation of Company's Code of Conduct. The policy provides for direct access to the Chairperson of the Audit Committee and for safeguarding the whistle blowers who raises grievances, against victimization. During the period under review, one complaint was received and it was resolved as on March 31, 2026.

The policy formulated in line with the provisions of the Act and the SEBI Listing Regulations is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/WHISTLEBLOWER-POLICY.pdf.

c) Corporate Social Responsibility Policy

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a CSR Committee and framed a CSR policy which details the CSR programmes/activities that can be carried out under various programmes heads and the same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/CSR-Policy.pdf.

During the year under review, the Company's CSR Programmes were focused on major programme areas, viz. Edu-care and Skill Development, Health & Hygiene, Women Empowerment and Build India & Relief programmes. During the Financial Year under review, the Company carried out several initiatives under the CSR programme heads, through V-Guard Foundation, a Section 8 Company formed to carry out CSR activities of the Company and its Subsidiaries. A report on CSR activities is annexed as **Annexure-II** forming part of this Report.

d) Risk Management Policy

The Company has formulated Enterprise Risk Management Policy (ERM Policy) in accordance with the guidelines provided under the Charter of the Risk & ESG Committee of the Board of Directors, and pursuant to Regulation 21 of the SEBI Listing Regulations. The Risk Management Charter and ERM Policy institutionalize a formal risk management function and framework consisting of risk management process, risk governance and communication structure.

The Enterprise Risk Management Policy provides a structured, consistent, and continuous process across the whole organization for identifying and assessing risks, deciding on mitigations and reporting on the opportunities and threats that may affect the achievement of its strategic objectives. During the Financial Year, the said policy was reviewed by the Risk & ESG Committee and Board of Directors of the Company.

e) Dividend Policy

Pursuant to the provisions of Regulation 43A of the SEBI Listing Regulations, the Board of Directors of the Company has adopted a Dividend Policy which details the dividend philosophy of the Company. As per the Policy, the Board of Directors shall consider internal and external factors while recommending/declaring interim or final dividend. The said policy is annexed as **Annexure-III** to this Report and placed on the website of the Company at https://www.vguard.in/uploads/investor_relations/Dividend-policy.pdf.

16. OTHER MATTERS

a) Material changes and commitments if any, affecting the financial position of the company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year to which the financial statements relate and the date of the report.

b) Change in the nature of business, if any

There was no change in the nature of business of the Company during the Financial Year 2025-26. During the year under review, the Board of Directors of your Company have accorded its approval to enter into new category-Lighting Business to expand and diversify the business operation of the Company.

c) Internal Financial Controls (IFC)

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. The Audit Committee reviews the adequacy and effectiveness of the internal control system and monitors the implementation of audit recommendations. During the year under review, a reputed consultant conducted detailed review of control processes in key control areas. No significant deficiencies were reported during the test of IFC.

Further, the Statutory Auditors of the Company also reviewed Internal Controls over Financial Reporting of the Company as on March 31, 2026, and issued their report which forms part of the Independent Auditor's report.

d) Particulars of Loans, Guarantees and Investments

Particulars of Loans, Guarantees and Investments pursuant to Section 186 of the Act is given hereunder:

During the Financial Year 2024-25, the Board of Directors approved the grant of secured loan of ₹ 6.60 Crores to M/s. Gegadyne Energy Labs Pvt. Ltd. (GEL), an associate company and during the year under review, Board of Directors had approved grant of unsecured interim loan up to ₹ 4.00 Crores to GEL, in one or more tranches. As on March 31, 2026, GEL has repaid entire loan amount including the secured loan granted in Financial Year 2024-25 along with interest.

During the Financial Year under review, the Board of Directors had approved further investment of ₹ 25.00 Crores in the securities of GEL, Associate Company. Pursuant to the said investment, the Company's shareholding in GEL increased to 30.35% on a fully diluted basis.

Further, details of loans and investments as on March 31, 2026, are set out in the Note 6 & 7 to the standalone financial statements of the Company.

e) Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The consolidated financial statements of the Companies are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Act, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements and the same forms part of this Report.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries and an Associate Company, for the Financial Year 2025-26 is given in Form AOC-1 which forms part of the Report.

In accordance with Section 136(1) of the Act, the Report of your Company containing inter alia, financial statements including consolidated financial statements, has been placed on the Company's website at <https://www.vguard.in/investor-relations/annual-reports>. Further, the financial statements of the Subsidiaries are also placed on the Company's website at <https://www.vguard.in/investor-relations/subsidiaries>.

Any member desirous of inspecting or obtaining copies of the audited financial statements, including the consolidated financial statements of the Company, audited financial statements of the Subsidiary companies may write to the Company Secretary at investors@vguard.in.

f) Any Revision made in Financial Statements or Board's Report

The Company has not revised the financial statements or Board's Report in any of the three preceding Financial Years.

g) Employee Stock Option Scheme 2013 (ESOS 2013)

During the year under review, the Nomination and Remuneration Committee granted the following options to eligible employees under ESOS 2013:

- a) 1,21,071 options on July 28, 2025,
- b) 78,079 options on October 28, 2025, and
- c) 2,13,527 options on January 27, 2026

The above options will vest over a period of 4 years from the date of grant on time and performance basis.

During the year under review, the Board of Directors issued and allotted the following shares of face value of ₹ 1/- to eligible employees who exercised options granted to them as per ESOS 2013.

- a) 2,89,783 equity shares at face value.
- b) 5,67,000 equity shares at a premium of ₹ 67.75/-
- c) 1,68,000 equity shares at a premium ₹ 120.80/-

During the year, options cancelled due to separation of employees and non-achievement of performance criteria, if any, were added back to the ESOP pool as per ESOS 2013 and shall be available for making any future grants.

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is annexed as **Annexure-IV** which forms part of this Report.

h) Code of Conduct

In compliance with Regulation 26(3) of the SEBI Listing Regulations and the Act, the Company has framed and adopted Code of Conduct for Directors and Senior Management (the Code), which provides guidance on ethical conduct of business and compliance with laws and regulations.

All members of the Board and Senior Management personnel have affirmed their compliance with the Code as on March 31, 2026. A declaration to this effect, signed by the Managing Director in terms of the SEBI Listing Regulations is given in the Report on Corporate Governance forming part of the Report. The Code is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Code-Conduct-for-Board-Senior-Management.pdf.

i) Extract of Annual Return

Pursuant to Section 134 and Section 92(3) of the Act read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the details forming part of the

Annual Return of the Company containing the particulars prescribed in Form MGT-7 as on March 31, 2025 is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual-Return-2025.pdf.

The draft of Form MGT-7, as on March 31, 2026, is made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Annual-Return-2025-26.pdf.

j) Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of the SEBI Listing Regulations, a detailed Management Discussion and Analysis Report for the Financial Year under review is presented in a separate section, forming part of this Report.

The state of the affairs of the business along with the financial and operational developments has been discussed in detail in the Management Discussion and Analysis Report.

k) Related Party Transactions

All related party transactions which were entered during the Financial Year were at arm's length basis. During the year under review, there were no materially significant related party transactions entered by the Company with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interests of the Company.

A statement with respect to all related party transactions including related party transactions entered by Wholly-owned subsidiaries, were presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of transactions. The details of related party transactions are provided in Form AOC-2, annexed as **Annexure-V**, as prescribed under Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. Disclosures as per Ind-AS 24 have been made in note 43 of the financial statements for the year ended March 31, 2026.

In accordance with the requirements of the SEBI Listing Regulations, the Company has also adopted a Policy on materiality and dealing with related party transactions. A Policy on materiality and dealing with related party transactions has been placed on the website of the Company at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf.

l) Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Report on Corporate Governance as required under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations forms part of this Report. Further as required under Regulation 17(8) of the SEBI Listing Regulations, a compliance certificate from the Managing Director and Chief Financial Officer is annexed with this Report.

A certificate from M/s. Dedhia Shah & Partners LLP, Company Secretaries, Mumbai, confirming the compliance of the Company with the conditions of Corporate Governance, as stipulated under the SEBI Listing Regulations, is attached to the Report on Corporate Governance.

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

The information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-VI** and forms part of this Report.

n) Particulars of remuneration details of Directors, Key Managerial Personnel and Employees

The remuneration details of Directors and Key Managerial Personnel and ratio of remuneration of each Director to the median of employees' remuneration as per Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-VII**. The names and particulars of remuneration of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available on the website of the Company at <https://www.vguard.in/investor-relations/disclosure-others>.

Mr. Mithun K Chittilappilly, Managing Director, Mr. Ramachandran V, Whole-time Director & COO, and Mr. Antony Sebastian K, Whole-time Director of the Company have not received any remuneration or commission from any of the subsidiary companies. Further, the Company does not have any holding company, therefore, no circumstance arise in which any remuneration or commission from holding company is paid to the Directors.

o) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy on prevention of sexual harassment at workplace. The Policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment as per the guidelines provided in the policy. All women employees (permanent, temporary, contractual and trainees) are covered under this policy, which is available on the website of the Company and is exhibited on the notice board of all the business locations/divisions of the Company. The Company on regular basis conducts trainings/awareness sessions for employees of the Company. During the period under review, no complaint was received. Accordingly, there were no complaints pending for more than 90 days as at March 31, 2026.

No. of complaints as on the start of Financial Year 2025-26 :

No. of complaints filed during the Financial Year 2025-26 :

No. of complaints disposed of during Financial Year 2025-26 :

No. of complaints pending at the end of Financial Year 2025-26 :

Nil

p) Compliance with the provisions of the Maternity Benefit Act, 1961

During the year under review, the Company has complied with the provisions of the Maternity Benefit Act, 1961, and the rules made thereunder. Eligible women employees were extended maternity benefits in accordance with the statutory requirements. The Company confirms that there were no instances of non-compliance in this regard during the year. In addition to compliance with the provisions relating to maternity benefits, the Company also provides paternity leave benefits to eligible employees in line with its paternity leave policy of the Company.

q) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

During the year under review, the Company has neither made any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

r) The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

s) There is no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company. Hence, no disclosure is required under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations.

17. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, applicable Secretarial Standards issued by the Institute of Company Secretaries of India, i.e. Secretarial Standard-1 and Secretarial Standard-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the Company.

18. LISTING OF SHARES

The equity shares of the Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The listing fee for the Financial Year 2026-27 was paid to both the Stock Exchanges.

19. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has formulated the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for fair disclosure of events and occurrences that could impact price discovery in the market for the Company's securities and to maintain the uniformity, transparency, and fairness in dealings with all stakeholders and ensure adherence to applicable laws and regulations. The same is available on the website of the company at https://www.vguard.in/uploads/investor_relations/CODE_PRACTICES_PROCEDURES_FAIR_DISCLOSURE_UPSI.pdf.

20. PREVENTION OF INSIDER TRADING

The Board has formulated a code of conduct for regulating, monitoring and reporting of trading of shares by insiders. This code lays down guidelines, procedures to be followed and disclosures to be made by the insiders while dealing with shares of the Company and cautioning them on consequences of non-compliances. During the year under review, the Company has amended the code of conduct for regulating, monitoring and reporting of trading by Directors,

Designated Persons and Immediate Relatives under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company regularly conducts training and awareness sessions, including training through e-learning module, to reinforce adherence to insider trading regulations and internal policies. The same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Code-Conduct-Insider-Trading.pdf.

21. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, all the corporate actions were duly implemented/completed within the specified time limit.

22. ACKNOWLEDGEMENT

Your Board of Directors place on record their sincere appreciation for the steadfast commitment and performance showcased by the employees at all levels during the year. The relentless performance of the employees over the years has led to consistent growth of the Company. The Directors also sincerely thank Channel Partners, Shareholders, various Government & other Statutory Authorities, Banks, Financial Institutions and Analysts for their continued assistance, co-operation and support.

For and on behalf of the Board of Directors

Place: Kochi
Date: May 12, 2026

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Annexure - I(a)

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE PERIOD ENDED MARCH 31, 2026

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

To,

The Members,

V-Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010

42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Financial Year ended on March 31, 2026 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the Financial Year ended March 31, 2026, as per the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not applicable to the Company during the Audit period**);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not applicable to the Company during the Audit period**);

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not applicable to the Company during the Audit period**); and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:
 1. The Bureau of Indian Standard Act, 1986 and rules made thereunder.
 2. The Essential Commodities Act, 1955.
 3. Household Electrical Appliances (Quality Control) Order, 1981.

We have also examined compliance with the applicable clauses:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the Financial Year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, the Company has filed Form FC-GPR with the Reserve Bank of India for allotment of Equity Shares of the Company to the shareholders of Simon Electric Private Limited pursuant to the Order Dt March 31, 2023 passed by Hon'ble National Company Law Tribunal, Kochi Bench, sanctioning the Scheme of Amalgamation between Simon Electric Private Limited and V-Guard Industries Limited and their respective Shareholders and Creditors. The same was marked for refiling with certain queries and the Company is under process to re-file Form FC-GPR with the Reserve Bank of India through Authorised Dealer.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officers, all the decisions were carried through unanimously and recorded as part of the Minutes.

Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of other, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Financial Year under audit period,

- a. The Board of Directors have accorded in-principle approval of merger of Sunflame Enterprises Private Limited, Whollyowned subsidiary with V Guard Industries Limited.

For **Dedhia Shah & Partners LLP**
Company Secretaries
Unique ICSI Code Number: L2025MH019000

Sd/-
Keyul M. Dedhia
Partner
FCS No: 7756 COP No: 8618
UDIN: F007756H000342915
Peer Review Certificate No: 6710/2025

May 12, 2026, Mumbai.

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'Annexure A'

To,

The Members,

V Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010

42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we rely on Statutory Auditors' Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Dedhia Shah & Partners LLP**

Company Secretaries

Unique ICSI Code Number: L2025MH019000

Sd/-

Keyul M. Dedhia

Partner

FCS No: 7756 COP No: 8618

UDIN: F007756H000342915

Peer Review Certificate No: 6710/2025

May 12, 2026, Mumbai.

Annexure - I(b)

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
V-GUARD CONSUMER PRODUCTS LIMITED
1st Floor, 42/962 Vennala High School Road,
Vennala, Ernakulam,
Kerala - 682028

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **V-GUARD CONSUMER PRODUCTS LIMITED [CIN: U31904KL2021PLC069893]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) As informed to us, the following other laws are specifically applicable to the Company:
 - 1. Water (Prevention and Control of Pollution) Act, 1974
 - 2. The Air (Prevention & Control of Pollution) Act, 1981
 - 3. The Environment (Protection) Act, 1986
 - 4. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - 5. Factories Act – 1948
 - 6. Batteries Waste Management Rules, 2022
 - 7. The Industries (Development And Regulation) Act, 1951
 - 8. The Boilers Act, 2025
 - 9. The Energy Conservation Act, 2001
 - 10. E-Waste (Management) Rules, 2022
 - 11. Safety of Household, Commercial, and Similar Electrical Appliances (Quality Control) Order, 2024

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

1. Secretarial Standards relating to Meetings of the Board of Directors (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

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

We report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-executive Directors.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.

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

We further report that during the audit period there were no instances of:

- (i) Public / Preferential issue of shares / debentures / sweat equity
- (ii) Redemption / buy-back of securities
- (iii) Merger / amalgamation / reconstruction, etc.
- (iv) Foreign technical collaborations

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

For **SVJS & Associates**
Company Secretaries

Sd/-

Jayan K.

Partner

FCS. 8154

CP. No. 7363

PR 6215/2024

Kochi

29.04.2026

UDIN: F008154H000226581

'Annexure A'

To
The Members
V-GUARD CONSUMER PRODUCTS LIMITED
1st Floor, 42/962 Vennala High School Road,
Vennala, Ernakulam,
Kerala - 682028

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2026 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For **SVJS & Associates**
Company Secretaries

Kochi
29.04.2026
UDIN: F008154H000226581

Sd/-
Jayan K.
Partner
FCS. 8154
CP. No. 7363
PR 6215/2024

Annexure - II

Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline on CSR policy of the Company:

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility) Rules, 2014 (the Rules). The Company undertakes CSR activities specified in the CSR Policy which are in line with Schedule VII to the Act. The activities are predominantly carried out in the areas where the Company's offices or manufacturing units are located. The CSR activities are carried out by V-Guard Foundation, a Section 8 Company which is the principal arm in implementing various CSR programmes/projects of the Company and its subsidiaries.

During the year, the Company's CSR initiatives were structured under the following major programme heads:

- A. **Edu-Care & Skill Development**, the focus was on educational infrastructure development and capacity building along with skill development and training programmes.
- B. **Health & Hygiene**, initiatives were centred on conducting medical camps, counselling services, and awareness programmes, along with strengthening healthcare infrastructure through the provision of medical equipment and development of facilities in Government hospitals and Primary Health Centres.
- C. **Build India & Relief** programmes focused on community infrastructure and environmental sustainability through solar lighting, water management projects, green initiatives, public infrastructure development, and support for vulnerable communities.
- D. **Women Empowerment** initiatives focused on empowering single mothers and promoting women's participation, their livelihood, and overall social development.

These initiatives collectively aim to enhance community well-being, promote inclusive development, and contribute to environmental sustainability and ecological balance.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Antony Sebastian K	Chairperson/ Whole-time Director	3	3
2.	Mr. Mithun K Chittilappilly	Member/ Managing Director	3	3
3.	Mr. George Muthoot Jacob	Member / Independent Director	3	2
4.	Prof. Biju Varkkey	Member / Independent Director	3	3

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

Pursuant to Section 135(1) of the Act read with the Rules made thereunder, the Board of Directors has constituted a CSR Committee. The weblink where the Composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board are tabulated below:

Sl. No.	Particulars	Weblink
1.	CSR Committee and CSR Policy	https://www.vguard.in/uploads/investor_relations/CSR-Policy.pdf
2.	CSR Projects	https://www.vguard.in/uploads/investor_relations/V-Guard-CSR-Annual-Action-Plan-2025-26.pdf

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

N. A.

5. CSR Obligation for the reporting period:

Sl. No.	Particulars	Amount (₹ in Lakhs)
a	Average net profit of the Company as per section 135(5)	28,384.91
b	Two percent of average net profit of the company as per section 135(5)	567.70
c	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
d	Amount required to be set off for the Financial Year, if any	23.43
e	Total CSR obligation for the Financial Year (5b+5c-5d)	544.27

6. Amount spent on CSR Projects (both ongoing and other than ongoing Projects):

Sl No.	Particulars	Amount (₹ in Lakhs)
a	Amount spent on CSR project, both ongoing and other than ongoing project	564.70
b	Amount spent in administrative Overheads	15.42
c	Amount spent on Impact Assessment, if applicable	0.00
d	Total amount spent for the Financial Year [(a)+(b)+(c)]	580.12

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
580.12		NIL		NIL	

f. Excess amount for set-off, if any:

Sl No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	567.70
(ii)	Total CSR obligation for the Financial Year*	544.27
(iii)	Total amount spent for the Financial Year	580.12
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	35.85
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any^	14.40
(vi)	Amount available for set off in succeeding Financial Years [(iv)-(v)]	21.45

* Total CSR obligation is provided after setting off ₹ 23.43 Lakhs excess amount spent in the previous Financial Year.

^ During the year, Income generated from the CSR projects was utilised for CSR activities

7. Details of Unspent CSR amount for the preceding three Financial Years: N. A.

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
								NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: N. A.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: N. A.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N. A.

For and on behalf of the Board of Directors

Sd/-

Antony Sebastian K

Chairperson – CSR Committee and
Whole-time Director
(DIN: 01628332)

Sd/-

Mithun K Chittilappilly

Member – CSR Committee and
Managing Director
(DIN: 00027610)

Place: Kochi

Date: May 12, 2026

Annexure - III

Dividend Distribution Policy

1. PREAMBLE

This Policy, framed pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in compliance with the provisions of Companies Act, 2013 including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force which shall be disclosed in the Annual Report and on the website of the Company.

Distribution of profit by a Company among its shareholders is termed as payment of Dividend. A Company may either distribute, entire profits earned by it, among its shareholders or distribute a certain percentage of its profit and retain the balance in business for purposes like expansion, diversification and inorganic investments. A formal dividend policy, helps the Board of a Company, to arrive at a balanced dividend pay-out ratio, taking into account, factors such as profit made during the relevant Financial Year, expansion programmes, other strategic plans etc.

2. DEFINITIONS

Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a) **"Applicable laws"** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.
- b) **"Board of Directors"** or "Board" shall mean the Board of Directors of V-Guard Industries Ltd., from time to time.
- c) **"Company"** shall mean V-Guard Industries Ltd.
- d) **"the Act"** shall mean Companies Act, 2013 read with related rules framed thereunder and including all amendments and modifications thereto.
- e) **"Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) **"Policy"** shall mean Dividend Distribution Policy.
- g) **"SEBI"** shall mean Securities and Exchange Board of India.

3. OBJECTIVE OF THE POLICY

The objective of the policy is to;

- a. Ensure a regular dividend income for the shareholders and long-term capital appreciation for all the stakeholders of the Company.
- b. To strike the right balance between the quantum of dividend paid and amount of profit retained in the business for various purposes.
- c. To maintain a consistent approach to dividend pay-out plans and also provide greater clarity on the dividend pay-out philosophy of the Company.
- d. Lay down the circumstances under which the shareholders of the Company may or may not expect dividend;

4. FINAL DIVIDEND

The Board of Directors of the Company, subsequent to adoption of audited annual financial statements of a Financial Year, recommends the Final Dividend to be paid for that particular Financial Year subject to the approval of shareholders in their Annual General Meeting (AGM).

Process for approval of payment of Final Dividend

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a Financial Year.
- Dividend is subject to TDS and shareholder is liable to pay tax on Dividend Income as per the amended provisions of Income Tax Act, 1961.

5. INTERIM DIVIDEND

The Board of the Company may declare interim dividend during a Financial Year, based on the profits of any particular quarter or half year or in exceptional circumstances.

Process of approval of payment of Interim Dividend

- Board may declare Interim Dividend at its discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items;

- One or more times in a Financial Year. As per Income Tax Act, 1961 dividend declared, paid or distributed by a Company, shall be taxable in the hands of the shareholders. The Company shall, deduct TDS/ Withholding Tax (TDS/WHT) at the time of payment of dividend at the applicable tax rates.

6. DECLARATION OF DIVIDEND

Subject to the provisions of the Act, Dividend shall be declared or paid only out of-

- Current Financial Year's profit:
 - after providing for depreciation in accordance with law and
- The profits for any previous Financial Year(s):
 - after providing for depreciation in accordance with law; and
 - remaining undistributed; or

- out of i) & ii) both.

The Board may, while declaring or recommending Dividend, transfer to reserves such amount as may be considered appropriate. However, transfer of amount to reserves, before declaring or recommending Dividend is not mandatory, as per the provisions of the Act.

The Board may, at its discretion, declare a Special Dividend as it may deem fit.

7. FACTORS TO BE CONSIDERED WHILE DECLARING OR RECOMMENDING DIVIDEND

While declaring or recommending Dividend, the Board shall take into account, the external and internal factors and arrive at an optimum percentage for distributing the profits of the Company;

a) External Factors

- Economic, business and market conditions
- Agreement with lenders
- Industry trend
- Statutory Restrictions

b) Internal Factors

- Profit earned during the year and accumulated reserves
- The present and future capital requirements for both existing and new units
- Past dividend trends
- Cost of raising funds from alternate sources
- Net worth, cash flow position and Debt equity ratio
- Business acquisition plans
- Providing for unforeseen events or contingencies of the Company

8. DIVIDEND RANGE

The Company aims in ensuring sustainable wealth creation for its shareholders and with this objective, would distribute an optimum level of profits among the shareholders and retain the balance for meeting the expansion requirements. Subject to applicable laws, the Board may at its discretion choose to recommend a dividend out of the Company's free reserves. The Board of Directors will have absolute discretion to recommend or declare dividend considering Internal & external factors.

The Board may, at its discretion, consider declaring or recommending special dividends, at times, when the Company has huge cash surpluses, which is not deployed or earmarked for expansion programmes or makes extraordinary profits, from sale of assets or investments.

9. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

In line with the Policy of the Company, there may be certain circumstances under which the shareholders of the Company may not expect dividend, including but not limited to:

- Adverse market conditions and business uncertainty.
- The Company is in higher need of funds for acquisition/ diversification/ expansion/ investment opportunities/ deleveraging or capital expenditures.
- The Company proposes to utilize surplus cash in entirety for alternative forms of distribution such as buy-back of securities.
- The Company has incurred losses or in the stage of inadequacy of profits.
- Changing government regulations.
- Any other extraordinary circumstances etc.

Even under such circumstances, the Board may at its discretion, and subject to applicable laws, choose to recommend a dividend out of the Company's free reserves.

10. UNCLAIMED/UNPAID DIVIDEND

The Dividend (Final/Interim) declared by the Company for any financial year, is deposited into a separate bank account and the same is disbursed to the eligible shareholders within the statutory limit of 30 days, either through electronic mode or by issuing dividend warrants.

Dividend amount which remains unpaid / unclaimed in the dividend account after 30 days from the date of transfer of the amount to the dividend account, shall be transferred to unpaid dividend account. Any shareholder who has not collected the dividend, can make a claim for receipt of the same, to the Company.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

The Company shall inform the concerned shareholder three months before the due date of transfer of shares regarding the shares liable to be transferred to IEPF for which dividend has remained unpaid and unclaimed for seven consecutive years or more as on the date of transfer, at their latest available address and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer.

11. REVIEW AND AMENDMENT

The Board may review this policy on periodical basis, considering various external and internal factors. However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 12, 2026

Annexure - IV

Disclosures in compliance with Regulation 14 of Securities and Exchange Board of India

(Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014

1. Disclosure in terms of Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Disclosed in the notes to financial statements Refer to Note 45 of Standalone Financial Statements 2025-26 which forms the part of this Annual Report

2. Material Changes in the Scheme

No material change has been carried out during the Financial Year under review. The Scheme was primarily adopted as per the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the same was aligned as per the provisions and requirements under the SEBI (Share Based Employee Benefits) Regulations, 2015 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. Diluted EPS on issue of shares pursuant to ESOS: ₹ 2.17

4. (i) Details related to ESOS

Sr. No.	Particulars	ESOS 2013						
1	Details of the Shareholders Approval	May 14, 2013, July 26, 2016, April 30, 2017, December 09, 2017, August 12, 2020 and August 24, 2023						
2	Total number of options approved under the scheme	2,18,50,000 no. of options						
	Additional options granted on account of Corporate Action of Bonus Issue	33,66,710 no. of options						
3	Vesting requirements	Options granted under the scheme would be vested for not less than one year and not more than 4 (four) years from the date of grant of such options. Vesting of options would be subject to continued employment with the company. Options granted shall be capable of being exercised within a period of 6 (six) years from the date of vesting.						
4	Exercise Price / Pricing Formula	The Company has granted options both at market price and face value, as detailed below: <table><tr><th>No. of options</th><th>Particulars</th></tr><tr><td>1,62,90,806</td><td>At Market Price</td></tr><tr><td>1,03,33,985</td><td>At Face Value</td></tr></table>	No. of options	Particulars	1,62,90,806	At Market Price	1,03,33,985	At Face Value
No. of options	Particulars							
1,62,90,806	At Market Price							
1,03,33,985	At Face Value							
5	Maximum Term of Options granted	As per the terms attached to each of the grants, the total term of the options for the grants is upto 10 (ten) years. (Exercise period will be for a period of 6 (six) years from each year of vesting)						
6	Source of Shares	Primary						
7	Variation in terms of options	No Variation						
8	Method used for accounting of ESOS	Fair Value Method						
9	For options granted during the year weighted average exercise prices and weighted average fair value of the options shall be disclosed seperately for options whose exercise price either equals or is less than the market price of the stock.							

Sr. No.	Particulars	ESOS 2013 (in ₹)
Weighted average exercise price of Options whose		
1	Exercise price equals market price	Nil
2	Exercise price is greater than market price	Nil
3	Exercise price is less than market price	1
Weighted average fair value of options whose		
4	Exercise price equals market price	Nil
5	Exercise price is greater than market price	Nil
6	Exercise price is less than market price	347.50

(ii) Employee-wise details of options granted during the Financial Year 2025-26 to:

(A) Senior Managerial Personnel

Sr. No.	Name of employee & designation	No. of options	Exercise Price per Option (in ₹)
a	Roopak Ahluwalia, Sr General Manager & Head - Legal	44,181	1/-
b	Amit Kumar Jain, Asst Vice President & Head - EC&DI	38,287	1/-
c	Shaik Asad Parwez, SGM & Head - Logistics & Warehousing, SCM	27,180	1/-

(B) Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year

Sr. No.	Name of employee & designation	No. of options	Exercise Price per Option (in ₹)
a	Amit Kumar Jain, Asst Vice President & Head - EC&DI	38,287	1/-
b	Chandan Arora, Asst Vice President & Financial Controller	23,181	1/-
c	Nabrun Deka, General Manager - Go To Market	24,168	1/-
d	Roopak Ahluwalia, Sr General Manager & Head - Legal	44,181	1/-
e	Saleesh Sekhar, CFO, VCPL	22,135	1/-
f	Shaik Asad Parwez, SGM & Head - Logistics & Warehousing, SCM	27,180	1/-
g	Shubham Choubey, Chief of Staff	29,334	1/-
h	Sridhar Cherala, Sr General Manager & Plant Head - ED	37,797	1/-
i	Umesh Menon, Head - Sales Commercial	34,208	1/-
j	Vinay Kumar Pandey, GM & Plant Head - ED	23,616	1/-
k	Yogender Kumar, Regional Manager (North) - MT & RSS EC & DI	24,375	1/-

(C) Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of time of Grant Nil

(iii) A description of the method and significant assumption used during the year to estimate the fair values of options.

a)	The fair value has been calculated using the Binomial Method. The assumptions used in the model are as follows	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option granted (₹)	353.07
	Expected Volatility %	28.15%
	Riskfree Rate % (Annualized)	6.34%
	Exercise Price (₹)	1.00
	Expected Life (in years)	5.94
	Expected Dividend % (Annualized)	0.12%
b)	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is based on historical prices for the period equivalent to the expected life of the options
c)	The method used and the assumptions made to incorporate the effects of expected early exercise;	It is assumed that the options will be exercised within the exercise period
d)	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No other features incorporated
e)	Weighted average market price of exercised options (₹)	352.69

5. Options Movement During the year

Sr. No.	Particulars	ESOS 2013
1	Number of options outstanding at the beginning of the period	55,35,936
2	Number of options Granted during the year	4,12,677
3	Number of options vested during the year	6,85,571
4	Number of options exercised during the year	10,24,783
5	Number of shares arised as a result of exercise of options	10,24,783
6	Number of options lapsed during the year	-
7	Number of options cancelled during the year*	2,16,830
8	Money realised by exercise of options (INR)*	5,97,33,433
9	Number of options outstanding at the end of the year	47,07,000
10	Number of options exercisable at the end of the year	18,99,547
11	Loan repaid by the trust during the year from the exercise price received	NA

Note: The disclosures made above are available on the Company's website, www.vguard.in under the section "Investor Relations".

For and on behalf of the Board of Directors

Sd/-
Radha Unni
 Chairperson
 DIN: 03242769

Sd/-
Mithun K Chittilappilly
 Managing Director
 DIN: 00027610

Place: Kochi
 Date: May 12, 2026

Annexure - V

Form No. AOC-2

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

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

Name of the Company: V-Guard Industries Limited

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

Block - 1

Number of material contracts or arrangements or transactions not at arm's length basis: Nil

Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number

Name(s) of the related party

Nature of relationship

Nature of contracts/ arrangements/ transactions

Duration of the contracts / arrangements/ transactions

Salient terms of the contracts or arrangements or transactions

including actual / expected contractual amount

NA

Justification for entering into such contracts or arrangements or transactions

Date of approval by the Board (DD/MM/YYYY)

Amount paid as advances, if any

Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)

SRN of MGT-14

2. Details of material contracts or arrangements or transactions at arm's length basis

Number of material contracts or arrangements or transactions at arm's length basis:

Corporate identity number (CIN) or foreign company registration number (FCRN) or Limited Liability Partnership number (LLPIN) or Foreign Limited Liability Partnership number (FLLPIN) or Permanent Account Number (PAN)/Passport for individuals or any other registration number

U31904KL2021PLC069893

Name(s) of the related party

V-Guard Consumer Products Limited (VCPL)

Nature of relationship

Wholly Owned Subsidiary

Nature of contracts/ arrangements/ transactions

Purchase of agreed products by the Company from VCPL as per the terms and conditions mentioned in Supply Agreement

Duration of the contracts / arrangements/ transactions

5 years

Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount

The supply agreement between VCPL & the Company dated August 1, 2022, is for a period of 5 years.

Date of approval by the Board (DD/MM/YYYY)

July 24, 2022

Amount paid as advances, if any

There is no advance outstanding as on March 31, 2026

For and on behalf of the Board of Directors

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Mithun K Chittilappilly

Managing Director

DIN: 00027610

Place: Kochi

Date: May 12, 2026

Annexure - VI

Disclosure pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i. Steps taken or impact on Conservation of Energy:

We are deeply committed to environmental stewardship and believe that protecting the planet is a shared responsibility. As part of this commitment, our company and all of our manufacturing operations actively works to reduce environmental impact. Through these efforts, we aim to contribute to a cleaner, more sustainable future.

The below list summarises the few initiatives and process improvements undertaken by the Company to drive energy efficiency in operations for the Financial Year 2025-26.

a. Initiatives adopted in 2025-26	i. Implemented Variable Frequency Drives (VFDs) on the air compressor and pre-treatment line to improve energy efficiency. ii. Installation of sensors on the conveyor system and for lighting and other utilities including packing machines for automation and to enhance energy efficiency. iii. Introduced a digital user manual, resulting in reduced material usage and cost, along with improved ease of content updates. iv. Introduced regenerative testers for testing cells and battery packs. v. Assembled pouch/storage cells into battery packs and utilized them in router UPS systems, lab camera power backup, smart plugs and for testing purpose. vi. Focused on battery safety and optimization of Battery Management System (BMS) power consumption in battery packs to preserve capacity and extend lifecycle during storage. vii. Photovoltaic (PV) panels are utilized in place of PV simulators for long duration tests. viii. Enabled power-saving and sleep modes across various product categories to improve energy efficiency. ix. Eliminated electrical screwdrivers by implementing C&I interlocking clamp systems, thereby reducing power consumption during assembly operations
b. Process improvement measures undertaken in 2025-26	i. Adopted low-cost automation in the wire-crimping process for the Pump and Motor production unit. ii. Improved BLDC fan productivity considerably through reduction of cycle time in critical operations. iii. Initiated a MOST (Maynard Operation Sequence Technique) study to improve efficiency and Units Per Hour (UPH) for Mixer Grinder and Gas Stove. iv. Designed new Mixer Grinder and Gas Stove assembly lines without obstructions, resulting in reducing handling defects. v. Optimized the stabilizer design to minimize manual intervention in the production line, improving process efficiency.

ii. Steps taken for utilizing alternate energy sources

V-Guard has undertaken the following initiatives to utilize alternative energy sources during the Financial Year 2025-26:

- i. Utilized power from storage cells as a backup source for the BMS tester, ensuring uninterrupted operation during power fluctuations.
- ii. Utilized regenerative testers wherein the energy discharged from one battery pack is used to charge another, thereby reducing consumption of grid power.
- iii. Utilized only BIS-certified cells, ensuring compliance with standards and improved energy efficiency through the use of high-efficiency cells.
- iv. Optimized test procedures to minimize continuous operation of equipment and aligned test scheduling with solar availability to maximize utilization of renewable energy.

- v. Increased utilization of solar energy for daytime testing operations, thereby reducing dependence on grid power.

Estimated savings made by various energy conservation initiatives (~)

- a) Energy generated through renewable means: 19,584.05 Gigajoules
 - i. Solar energy: 16,574.53 Gigajoules
 - ii. Wind energy: 3,009.52 Gigajoules
- b) Water Savings: 1,141 Kilolitres
- c) Mitigation of CO2 emission: 3,862.41 Tonnes

iii. Capital investment on Energy Conservation Equipment

During the year under review, total capital invested in energy conservation projects was ₹ 49.6 Lakhs, at various plants.

B. TECHNOLOGY ABSORPTION:

i. Efforts made towards Technology absorption

V-Guard is investing significantly in R&D, to explore new technologies & innovations aimed at achieving higher efficiency.

- i. Designed and developed energy-efficient BLDC pump variants and optimized stabilizer designs, including transformer improvements, thereby reducing energy losses and carbon footprint.
- ii. Conducted detailed engineering studies and value-engineering initiatives for production of pumps, fans, stabilizers, and related product platforms to deliver differentiated, customer-focused products with improved performance, optimized material usage, and reduced costs, without compromising quality or reliability.
- iii. Established robust in-house testing and validation capabilities, including exploration of data-driven quality assurance practices such as vibration-based inspection systems, to enable accurate real-time evaluation of motor, pump, and fan performance and noise behavior.
- iv. Deployed advanced electronic and digital features across products, including fault-detection-enabled distribution boards and Non-Intrusive Load Monitoring (NILM)-based overload detection in stabilizers, to improve reliability and reduce field failure rates.
- v. Adopted advanced materials and manufacturing technologies such as E-Beam-processed wires with three-layer construction, along with extensive material optimization initiatives to reduce metals, plastics, resins, and PVC through design simplification and elimination of non-value-adding components.
- vi. Designed and implemented in-house low-cost automation solutions, including mono carton erector machines for house-wiring packaging and automated online coiling systems for multicore cables at extrusion lines.
- viii. Adopted and validated high-efficiency solar technologies, including TOPCon bifacial half-cut cells, high-efficiency low-power half-cut cells, grid-tie inverters, and hybrid inverter platforms with Li-ion battery compatibility and advanced power-saving algorithms.

ii Benefits derived like product improvement, cost reduction, product development or import substitution:

- i. Designed an anti-clogging solution for pumps, developed an advanced pump design to enhance self-priming performance, and innovated a smart dual-flow ventilation fan.
- ii. Enhanced product quality and noise performance through the deployment of advanced inspection systems and real-time monitoring technologies.
- iii. Developed a fully aluminium motor for mixer grinders as part of cost-reduction initiatives.
- iv. HFFR cables emit negligible smoke during fire, facilitating easier evacuation and reducing risk to human life. Additionally, the new triple-layer technology in HFFR cables improves flexibility and enhances workability for electricians, making cable pulling significantly easier.
- v. Integrated Bluetooth-enabled app monitoring into battery packs, enhancing ease of use and improving user accessibility and focused on enhancing remote monitoring capabilities and conducting detailed battery data analysis to improve performance, reliability, and predictive insights.

- vi. Launched low-power high-efficiency half-cut cell PV modules.
- vii. Launched the new SOLSMART FX grid-tie inverter series featuring higher current capability and improved cost efficiency.
- viii. Launched hybrid inverters with Li-ion battery compatibility, offering higher efficiency and providing grid support during peak-load hours.
- ix. Implemented sustainable packaging innovations by replacing thermocol buffers with eco-friendly packaging solutions, thereby reducing overall environmental impact.

Awards:

Achieved India's first Green Product Certification for HFFR cables and certification for PVC HR FR cables.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

Details of technology imported	Year of Import	Whether technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
High precision progressive stamping tool	2023	Yes	NA
High precision Anemometer	2023	Yes	NA
Surge Protection Device	2023	Yes	NA
3D Scanner	2024	Yes	NA
Precision LCR meter	2024	Yes	NA
High-Capacity Power Analyzer	2024	Yes	NA
Air wipers to efficiently wipe out water particles in High-Speed Insulating Lines	2024	Yes	NA
High precision torque transducer	2025	Yes	NA
High precision Anemometer	2025	Yes	NA

iv. The expenditure incurred on Research and Development:

		(₹ in Crores)
a	Capital	2.83
b	Recurring	32.56
c	Total	35.39
d	% of R&D expenditure on total sales	0.62%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of foreign exchange earnings and outgo during the year under review is as under:

		(₹ in Crores)
	2025-26	2024-25
Foreign Exchange earned	0.71	11.55
Foreign Exchange outgo	327.39	243.96

For and on behalf of the Board of Directors

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Place: Kochi
Date: May 12, 2026

Annexure - VII

Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Relevant Clause	Prescribed Requirement	Particulars																							
u/r 5(1)																									
(i)	Ratio of the remuneration of each Director to the median remuneration of the employee of the Company for the Financial Year.	<table><tr><th>Name</th><th>Ratio to Median</th></tr><tr><td>Ms. Radha Unni</td><td>6.10</td></tr><tr><td>Mr. Mithun K Chittilappilly</td><td>114.83</td></tr><tr><td>Mr. Ramachandran V</td><td>235.86</td></tr><tr><td>Mr. George Muthoot Jacob</td><td>3.63</td></tr><tr><td>Prof. Biju Varkkey</td><td>3.39</td></tr><tr><td>Mr. Ishwar Subramanian</td><td>4.11</td></tr><tr><td>Mr. Antony Sebastian K</td><td>11.93</td></tr><tr><td>Dr. Reena Philip*</td><td>0.57</td></tr></table>	Name	Ratio to Median	Ms. Radha Unni	6.10	Mr. Mithun K Chittilappilly	114.83	Mr. Ramachandran V	235.86	Mr. George Muthoot Jacob	3.63	Prof. Biju Varkkey	3.39	Mr. Ishwar Subramanian	4.11	Mr. Antony Sebastian K	11.93	Dr. Reena Philip*	0.57					
Name	Ratio to Median																								
Ms. Radha Unni	6.10																								
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Prof. Biju Varkkey	3.39																								
Mr. Ishwar Subramanian	4.11																								
Mr. Antony Sebastian K	11.93																								
Dr. Reena Philip*	0.57																								
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	<table><tr><th>Name</th><th>Percentage (%)</th></tr><tr><td>Ms. Radha Unni**</td><td>312.73%</td></tr><tr><td>Mr. Mithun K Chittilappilly</td><td>12.72%</td></tr><tr><td>Mr. Ramachandran V</td><td>-33.90%</td></tr><tr><td>Mr. George Muthoot Jacob**</td><td>187.23%</td></tr><tr><td>Prof. Biju Varkkey**</td><td>215.00%</td></tr><tr><td>Mr. Ishwar Subramanian**</td><td>225.53%</td></tr><tr><td>Mr. Antony Sebastian K</td><td>-18.02%</td></tr><tr><td>Dr. Reena Philip*</td><td>NA</td></tr><tr><td>Mr. Sudarshan Kasturi</td><td>-6.10%</td></tr><tr><td>Mr. Vikas Kumar Tak</td><td>-17.21%</td></tr></table>	Name	Percentage (%)	Ms. Radha Unni**	312.73%	Mr. Mithun K Chittilappilly	12.72%	Mr. Ramachandran V	-33.90%	Mr. George Muthoot Jacob**	187.23%	Prof. Biju Varkkey**	215.00%	Mr. Ishwar Subramanian**	225.53%	Mr. Antony Sebastian K	-18.02%	Dr. Reena Philip*	NA	Mr. Sudarshan Kasturi	-6.10%	Mr. Vikas Kumar Tak	-17.21%	
Name	Percentage (%)																								
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Mr. Mithun K Chittilappilly	12.72%																								
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Mr. Antony Sebastian K	-18.02%																								
Dr. Reena Philip*	NA																								
Mr. Sudarshan Kasturi	-6.10%																								
Mr. Vikas Kumar Tak	-17.21%																								
(iii)	Median Remuneration for the Financial Year	₹ 9,29,729																							
(iv)	Percentage increase in the median remuneration of employees in the Financial Year	14.94 %																							
(v)	Number of permanent employees on the rolls of the Company.	3,219 (As on March 31, 2026)																							
(vi)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in the salary of employees other than managerial cadre in the Financial Year was “10.13%”. Percentage increase in the salary of managerial personnel in the Financial Year is detailed in point (ii) above.																							
(vii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.																							

* Dr. Reena Philip was appointed as Non-Executive Non-Independent Director w.e.f. January 28, 2026.

** The higher percentage increase in remuneration of Non-Executive Independent Directors is due to payment of commission from Financial Year 2025-26 onwards, as approved by Board of Directors.

For and on behalf of the Board of Directors

Sd/-
Radha Unni
 Chairperson
 DIN: 03242769

Sd/-
Mithun K Chittilappilly
 Managing Director
 DIN: 00027610

Place: Kochi
 Date: May 12, 2026

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance of V-Guard Industries Ltd. ("V-Guard/the Company") for the Financial Year ended March 31, 2026, as stipulated in the relevant provisions of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), is set out below:

I. CORPORATE GOVERNANCE PHILOSOPHY

The Governance Philosophy of the Company is to conduct business with honesty, fairness, and transparency, adhering to the highest ethical standards and legal requirements in all our dealings. We continuously evaluate and enhance our Corporate Governance practices to adapt with evolving regulatory requirements, industry standards, and stakeholder expectations. We consider Corporate Governance as a strategic ingredient that underpins our success and sustainability. The Company always endeavors to align the practices in line with the changing business environment and ensures that the interests of all stakeholders are safeguarded and the stakeholders are taken along in its journey to newer heights.

At V-Guard, we are committed to upholding the highest standards of Corporate Governance, guided by principles of transparency, accountability, integrity and respect for the interests of all stakeholders. Our Corporate Governance Philosophy serves as the foundation of our operations, ensuring that we conduct business in a responsible and ethical manner to create sustainable long-term value for our shareholders, employees, customers, consumers and the communities in which we operate. The Company recognizes that sound Corporate Governance is essential for fostering long-term sustainability and driving value creation. In addition to regulatory compliance, the Company endeavours to meet highest standards of ethical and responsible conduct throughout the organization in letter and spirit.

The Board of Directors ("the Board") is responsible and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders.

II. BOARD OF DIRECTORS

a) Composition of the Board

The composition of the Board of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations. Every Member of the Board is having experience and expertise in their respective fields. The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on March 31, 2026, the Board comprised of 3 (Three) Executive Directors, 1 (One) Non-Executive Non-Independent Director, 4 (Four) Non-Executive Independent Directors including 1 (One)

Woman Independent Director. Out of the three Executive Directors, one Director is from Promoter category and the other two are in the Professional category. The Chairperson of the Board is Non-Executive Independent Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and expertise in varied fields, enabling it to discharge its responsibilities and provide effective leadership for long-term vision with the highest standards of governance. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements.

During the Financial Year under review, the Members of the Company, at the 29th Annual General Meeting held on August 7, 2025, approved the re-appointment of Mr. Mithun K. Chittilappilly (DIN: 00027610) as Managing Director for a period of five years, with effect from April 1, 2026 to March 31, 2031, and the re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as an Independent Director for his second and final term of five consecutive years with effect from October 5, 2025 to October 4, 2030. The Members also re-appointed Mr. Ramachandran V (DIN: 06576300), Director, who retired by rotation, in accordance with the provisions of the Companies Act, 2013 ("the Act").

Further, the Board of Directors, at its meeting held on January 28, 2026, on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, wherever applicable, appointed Dr. Reena Philip (DIN: 11462302) as an Additional Director in the category of Non-Executive Non-Independent Director and approved the re-appointment of Prof. Biju Varkkey (DIN: 01298281) as Non-Executive Independent Director for a second and final term. The Members of the Company, through Postal Ballot, the results of which were declared on March 9, 2026, approved the appointment of Dr. Reena Philip as Non-Executive Non-Independent Director for a term of four years commencing from January 28, 2026 to January 27, 2030, and the re-appointment of Prof. Biju Varkkey (DIN: 01298281) as a Non-Executive Independent Director for his second and final term of five consecutive years with effect from May 26, 2026 to May 25, 2031.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 12, 2026 approved the appointment of Ms. Usha Sunny (DIN: 07215012) as an Additional Director in the capacity of Non-Executive Independent Director, for 5 (five) consecutive years with effect from May 12, 2026 to May 11, 2031, subject to the approval of the shareholders at the ensuing Annual General Meeting.

All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Act read with the provisions of Regulation 16 of the SEBI Listing Regulations.

As per the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time, all the Independent Directors of the Company have registered with the Indian Institute of Corporate Affairs (IICA) for inclusion of their names in the comprehensive repository maintained by the Ministry of Corporate Affairs and are exempted/passed online proficiency self-assessment test.

During the year under review, the Board of Directors met 6 (Six) times. Details of Name & DIN, Position & Category, Attendance at Board Meetings and AGM, Directorship on Board and Membership/Chairmanship of Board Committees in other Companies, Directorship held in other listed entities & category of Directorship and date of appointment, are given below:

Name & DIN	Position & Category	Attendance at		Directorship on Board and Membership/Chairmanship of Board Committees in other Companies			Directorship in other listed entities and Category of Directorship	Date of appointment
		Board Meetings attendance/% of attendance	29 th AGM	Directorship in other Boards#	Committee Membership#	Committee Chairperson#		
Ms. Radha Unni (DIN: 03242769)	Chairperson Non-Executive Independent	6 (100%)	Yes	Nil	Nil	Nil	Nil	September 27, 2018
Mr. Mithun K Chittilappilly (DIN: 00027610)	Managing Director Promoter and Executive	5 (83.33%)	Yes	2	Nil	Nil	Nil	April 1, 2003
Mr. Ramachandran V (DIN: 06576300)	Whole-time Director & Chief Operating Officer Executive	6 (100%)	Yes	3	Nil	Nil	Nil	June 1, 2013
Mr. Antony Sebastian K (DIN: 01628332)	Whole-time Director Executive	6 (100%)	Yes	Nil	Nil	Nil	Nil	May 30, 2023
Dr. Reena Philip* (DIN: 11462302)	Director Non-Executive Non-Independent	2 (66.67%)	NA	Nil	Nil	Nil	Nil	January 28, 2026
Mr. George Muthoot Jacob (DIN: 00018955)	Director Non-Executive Independent	5 (83.33%)	Yes	7	1	Nil	Muthoot Finance Ltd. Executive Director	October 5, 2020
Prof. Biju Varkkey (DIN: 01298281)	Director Non-Executive Independent	6 (100%)	Yes	1	Nil	Nil	ESAF Small Finance Bank- Non-Executive - Independent Director	May 26, 2021
Mr. Ishwar Subramanian (DIN: 01473535)	Director Non-Executive Independent	6 (100%)	Yes	1	Nil	Nil	Nil	May 30, 2023

* Dr. Reena Philip, Non-Executive Non-Independent Director was inducted in Board w.e.f. January 28, 2026. She was eligible to attend 3 (Three) Board Meetings during the period.

Directorship, Membership and Chairmanship in other Companies shown above do not include Alternate Directorship, Private Limited Companies that are neither a subsidiary nor a holding Company of a Public Company, Companies incorporated under Section 8 of the Act and Companies incorporated outside India.

Membership and Chairmanship of Board Committees include Chairmanship/Membership of Audit Committee and Stakeholder's Relationship Committee as per the Regulation 26(1)(b) of the SEBI Listing Regulations of other Companies excluding V-Guard Industries Ltd. Details of number of Membership given above include the details of Chairmanship held by the Directors.

Necessary disclosures regarding Directorship and Committee positions in other Companies as on March 31, 2026 have been made by the Directors. As per the disclosures received from them, none of the Directors of the Company is a Member of more than 10 (Ten) Committees or Chairperson of more than 5 (Five) Committees (considering only Audit Committee and Stakeholders'

Relationship Committee) across all listed Companies and unlisted public Companies in which he/she is a Director. Directorship, Membership and Chairmanship held by the Directors of the Company, in other Companies are within the limits prescribed.

As the Chairperson of the Company is a Non-Executive Director, in accordance with the applicable provisions of SEBI Listing Regulations, one-third of the Board of Directors is required to comprise Independent Directors. The Company is in compliance with this requirement, with half of the Board Members being Independent Directors. None of the Independent Directors of the Company is serving on the Board of more than 7 (Seven) listed Companies, as an Independent Director. Further, Independent Directors of the Company, serving as Whole-time Director in any other Listed Company are not holding the position of Independent Director in more than 3 (Three) listed Companies, as prescribed under Regulation 17A of the SEBI Listing Regulations.

The Managing Director/Whole-time Director of the Company is not serving as an Independent Director on the Board of any other Company.

In Compliance with the Act and SEBI Listing Regulations, the Company appoints Executive Directors and Independent Directors for a fixed term. Based on their skills, experience, expertise in specific functional areas and contribution made by them, the Board recommends the re-appointment of Directors for the approval of shareholders. Further, the Company also complies with the requirements of Section 152 of Act w.r.t. retirement of Directors by rotation on a yearly basis and Directors are re-appointed by the Shareholders on the recommendations of the Board and Nomination and Remuneration Committee, subject to their consent and eligibility. Further, the liability of Directors is limited as per the provisions of Act, SEBI Regulations and/or other laws applicable to the Company.

The Chairperson of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee were present at the previous Annual General Meeting of the Company.

b) Number and Dates of Meeting of Board of Directors

During the Financial Year under review, the Board of Directors met 6 (Six) times i.e. May 14, 2025, July 29, 2025, October 29, 2025, January 28, 2026, March 10, 2026, and March 25, 2026.

The maximum interval between any two Board Meetings was not more than 120 days and requisite quorum was present at the respective Board Meetings. The facility to attend the meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) was provided to the Directors. The Board agenda with proper explanatory notes were prepared and circulated on time to all the Board Members. All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II to the SEBI Listing Regulations are

tabled before the Board, to enable it to take appropriate decisions in both strategic and regulatory matters. The Board reviews compliances of all laws, rules, regulations on periodical basis. At the Board Meeting, Board Members are encouraged to freely express their views and decisions are taken after due and detailed deliberations.

In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/Committee meeting. The Minutes of the meetings of all Committees were placed before the Board for their perusal.

During the year under review, separate meetings of the Independent Directors of the Company were convened on May 14, 2025, September 10, 2025 and March 25, 2026. These meetings were held, inter alia, to enable the Independent Directors to review and deliberate on the affairs of the Company and to express their views independently. All the Independent Directors were present in these meetings.

Further, the Independent Directors present in the meeting discussed the matters enumerated in the Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations. The Independent Directors reviewed the performance of:

- Non-Independent Directors and the Board as a whole;
- Chairperson of the Company, considering the views of Executive and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information from the Company Management to the Board, which is required for the Board to perform its duties reasonably and effectively.

c) Disclosure of relationship between Directors Inter-se

Dr. Reena Philip, Non-Executive Non-Independent Director, is related to Mr. Mithun K Chittilappilly, Managing Director of the Company. None of the other Directors have any inter-se relationship.

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

None of the Non-Executive Directors of the Company is holding equity shares in the Company. The Company has not issued any convertible instruments.

e) Details of familiarization programmes imparted to Independent Directors and weblink

The Company has conducted several programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, its business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the year under review, presentation on regulatory updates on SEBI Regulations,

ESG, statutory policy updates, updates on projects and investments made by Company, CSR projects undertaken/to be undertaken by the Company pursuant to the provisions of the Act were made. The details of such familiarization programmes are disclosed on the Company's website at <https://www.vguard.in/investor-relations/familiarisation-program>.

List of core skills, competencies, and expertise of Board of Directors:

The Company is engaged in the business of manufacturing and marketing of electricals, electronics and consumer durables. To manage the operations and to formulate long term strategies for its growth, different skill sets are required. The Board of the Company consists of individuals who have experience and expertise in the following areas:

Strategy & Transformation	Expertise in formulating, managing and reviewing various strategic initiatives.
Innovation & Technology	Suggesting new technologies and innovation for the manufacture of various product category.
Finance	Evaluating various proposals with respect to its financial viability, review of capital budgets, financial results/statements, risk management and mitigations.
Sales/Marketing	Developing sales and marketing strategies, brand building, foraying into newer markets.
Corporate Governance	Adopting best in class practices for various processes to strengthen governance.
Digital application to consumer goods value chain	Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.

Skills and Description	Ms. Radha Unni	Mr. Mithun K Chittilappilly	Mr. Ramachandran V	Mr. Antony Sebastian K	Dr. Reena Philip	Mr. George Muthoot Jacob	Prof. Biju Varkkey	Mr. Ishwar Subramanian
Strategy & Transformation Experience in developing and reviewing long term business strategy for sustainable growth and profitability of businesses in a highly competitive landscape. Enabling organisational and functional capability building through transformation initiatives.	✓	✓	✓	✓	✓	✓	✓	✓
Innovation & Technology Understanding the Management of product innovation value chain, emerging technology and business risks thereof, their commercial and disruptive potential to enable evaluation/propose new technologies/innovation ideas for adoption in the manufacture of various product categories.		✓	✓	✓				
Finance Evaluating the financial viability of various strategic proposals, review of capital budgets, financial results/statements, risk management and mitigations.	✓	✓	✓	✓	✓	✓	✓	✓
Sales/Marketing Developing strategies to protect and grow brand equity and distribution reach. Understanding evolution in channels and strategies required to protect and grow the business.		✓	✓					✓
Corporate Governance Understanding and promoting best in class practices across various functional areas to enhance enterprise governance.	✓	✓	✓	✓	✓	✓	✓	✓
Digital application to consumer goods value chain Understand developments across the digital landscape and their potential to disrupt consumer businesses. Evaluate plans and priorities to leverage digital effectively for growth and efficiency. Promote adoption of appropriate digital priorities consistent with consumer business value chain.		✓	✓					

f) Confirmation that the Independent Directors fulfils the condition and are independent of the management

The Independent Directors, appointed in the Board have fulfilled all the necessary condition and criteria as enumerated under Regulation 16(1)(b) of the SEBI Listing Regulations and the Act and rules made thereunder and have provided their declaration in relation to their Independence as required under Regulation 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All the Independent Directors are Independent and not related to any Members of the Board and they have registered themselves with the IICA for the purpose of Independent Director registration, which is mandated by the Ministry of Corporate Affairs and are exempted from online self-assessment proficiency test.

Based on the declarations received from the Independent Directors, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management of the Company.

g) Detailed reason of the resignation of the Independent Director before the expiry of his/her tenure along with confirmation that there are no material reasons other than those provided

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Risk & ESG Committee. Each of the Committees deal with matters as mandated by the statutory regulations and play a very crucial role in the overall governance structure. All the Committees have specific terms of reference approved by the Board which outlines the composition, scope, powers, duties and responsibilities. The minutes of the meeting of all Committees were placed before the Board for review.

III. AUDIT COMMITTEE

a) Brief description of terms and reference

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the SEBI Listing Regulations read with Section 177 of the Act and over the years the Committee has been reconstituted, and its Charter/terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. During the year under review, there was no change in the composition of the Committee.

The broad terms of reference of the Audit Committee are as follows: -

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- 2) Recommending to the Board the appointment/re-appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payments to the statutory auditors for any other services rendered by them;
- 4) Reviewing with the Management, the annual financial statements and auditor's report thereon, before submission to the Board for approval with particular reference to:
 - a) Matters required to be included in the Director's responsibility statement to be included in the Board's Report in terms of clause(c) of sub-section (3) of Section 134 of the Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
- 5) Reviewing with the Management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institution placement and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval of any subsequent modification of transactions of the Company with related parties;

- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing with the Management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- 14) Discussion with internal auditors any significant findings and follow up thereon;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matters to the Board;
- 16) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) Reviewing the functioning of the whistle blower mechanism;
- 19) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc., of the candidate;
- 20) Reviewing the utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 Cr. or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- 21) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc;
- 22) Carrying out any other function as is mentioned in terms of reference of the Audit Committee.

b) Composition, Meetings and Attendance during the year

The present composition of the Audit Committee is in accordance with the provisions of the Act and the rules made thereunder and the SEBI Listing Regulations. The Company's Audit Committee consists of 4 (Four) Members,

of which 3 (Three) are Non-Executive Independent Directors. All the Members of the Audit Committee have adequate knowledge in the areas of finance and accounting. Mr. Ishwar Subramanian is the Chairperson of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The Committee invites the heads of various business verticals, Chief Financial Officer and representatives of Statutory and Internal Auditors to attend the meetings of Audit Committee.

During the year under review, the Committee Members met 5 (Five) times, i.e. May 13, 2025 & May 14, 2025 (Adjourned Meeting), July 28, 2025 & July 29, 2025 (Adjourned Meeting), October 28, 2025 & October 29, 2025 (Adjourned Meeting), January 27, 2026 & January 28, 2026 (Adjourned Meeting) and March 10, 2026. The gap between two meetings was not more than 120 days and requisite quorum was present for all the meetings. The audited standalone and consolidated financial statements of the Company for the Financial Year ended March 31, 2026, were reviewed by the Committee Members at the adjourned meeting held on May 12, 2026.

The Composition & Attendance of Committee Members at the meetings held during the year under review are as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Mr. Ishwar Subramanian	Chairperson	NP/NE/ID	5 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	5 (100%)
Ms. Radha Unni	Member	NP/NE/ID	5 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	5 (100%)

NP/NE/ID: Non-Promoter/Non-Executive/Independent Director
P/M: Promoter/Managing Director

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the SEBI Listing Regulations read with Section 178 of the Act and over the years the Committee has been reconstituted, and its Charter/terms of reference has been amended from time to time to align with the requirements of the applicable laws, rules and regulations. During the year under review, there was no change in the composition of the Committee.

a) Brief description of terms and reference

The broad terms of reference of Nomination and Remuneration Committee include the following:

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

As per the criteria laid down in the Nomination, Remuneration and Evaluation Policy, the Committee has carried out the evaluation of every Director on the Board of the Company.

The Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf.

b) The Composition Meetings and Attendance during the year

The present composition of the Nomination and Remuneration Committee is in accordance with the provisions of the Act and the rules made thereunder and the SEBI Listing Regulations. The Company's Nomination and Remuneration Committee consists of 3

(Three) Members and all are Non-Executive Independent Directors. Prof. Biju Varkkey is the Chairperson of the Nomination and Remuneration Committee. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Members of Nomination and Remuneration Committee met 4 (Four) times i.e. May 13, 2025, July 28, 2025, October 28, 2025 & January 27, 2026. The requisite quorum was present for all the meetings.

The Composition & Attendance of Committee Members at the meetings held during the year under review are as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Prof. Biju Varkkey	Chairperson	NP/NE/ID	4 (100%)
Ms. Radha Unni	Member	NP/NE/ID	4 (100%)
Mr. Ishwar Subramanian	Member	NP/NE/ID	4 (100%)

NP/NE/ID: Non-Promoter/Non-Executive/Independent Director

c) Performance evaluation criteria for Independent Directors

As per the Nomination, Remuneration and Evaluation Policy of the Company, the Independent Directors are evaluated based on criteria such as highest personal and professional ethics, integrity, and maintenance of confidentiality, independence of behaviour and judgement, values and independence, contribution to Board deliberation, effective deployment of knowledge and expertise, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at the meetings, act in the best interest of minority shareholders of the Company, etc. The annual evaluation of the performance of the Independent Directors was done through an external agency as per the provisions of the Act and the SEBI Listing Regulations.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted the Stakeholders' Relationship Committee to look into various aspects of interest of investors such as non-receipt of Dividend, Notices and Annual Report, approve transmission of shares, issue of duplicate shares, etc. and over the years, the Committee has been reconstituted and its Charter/terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. During the year under review, there was no change in the composition of the Committee.

a) Terms of reference

The terms of reference of Stakeholders' Relationship Committee are as follows:

- 1) Resolving the grievances of the security holders of the listed entity including complaints related to transmission of shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Transfer Agent.
- 4) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend Warrants/Annual Reports/Statutory Notices by the shareholders of the Company.

b) Composition, Meeting and Attendance during the year

The present composition of the Stakeholders Relationship Committee is in accordance with the provisions of the Act and the rules made thereunder and the SEBI Listing Regulations. The Committee consists of 4 (Four) Members comprising of 3 (Three) Non-Executive Independent Directors and 1 (One) Executive Director. During the year under review, the Committee met once i.e. on July 28, 2025. The requisite quorum was present for the meeting.

Category	No. of investor complaints as on April 1, 2025	No. of investor complaints received during the year	No. of investor complaints resolved during the year	No. of investor complaints pending as on March 31, 2026
Annual Report	0	47	47	0
Dividend	0	81	81	0
Shares	0	7	7	0
Others	0	8	8	0
Total	0	143	143	0

Dispute Resolution Mechanism

Members may note that in case of any dispute against the Company and/or its Registrar and Share Transfer Agent, they can use SEBI's Online Dispute Resolution (ODR) system (as per SEBI circular dated July 31, 2023). Members can use this option only after they have first raised their complaint with the Company and on SCORES and are not satisfied with the resolution.

VI. RISK & ESG COMMITTEE

The Risk & ESG Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations, and the Committee has been reconstituted, and its Charter/terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. In order to broaden the scope of the Committee, the Board had

The Composition, Meeting and Attendance of the Members at the meetings held during the year under review are as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Ms. Radha Unni	Chairperson	NP/NE/ID	1 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	1 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	1 (100%)
Prof. Biju Varkkey	Member	NP/NE/ID	1 (100%)

NP/NE/ID: Non-Promoter/Non-Executive/Independent Director

P/M: Promoter/Managing Director

c) Name and designation of the Compliance Officer

Mr. Vikas Kumar Tak, Company Secretary, is the Compliance Officer of the Company.

d) Redressal of Investor Grievances

The Company addresses all the investor complaints, suggestions and grievances expeditiously. The details of complaints received and resolved during the Financial Year are as follows:

included ESG related activities in the terms of reference of the Risk Management Committee, and accordingly, the Committee was renamed as the Risk & ESG Committee. During the year under review, there was no change in the composition of the Committee.

a) Brief description of terms of references

The terms of reference of Risk & ESG Committee are as follows:

1. To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk & ESG Committee;
7. To guide and set the tone of the sustainability agenda and strategy;
8. To review and monitor the operational, regulatory, and reputational risks and impacts of ESG on the Company and provide insight and guidance with respect to the Company's management of such risks and impacts;
9. To oversee the Company's ESG framework, policies, practices, performance and reporting with respect to ESG goals.

b) Composition, Meetings and Attendance during the year

The present composition of the Risk & ESG Committee is in accordance with the SEBI Listing Regulations. The Committee consists of 5 (Five) Members comprising 2 (Two) Non-Executive Independent Directors, 2 (Two) Executive Directors and 1 (One) Key Managerial Personnel.

During the year under review, the Committee met 4 (Four) times i.e. April 30, 2025, July 8, 2025, October 7, 2025, and January 7, 2026, respectively. The gap between two meetings was not more than 210 days and requisite quorum was present for all the meetings.

The Composition, Meeting and Attendance of the Members at the meetings held during the year under review are as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Ms. Radha Unni	Chairperson	NP/NE/ID	4 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	4 (100%)
Mr. Ramachandran V	Member	NP/E	4 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ID	4 (100%)
Mr. Sudarshan Kasturi	Member	CFO	4 (100%)

NP/NE/ID: Non-Promoter/Non-Executive/Independent Director

P/M: Promoter/Managing Director

NP/E: Non-Promoter/Executive Director

CFO: Chief Financial Officer

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee of the Company is constituted in line with the provisions of Section 135 of the Act and the Committee has been reconstituted, and its Charter/terms of reference has been amended from time to time to align it with the requirements of the applicable laws, rules and regulations. During the year under review, there was no change in the composition of the Committee.

a) Brief description of terms of references

The terms of reference of CSR Committee are as follows:

1. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) including its amendments from time to time which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. Formulation and recommendation to the Board, CSR Annual Action Plan for each Financial Year.
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. To recommend to the Board, amount of CSR budget for carrying out the activities referred to in sub-clause (1) above.
5. To provide the Annual Report on the CSR activities done by the Company to the Board.
6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
7. CSR Committee shall discuss any other item apart from the above for the furtherance of CSR Objectives in accordance with the Policy.

b) Composition, Meetings and Attendance during the year

The present composition of the CSR Committee is in accordance with the provisions of the Act and the rules made thereunder. The Committee consists of 4 (Four) Members comprising 2 (Two) Non-Executive Independent Director and 2 (Two) Executive Directors.

During the year under review, the Committee met 3 (Three) times i.e. May 13, 2025, October 28, 2025 and January 27, 2026, respectively. The requisite quorum was present at the said meetings.

The Composition, Meeting and Attendance of the Members at the meetings held during the year under review are as follows:

Name of Director	Position	Category	No. of Meetings Attended/ % of Attendance
Mr. Antony Sebastian K	Chairperson	NP/E	3 (100%)
Mr. Mithun K Chittilappilly	Member	P/M	3 (100%)
Mr. George Muthoot Jacob	Member	NP/NE/ ID	2 (66.67%)
Prof. Biju Varkkey	Member	NP/NE/ ID	3 (100%)

NP/NE/ID: Non-Promoter/Non-Executive/Independent Director

P/M: Promoter/Managing Director

NP/E: Non-Promoter/Executive Director

VIII. SENIOR MANAGEMENT

Particulars of Senior Management of the Company and the changes thereon are available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Senior-Management-Personnel-31-03-2026.pdf.

During the Financial Year 2025–26, Mr. Amit Garg, a Senior Management Personnel had resigned from the Company with effect from June 22, 2025. Ms. Nalini Maurya, DGM – HR (COO's Office), and Dr. Sudheesh Babu U S, DGM – Public Affairs, were appointed and categorized as Senior Management Personnel with effect from August 1, 2025, and September 1, 2025, respectively. Mr. Manoj Panditrao Dalal, who was appointed as Senior Management Personnel of the Company during the year, has subsequently resigned from the Company with effect from September

14, 2025. Further, Mr. Febin C Geevarghese, GM & Head – SCM (Planning), was designated as Senior Management Personnel with effect from September 26, 2025, pursuant to a change in the reporting structure.

The Company promptly informed the stock exchanges of all changes in senior management during the year.

IX. REMUNERATION OF DIRECTORS**a) Details of pecuniary relationship or transaction of Non-Executive Directors with the Company**

All the Non-Executive Directors received sitting fees for attending meetings of the Board and its Committees.

In addition, all Non-Executive Directors are eligible for remuneration by way of commission for the Financial Year 2025–26. Dr. Reena Philip, who was appointed during the year as a Non-Executive, Non-Independent Director, was eligible to receive commission on a pro-rata basis for the year.

Commission to the Non-Executive Directors of the Company is not exceeding 1% of the net profits of the Company.

Apart from above, there are no other pecuniary relationship or transactions between any Non-Executive Directors and the Company during the year under review.

b) Criteria of making payments to Non-Executive Directors

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Nomination-Remuneration-Evaluation-Policy.pdf.

The Non-Executive Directors are paid sitting fees for attending meetings of Board and its Committees, which is duly approved by the Board of Directors of the Company and the present fee payable to the Directors for attending the meetings is within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

Commission is paid to Non-Executive Director(s) with the approval of the Members of the Company, considering his/her contributions in strengthening governance practices, review of strategic proposals, driving new initiatives, etc.

c) Disclosure with respect to Remuneration

i) Details of remuneration and sitting fee paid to the Directors of the Company during the year under review:

(₹ In Lakhs)

Name	Salary	Retirement Benefits [#]	Perquisites [§]	Commission	Sitting fees	Total
Ms. Radha Unni	-	-	-	41.00	15.75	56.75
Mr. Mithun K Chittilappilly	462.86	43.95	8.83	551.92 [^]	-	1,067.56
Mr. Ramachandran V [§]	255.86	29.65	1,907.32	-	-	2,192.83
Mr. Antony Sebastian K	103.94	7.02	-	-	-	110.96
Mr. George M Jacob	-	-	-	20.00	13.75	33.75
Mr. Ishwar Subramanian	-	-	-	25.00	13.25	38.25
Prof. Biju Varkey	-	-	-	20.00	11.5	31.50
Dr. Reena Philip	-	-	-	3.33	2.00	5.33
Total	822.66	80.62	1,916.15	661.25	56.25	3,536.93

[#] Retirement benefits do not include provisions for gratuity & leave encashment, if any, as they are determined on an actuarial basis for the Company as a whole.

[§] Perquisite value of options exercised by Mr. Ramachandran V under ESOS 2013 amounting to ₹ 1906.92 Lakhs is included in the remuneration disclosed above.

[^] The Commission paid to Mr. Mithun K Chittilappilly is @ 1.5% of net profits calculated as per Section 198 of the Act.

ii) Details of fixed component and performance linked incentives, along with the performance criteria

The details of fixed components are as provided in the table above.

During the Financial Year, Mr. Ramachandran V and Mr. Antony Sebastian K, Executive Directors of the Company, were not eligible for Variable Pay in accordance with the criteria approved by shareholders on August 1, 2024 and August 24, 2023 respectively.

iii) Service Contracts, Notice period, Severance fees

The appointment of the Executive Directors is as governed by resolutions passed by the shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Employment Agreement is entered into by the Company with the Executive Directors.

The Company had re-appointed Mr. Mithun K Chittilappilly as Managing Director for a period of Five years with effect from April 1, 2026, and his Notice Period is 4 (Four) months. Mr. Ramachandran V was re-appointed as Whole-time Director and Chief Operating Officer for a period of Four years with effect from June 1, 2024, and his Notice Period is 4 (Four) months. The Company had appointed Mr. Antony Sebastian K as Whole-time Director for a period of Four years with effect from May 30, 2023, and his Notice Period is 1 (One) month.

As per the terms and reference of appointment no severance fee is payable to the Executive Directors of the Company.

(iv) Stock option details

The details of stock options given to Directors and KMP are given in **Annexure-IV** of Board's Report.

No ESOP Options were granted to any of the Directors of the Company during the Financial Year 2025-26. During the period under review, Mr. Ramachandran V has exercised 7,35,000 options granted at market price, under ESOS 2013.

X GENERAL BODY MEETING

Details of Annual General Meeting held during the last three years

Financial Year	Date and Time	Address	Details of Special Resolutions
2024-25	August 7, 2025, 11:00 A.M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting was the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Re-appointment of Mr. Mithun K Chittilappilly (DIN:00027610) as Managing Director of the Company for a period of five years with effect from April 1, 2026 to March 31, 2031 and payment of remuneration thereof. b) Re-appointment of Mr. George Muthoot Jacob (DIN: 00018955) as Independent Director of the Company for second term of five years with effect from October 5, 2025 to October 4, 2030.
2023-24	August 1, 2024, 11:00 A.M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting was the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Increase overall managerial remuneration payable from 11% to 15% of the net profits of the Company. b) Increase managerial remuneration payable to Mr. Ramachandran V, Whole-time Director (DIN: 06576300) in excess of 5% of the net profits of the Company.
2022-23	August 24, 2023, 11:00 A.M.	The Annual General Meeting was held through Video Conference/ Other Audio Visual Means. The deemed venue of the meeting was the Registered Office of the Company at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028.	a) Appointment of Mr. Ishwar Subramanian (DIN: 01473535) as Non-Executive Independent Director of the Company for term of five years with effect from May 30, 2023 to May 29, 2028. b) Grant of Options to employees of subsidiary Company(ies) under the Employee Stock Option Scheme, 2013 of the Company. c) Creation of further number of options for grant under the existing Employee Stock Option Scheme 2013, of the Company.

All the Special Resolutions were passed with the requisite majority.

Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2025-2026.

Postal Ballot:

During the year under review, the Company has moved the following resolutions through Postal Ballot process:

Date of Postal Ballot Notice	Resolution(s) passed through Postal Ballot	Type of Resolution	Votes in favour/against the resolution (% of total number of valid votes)	Approval date
January 28, 2026	a) Re-appointment of Prof. Biju Varkkey (DIN: 01298281) as Non-Executive Independent Director for a second and final term of five consecutive years.	Special Resolution	Votes in favour: 99.93% Votes against: 0.07%	March 8, 2026
	b) Appointment of Dr. Reena Philip (DIN: 11462302) as Non-Executive Non-Independent Director for a period of four years.	Ordinary Resolution	Votes in favour: 99.92% Votes against: 0.08%	

The Board of Directors had appointed Mr. Mithun K Chittilappilly, Managing Director and Mr. Vikas Kumar Tak, Company Secretary of the Company as the persons responsible for the entire Postal Ballot process. Mr. M. D. Selvaraj (FCS: 960/COP: 411), Managing Partner of M/s. MDS & Associates LLP, Company Secretaries, Coimbatore, were appointed as the Scrutinizer to carry out the aforesaid Postal Ballots voting process through electronic means in a fair and transparent manner.

Procedure adopted for Postal Ballot

The Postal Ballot was conducted in compliance with Regulation 44 of the SEBI Listing Regulations, and the applicable provisions of Sections 108 and 110 of the Act, read with the relevant rules framed thereunder and the General Circulars issued by the Ministry of Corporate Affairs in this regard. The Company provided its Members with the facility to exercise their voting rights through remote e-voting only. For this purpose, the Company engaged Central Depository Services (India) Ltd. ("CDSL").

The voting rights of Members were determined based on the paid-up value of shares held by them as on the cut-off date, i.e. January 30, 2026. The remote e-voting period commenced at 9:00 A.M. (IST) on Saturday, February 7, 2026, and concluded at 5:00 P.M. (IST) on Sunday, March 8, 2026.

The notice of the aforesaid Postal Ballot is available on the Company's website at <https://www.vguard.in/investor-relations/postal-ballot>.

The voting results, along with the Scrutinizer's Report on remote e-voting, were announced on March 9, 2026, and have been made available on the Company's website at https://www.vguard.in/uploads/investor_relations/Scrutinizers-Report-Voting-Results-Postal-Ballot.pdf and were also available on the website of the stock exchanges.

Whether any Special Resolution is proposed to be passed through Postal Ballot

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

XI MEANS OF COMMUNICATION

a) Quarterly Results

The Company regularly intimates information like quarterly/half yearly/annual financial results and media releases on significant developments from time to time. The financial results and other official news releases are also placed in the 'Investor Relations' section of the website of the Company at <https://www.vguard.in/> and have also been communicated to the Stock Exchanges on which equity shares of the Company are listed.

b) Newspapers wherein results are normally published

The financial results are normally published in the newspapers – The Hindu Businessline (English) and Deepika (Malayalam).

c) Details of website and display of official news releases and presentation made to the institutional investors or to analysts

The website of the Company, www.vguard.in contains comprehensive information about the Company, its business, Directors, Committees of the Board, Terms and Conditions of Appointment/ Re-Appointment of Independent Directors, products, branch details, distributor locator, media details, service helplines, various policies adopted by the Board, details of unpaid dividend, contact details for investor grievance redressal, credit rating details, Financial Statement of Subsidiary, Shareholding Pattern, notice of meeting of Board of Directors, Quarterly Unaudited Financial Results, Audited Financial Results, Annual Report, Shareholder Information, Schedule of Analyst or Institutional Investor Conference, presentations made to Analysts or Institutional Investor, audio recording of quarterly earnings calls, information on material events, other developments, etc.

XII. GENERAL SHAREHOLDER INFORMATION

a) Date, Venue and Time of the 30th Annual General Meeting

Day and Date	Tuesday, August 11, 2026
Time	11:00 A.M.
Mode & Venue	Meeting is being conducted through Video Conference/Other Audio Visual Means pursuant to applicable circulars issued by Ministry of Corporate Affairs from time to time. The deemed venue for the meeting shall be registered office of the Company.

b) Board Meeting calendar for the Financial Year

The Financial Year of the Company starts from April 1 of a year and ends on March 31 of the following year.

Calendar of Board Meeting to approve the accounts (tentative and subject to change) for the Financial Year 2026-27 is as follows:

For the quarter ended	Proposed Dates
June 30, 2026	July 29, 2026
September 30, 2026	October 29, 2026
December 31, 2026	January 28, 2027
March 31, 2027	May 13, 2027

c) Dividend for the Financial Year 2025-26

Considering the Dividend Distribution Policy of the Company, the Board has recommended final dividend of ₹ 1.50 (150%) per equity share which is subject to the approval of the shareholders at the ensuing Annual General Meeting, and if approved, will be payable on or before September 9, 2026. The Company has formulated a policy on Distribution of Dividend and the same is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Dividend-policy.pdf and forms part of this Annual Report.

Dividend in respect of shares held in electronic form will be paid to the beneficial owners as per the information furnished by Depositories as on record date. Shareholders are requested to notify any change in their residential address, Bank A/c details and/or email address immediately to their respective Depository Participants (DP). The Shareholders holding shares in physical form are requested to intimate their PAN/any change in their address/bank details/email id/mobile number instantly by filling the KYC Form, so that change could be affected in the Register of Members and the shareholders will receive the credit directly in their specified bank account. The Company will make arrangement to pay dividend as per the SEBI Regulations and Circulars issued from time to time.

Date of Book Closure

The Register of Members will remain closed from August 1, 2026, to August 11, 2026 (both days inclusive), and dividend will be paid to the Members whose name(s) appear in the Register of Members/Register of Beneficial Owners as on record date i.e. July 31, 2026.

Unpaid Dividend Amount

As per the provisions of Section 124(5) and 124(6) of the Act, the Company is required to transfer the unpaid dividend amount which is unclaimed for a period of seven years from the date of declaration of Dividend to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

Given below are the due date of transfer of the unclaimed dividend amount to IEPF by the Company:

Financial Year	Dividend per Share (Amt in ₹)	Nature	Date of Declaration of Dividend	Last date for claiming the amount	Due date of transfer to IEPF	Account balance as on March 31, 2026 (Amt in ₹)
2018-19	0.80	Final	July 24, 2019	August 29, 2026	September 28, 2026	3,26,260.00
2019-20	0.90	Interim	February 14, 2020	March 21, 2027	April 20, 2027	4,70,352.60
2020-21	1.20	Final	August 5, 2021	September 10, 2028	October 10, 2028	3,90,853.20
2021-22	1.30	Final	July 28, 2022	September 2, 2029	October 2, 2029	4,08,580.80
2022-23	1.30	Final	August 24, 2023	September 29, 2030	October 29, 2030	4,05,238.60
2023-24	1.40	Final	August 1, 2024	September 6, 2031	October 6, 2031	5,51,462.60
2024-25	1.50	Final	August 7, 2025	September 12, 2032	October 12, 2032	4,49,003.00

The Company has transferred an amount of ₹ 5,96,746.50 (Five Lakhs Ninety Six Thousand Seven Hundred Forty Six Rupees and Fifty Paise Only) as Final Dividend for the Financial Year 2017-18, which were lying in Unpaid Dividend Account, to IEPF. The Unclaimed Dividend in respect of the Final Dividend for Financial Year 2018-19, is due for transfer to IEPF on August 29, 2026, in terms of Section 124(6) of the Act. Claims against Unpaid/Unclaimed Dividend pertaining to Financial Year 2018-19 may be lodged at the Registered Office or at the office of Registrar and Transfer Agent of the Company on or before August 29, 2026.

Members whose dividend is unpaid, may write to the Company at its Registered Office or to M/s MUFG Intime India Pvt. Ltd., RTA of the Company by giving details of their bank account for claiming Dividend.

As per the provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority Rules, 2016 ("the IEPF Rules"), if dividend on any shares has not been encashed or claimed during seven consecutive years or more, such shares are to be transferred to Investor Education and Protection Fund Authority (IEPFA). The Company shall intimate to all shareholders who have not

claimed dividend for seven consecutive years from the Financial Year 2018-19, indicating that such shares shall be transferred to IEPFA. The shareholders can claim dividend on or before August 29, 2026, failing which the shares will be transferred to IEPFA at an appropriate date. The said intimation will also be published in newspapers and made available on the website of the Company at <https://www.vguard.in/> in the page 'Investor Relations'.

Details of shares transferred to Investor Education and Protection Fund Authority (IEPFA):

During the year under review, the Company was required to transfer 14,645 equity shares to IEPFA as dividends have not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2018-19 (Final Dividend FY 2017-18) to 2024-25 (Final Dividend FY 2023-24). However, the Company could transfer only 13,383 equity shares to IEPFA, as 1,262 equity shares could not be transferred to the demat account of IEPFA, due to regulatory restrictions. The Company had intimated IEPFA the details of such shares by filing e-form IEPF-4. The voting rights on the shares transferred to IEPFA shall remain frozen till the shareholders claim those shares from IEPFA, by filing e-Form IEPF-5, as prescribed under the

IEPF Rules. The details of shares transferred to IEPFA is available on the website of the Company at <https://www.vguard.in/investor-relations/shareholder-information-new>.

The procedures to be followed by the shareholder for filing of e-form IEPF-5 for claiming both unpaid dividend and the shares from IEPFA is detailed on the website of the Company at <https://www.vguard.in/investor-relations/shareholder-information-new>.

Pursuant to Schedule VI, Regulation 39 of the SEBI Listing Regulations, there were 3,220 unclaimed/undelivered

equity shares in 'Unclaimed Securities Suspense Escrow Account for V-Guard Industries Limited' as on March 31, 2026, which belongs to eight shareholders. During the year, no shareholders claimed shares from Unclaimed Securities Suspense Escrow Account and no shares were transferred to the IEPF authority.

In accordance with the requirements of Regulations 34 and Regulation 39 read with Schedule V(F) of the SEBI Listing Regulations, details of equity shares in V-Guard Industries Limited – Unclaimed Suspense Account are as follows.

Particulars	No. of shareholders	No. of equity shares (₹ 1 each)
Aggregate number of shareholders and the outstanding unclaimed shares in the suspense account lying at the beginning of the year	8	3,220
Shareholders who approached listed entity for transfer of shares from the suspense account during the year	0	0
Shareholders to whom shares were transferred from suspense account during the year	0	0
Shareholders whose shares were transferred from suspense account to IEPF	0	0
Aggregate number of shareholders and outstanding shares lying in the suspense account at the end of the year	8	3,220
that the voting rights on such shares shall remain frozen till the rightful owner of such shares claims the shares	8	3,220
The voting rights on the shares outstanding in the suspense account as on March 31, 2026, shall remain frozen till the rightful owner of such shares claims the shares		

100 days Campaign – “Saksham Niveshak”

In line with the communication dated July 16, 2025 issued by the IEPFA, MCA, the Company initiated a 100 Days Campaign - “Saksham Niveshak” commencing from July 28, 2025 till November 6, 2025. The campaign aimed to encourage investors to claim their dividends and update KYC details before transfer to IEPF, and the Company supported this initiative by using social media platforms, publishing details on its website, reaching out to shareholders through various means and facilitating payment of unclaimed dividends.

d) Name and address of the Stock Exchange at which the shares of the Company are listed and details of annual listing fees paid

Equity Shares of the Company are quoted on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd., since March 13, 2008. Listing fees for the Financial Year 2026-27 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

BSE Ltd.	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers,	Exchange plaza, 5 th Floor,
Dalal street,	Plot No. C/1, G Block,
Mumbai – 400001	Bandra-Kurla complex,
Script Code: 532953	Bandra – East,
	Mumbai –400051
	Script Symbol- VGUARD

ISIN: INE951I01027

Custodial Fees

Annual Custody/Issuer fees is being paid by the Company within the due date of the invoices received from National Securities Depository Ltd. (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”).

e) The Company's Equity shares were not suspended from trading during the year under review.

f) Registrar & Transfer Agent

MUFG Intime India Pvt. Ltd. (Formerly Known as Link Intime India Pvt. Ltd.)
Surya 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore – 641028
Phone: 0422-2314792
E-mail: investor.helpdesk@in.mpms.mufg.com

Share transfer

SEBI vide Press Release No. 12/2019 dated March 27, 2019, effective from April 1, 2019, has discontinued transfer of shares in physical mode and hence, the Company is not required to process any transfer request on or after April 1, 2019. The Company holds Stakeholders' Relationship Committee Meetings as and when required and reviews request for duplicate shares and transmission of shares if any, received from shareholders or legal heirs respectively.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission

and transposition of securities shall be effected only in dematerialized form. In accordance with the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 & SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025), the Company had opened a Suspense Escrow Demat Account with the DP for transfer of shares lying unclaimed for more than 120 days from the date of issue of Letter of Confirmation to the shareholders in lieu of physical share certificates to enable them to make a request to DP for dematerialising their shares.

During the Financial Year 2025-26, Company has transferred 100 equity shares to Suspense Escrow Demat Account of the Company. No request was received for release of shares from the said account and no shares were transferred to the IEPF authority. As on March 31, 2026, a total of 100 equity shares continue to remain in the Suspense Escrow Demat Account of the Company.

As per the clarification issued by SEBI vide its Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 6, 2026 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025), any corporate benefits transferred to Suspense Escrow Demat Account viz. Bonus, Split, etc., shall be credited to such Suspense Escrow Demat Account. Also, the concerned holders shall be entitled to vote, to receive dividend and notices of Shareholders' Meetings, Annual Reports on the securities lying in Suspense Escrow Demat Account.

SEBI vide Circular dated January 30, 2026, has dispensed with the requirement of Letter of Confirmation and enabled direct credit of verified securities to investors' demat accounts w.e.f. April 2, 2026. The Company has aligned its processes with these regulatory changes to ensure faster and more efficient handling of Shareholder requests.

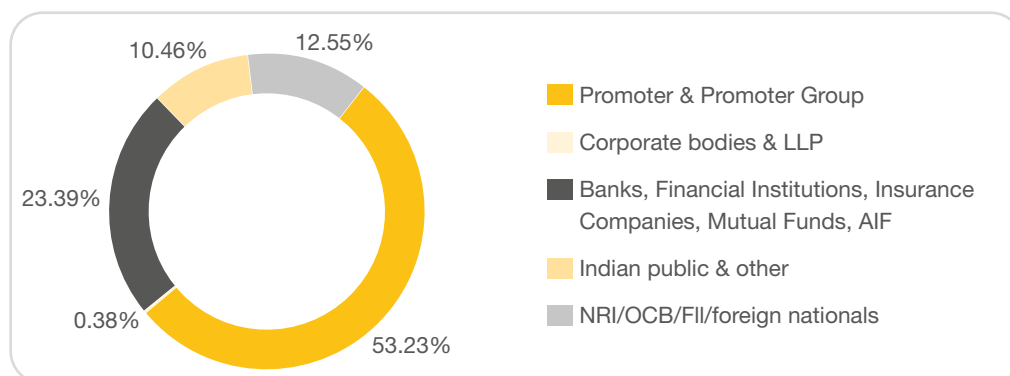
g) Distribution of shareholding as on March 31, 2026

Sl. No.	Shareholding of Nominal shares		Number of shareholders	% of shareholders	Number of shares	% of shares
	From	To				
1	1	5,000	1,34,779	99.40	1,93,89,138	4.44
2	5,001	10,000	349	0.26	24,93,725	0.57
3	10,001	20,000	174	0.13	24,45,670	0.56
4	20,001	30,000	66	0.05	16,02,860	0.37
5	30,001	40,000	34	0.02	11,82,119	0.27
6	40,001	50,000	24	0.02	11,03,968	0.25
7	50,001	1,00,000	52	0.04	36,11,468	0.83
8	1,00,001	Above	114	0.08	40,49,74,868	92.71
Total			1,35,592	100.00	43,68,03,816	100.00

Category of shareholder as on March 31, 2026

Category	No. of shares	% of total no. of shares
Promoter & Promoter Group	23,24,90,219*	53.22
Corporate bodies & LLP	16,42,376	0.38
Banks, Financial Institutions, Insurance Companies, Mutual Funds, AIF	10,21,77,253	23.39
Indian public & other	4,56,70,619	10.46
NRI/OCB/FII/foreign nationals	5,48,23,349	12.55
Total	43,68,03,816	100.00

* This includes shareholding of Promoter Group identified in accordance with SEBI circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/35 dated March 20, 2025.



h) Dematerialisation of shares and liquidity

The shares of the Company are in compulsory dematerialisation segment and actively traded in National Stock Exchange of India Ltd., and BSE Ltd. The status of shares held in dematerialised and physical form as on March 31, 2026, are given below:

Particulars	No. of shares	Percentage
Issued Capital	43,68,03,816	100%
Listed Capital (Exchange-wise)	43,67,54,526*	99.99%
Shares held in Dematerialised form	43,65,44,505	99.94%
Shares held in Physical form	2,59,311	0.06%

* Pursuant to the Employees Stock Option Scheme, 2013 (ESOS 2013) 49,290 equity shares were allotted to eligible employees on March 25, 2026. The said equity shares were credited to temporary ISIN through a corporate action as on March 31, 2026. The Company filed an application for listing of these equity shares on April 1, 2026, and the shares were subsequently listed and admitted for trading on both BSE Ltd. and the National Stock Exchange of India Ltd. on April 6, 2026.

i) There were no outstanding Global Depository Receipts/ American Depository Receipts/warrants or any convertible instruments as at and for the Financial Year ended March 31, 2026.

j) Commodity price risk or foreign exchange risk and hedging activities

During the year under review, the Company has managed its foreign exchange risk by entering into hedging arrangements as and when considered necessary. The details of foreign currency risk and commodity price risk are disclosed in notes to the financial statements, which forms part of this Annual Report.

k) Plant Locations

The details of manufacturing /plant locations (of the Company and its wholly owned subsidiaries) and registered office are given in Corporate information section of Annual Report.

l) Address for investor correspondence is as follows:

The Company Secretary
V-Guard Industries Ltd.
42/962, Vennala High School Road,
Vennala, Kochi, Kerala – 682 028
Phone: 0484-433 5000
e-mail : secretarial@vguard.in, cscompliance@vguard.in

m) List of credit rating obtained by the Company with revision during the Financial Year

The Company's credit facilities are rated by M/s. CRISIL Ratings Ltd. and M/s. ICRA Ltd. M/s CRISIL Ratings Ltd. had re-affirmed the top-notch rating i.e. CRISIL A1+ (pronounced as CRISIL A one plus rating) on commercial paper of your Company w.e.f. November 29, 2025. M/s. ICRA Ltd. has upgraded the long-term rating of the Company as [ICRA]AA+ (pronounced ICRA double A Plus) and re-affirmed the short-term rating as [ICRA]A1+ (pronounced ICRA A one plus) w.e.f. April 7 2026. The outlook on the long-term rating was revised to "Stable" from "Positive".

During the year under review, CRISIL ESG Ratings & Analytics Ltd., SES ESG Research Pvt. Ltd. and NSE Sustainability Ratings and Analytics Ltd., Independent ESG rating agencies, has rated your Company on ESG Parameters. The Company has not engaged aforementioned rating agencies for ESG Rating. The said agencies have independently assessed the Company based on public disclosures on ESG parameters and other information available in the public domain.

Particulars	CRISIL ESG Ratings & Analytics Ltd.	SES ESG Research Pvt. Ltd.	NSE Sustainability Ratings and Analytics Ltd.
ESG rating	'Strong' category; Score: 63 (FY 25) (improved from 62 in FY 24)	ESG Score: 76.2 (FY 25) (improved from 72.0 in FY 24)	ESG Score: 69 (FY 25) (improved from 68 in FY 24)

XIII. OTHER DISCLOSURES

a) Disclosure of materially significant related party transactions that may have potential conflict with the interest of entity at large

The Company has not entered into any materially significant transactions that has potential conflict with the interest of the Company at large. However, during the year, the Company has entered into material Related Party Transactions with its wholly-owned subsidiary i.e. V-Guard

Consumer Products Ltd., as per the provisions of the Act and a confirmation to this effect as required under section 134(3)(h) of the Act is given in Form AOC-2 as **Annexure V** of Board's Report, which forms part of this Annual Report.

The related party transactions entered during the year under review are on arms' length basis. Further, a statement on all related party transactions is presented before the Audit Committee of the Company on quarterly basis for its review.

Also, refer note no. 43 of the Standalone Financial Statements as of March 31, 2026, which forms part of this Annual Report for details of related party transactions.

b) Details of Non-Compliance by the Company, Penalties, strictures imposed on the Company by Stock Exchange or the SEBI or any statutory authority, on any matter related to capital markets during lasts three years

The Company has complied with all the requirements of the Stock Exchanges and SEBI on matters relating to Capital Markets. There were no penalties imposed or strictures passed against the Company by SEBI or, Stock Exchanges on which the shares of the Company are listed or any Statutory Authority in this regard, during the last 3 years.

c) Details of establishment of vigil mechanism/whistle blower policy

The Company has established a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Vigil Mechanism provides for adequate safeguards against victimization of Directors/employees who blows the whistle and to provide direct access to the Chairperson of the Audit Committee in exceptional cases. No employee was denied the access to the Audit Committee/Chairperson of the Audit Committee regarding any matter falling under the purview of Whistle Blower Policy.

During the period under review, one complaint was received and duly resolved. As of March 31, 2026, no complaints were pending.

Vigil Mechanism adopted by the Company is hosted on the website of the Company at https://www.vguard.in/uploads/investor_relations/WHISTLEBLOWER-POLICY.pdf.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has fully complied with the mandatory requirements of the SEBI Listing Regulations. The Company has adopted non-mandatory requirements detailed in point no. XIV of this report.

e) Details of policy for determining material subsidiaries

The Board of Directors have formulated a policy for determining material subsidiary and the same is hosted on the website of the Company at https://www.vguard.in/uploads/investor_relations/Policy-on-Material-subsiidiary.pdf.

Governance of Subsidiary Companies—Guts Electro-Mech Ltd., V-Guard Consumer Products Ltd. & Sunflame Enterprises Pvt. Ltd.

M/s. Guts Electro-mech Ltd., M/s. V-Guard Consumer Products Ltd. and M/s. Sunflame Enterprises Pvt. Ltd. continue to be Wholly-owned Subsidiaries of the Company. The Audit Committee reviews the consolidated financial statements of the Company and the investments, if any made by unlisted subsidiary Companies. The Minutes of the Board and Committee Meetings of the Subsidiary Companies, along with the details of the significant transactions and arrangement entered by the Company are shared with the Board of Directors of the Company. The financial statements of the subsidiary Companies are reviewed by the Audit Committee of the Company. Additionally, a summary of the financial statements of subsidiaries is included in Form AOC-1 forming part of Board's Report.

On the basis of Financials of FY 2024-25, V-Guard Consumer Products Ltd. has become Material Subsidiary of the Company under the Regulation 16(1)(c) of the SEBI Listing Regulations, as amended.

f) Web link where policy on dealing with related party transactions

The Board of Directors has formulated a policy on Materiality and Dealing with Related Party Transactions and the same is hosted on the website of the Company at https://www.vguard.in/uploads/investor_relations/POLICY-MATERIALITY-DEALING-RELATED-PARTY-TRANSACTIONS.pdf.

g) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement and also there are no unutilised funds, therefore disclosure as specified under Regulation 32(7A) of the SEBI Listing Regulations is not applicable.

h) Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority

The Company has obtained a Certificate from M/s. Dedhia Shah & Partners LLP, Company Secretaries (ICSI Unique Code Number: L2025MH019000), Mumbai, in compliance with the provisions of Regulation 34(3) of the SEBI Listing Regulations read with Schedule V Para C clause (10)(i) of the SEBI Listing Regulations, confirming that none of the Directors of the Company are debarred or disqualified from being appointed or continuing as a Director of any Company, by SEBI or Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2026. Certificate obtained from the Practising Company Secretary forms part of this Report.

i) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons

During the year under review, all the recommendations of all the Committees which were mandatorily required were accepted by the Board.

j) Total fees paid to Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/N500016, was appointed as Statutory Auditor of the Company from the conclusion of 26th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company to be held in the Financial Year 2027-28. Fees paid to Statutory Auditor is provided in note no. 34 of the Standalone financial statements for the Financial Year ended March 31, 2026, which forms part of this Annual Report.

Fees paid/provided to M/s. Price Waterhouse Chartered Accountants LLP with Firm Registration No. 012754N/N500016, for conducting Statutory Audit of V-Guard Consumer Products Ltd., Guts Electro-Mech Ltd. and Sunflame Enterprises Pvt. Ltd. (Wholly owned Subsidiaries) is ₹ 27 Lakhs, ₹ 18 Lakhs and ₹ 30 Lakhs, respectively.

k) Redressal of Grievances under Sexual Harassment Policy

The Company has in place, a policy on Prevention, Prohibition and Redressal of Sexual Harassment of women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period under review, no complaints were received or were pending as of March 31, 2026.

m) Details of Material Subsidiaries of the Listed Entity; including the Date and Place of Incorporation and the name and date of appointment of the Statutory Auditors of such Subsidiaries

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Statutory Auditors
V-Guard Consumer Products Ltd. (VCPL)	July 19, 2021	Ernakulam, Kerala, India	M/S. Price Waterhouse Chartered Accountants LLP were appointed on August 10, 2022

No. of complaints as on the start of Financial Year 2025-26 :

No. of complaints filed during the Financial Year 2025-26 :

No. of complaints disposed of during Financial Year 2025-26 :

No. of complaints pending at the end of Financial Year 2025-26 :

Nil

l) Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ Companies in which Directors are interested by name and amount

During the year under review, the Company and its subsidiaries has not given any loans and advances to firms/ Companies in which Directors are interested. However, during the Financial Year 2024-25, the Board of Directors approved grant of secured loan of ₹ 6.60 Crores to M/s. Gegadyne Energy Labs Pvt. Ltd. (GEL), an associate Company and during the year under review, Board of Directors had approved grant of unsecured interim loan up to ₹ 4.00 Crores to GEL, in one or more tranches. As on March 31, 2026, GEL has repaid entire loan amount including the secured loan granted in Financial Year 2024-25 along with interest.

During the Financial Year under review, the Board of Directors had approved further investment of ₹ 25.00 Crores in the securities of GEL. Pursuant to the said investment, the Company's shareholding in GEL increased to 30.35% on a fully diluted basis.

The details of Loans, Investments and Guarantees are provided in Board's Report forming part of this Annual Report.

XIV. DETAILS OF ADOPTION OF DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II TO THE SEBI LISTING REGULATIONS

The Company has adopted the following non-mandatory requirements of Part E of Schedule II to the SEBI Listing Regulations.

- The Chairperson of the Company is Non-Executive Independent Director and not related to the Managing Director/Whole-time Director of the Company. A clear distinction exists between the roles and duties of the Chairperson and those of Managing Director.
- The Company has Woman Independent Director who is also Chairperson of the Board.
- The Company follows the regime of financial statements with unmodified audit opinion.
- The independent firms of the Internal Auditors of the Company are directly reporting to the Audit Committee of the Board.
- Three meetings of Independent Directors were held during the year without the presence of Non-Independent Directors and Members of the Management.

XV. DISCLOSURE ON COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has complied with all the requirements of Corporate Governance mentioned in the Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations wherever applicable.

XVI. DETAILS OF OTHER COMPLIANCES

Details of compliances of provisions relating to Corporate Governance in various SEBI Listing Regulations, other than those specified above are as under:

a) Code of conduct for Directors and Senior Management

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of the Act and the SEBI Listing Regulations. The Code is available on the website of the Company at https://www.vguard.in/uploads/investor_relations/Senior-Management-Personnel-31-03-2026.pdf.

b) Notice of interest by Senior Management Personnel

The Senior Management Personnel has confirmed to the Board of Directors that no material and commercial transactions have been entered into between the Company and Members of the Senior Management team, where they have any personal interest.

c) Prevention of insider trading

The Company has in place a Code of Conduct – Insider Trading to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct for prevention of insider trading lays down guidelines advising the Directors, Designated persons and their immediate relatives, on procedures to be followed and disclosures to be made by them while dealing with the shares of the Company and cautioning them of the consequences of violations. The Company has placed the Code as per the SEBI Listing Regulations in website of the Company at <https://www.vguard.in/investor-relations/policies>.

During the year under review, the Company has provided training sessions to employees who are categorized as insiders in order to apprise them about the various provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

d) Risk Management

The Company has formulated Enterprise Risk Management Policy in accordance with the guidelines provided under the Charter of the Risk & ESG Committee of the Board of Directors, and pursuant

to Regulation 21 of the SEBI Listing Regulations. The Risk Management Charter and Policy institutionalize a formal risk management function and framework consisting of risk management process, risk governance and communication structure.

The Risk Management Policy provides a structured, consistent and continuous process across the whole organization for identifying and assessing risks, deciding on mitigations and reporting on the opportunities and threats that may affect the achievement of its strategic objectives.

A detailed note on Risk Management is included in the Management Discussion and Analysis Report and in this Report also, which forms part of this Annual Report.

e) Review of compliance reports pertaining to all laws applicable to the Company

A comprehensive report on the status of compliance, with all the applicable laws to the Company is placed before the Board for their review and knowledge.

f) Submission of quarterly compliance report on Corporate Governance

The Company has submitted quarterly compliance on Integrated Governance with all the Stock Exchanges wherein the shares of the Company are listed.

g) Management Discussion and Analysis Report

Management Discussion and Analysis Report detailing the industry developments, segment wise/product wise performance and other matters, forms part of this Annual Report.

h) Non-compliance of any requirement of Corporate Governance Report, with reasons if any, thereof shall be disclosed

The Company has complied with all the requirements of Corporate Governance Report as specified in sub-paras (2) to (10) of Schedule V (c) of the SEBI Listing Regulations.

i) The Company had already in place Directors and Officers Liability Insurance (D&O) which is renewed annually. Further, as per the applicable provisions of the Act and in compliance with Regulation 25(10) of the SEBI Listing Regulations, the Company continues to take D & O insurance policy on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any liability that may arise in course of fulfilling their duties towards the Company.

j) The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the

SEBI Listing Regulations which is impacting the management or control of the Company or imposing any restriction or creating any liability upon the Company.

k) Memorandum of Association and Articles of Association:

During the year under review, there were no changes in Memorandum of Association (MoA) and Articles of Association (AoA). Pursuant to provisions of Act, the changes in MoA and AoA are subject to approval of shareholders of the Company.

XVII. CEO/CFO CERTIFICATION

Pursuant to Regulation 17(8) of the SEBI Listing Regulations, Mr. Mithun K Chittilappilly, Managing Director and Mr. Sudarshan Kasturi, Chief Financial Officer has given CEO/CFO Certificate as per the format specified in part B to the Schedule II of the SEBI Listing Regulations, and said certificate was placed before the meeting of Board of Directors in their meeting held on May 12, 2026 and is annexed to this report.

XVIII. DECLARATION OF CODE OF CONDUCT

In compliance with the provisions of Schedule V(D) of the SEBI Listing Regulations, the declaration signed by the Managing Director stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report.

For and on behalf of the Board of Directors

Place: Kochi
Date: May 12, 2026

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's code of conduct

This is to confirm that all the Members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2026.

For **V-Guard Industries Limited**

Sd/-

Mithun K Chittilappilly

Managing Director

DIN: 00027610

Date: May 12, 2026

Place: Kochi

CEO/CFO CERTIFICATION TO THE BOARD

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Mithun K Chittilappilly, Managing Director and Sudarshan Kasturi, Chief Financial Officer of V-Guard Industries Limited, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the quarter and year ended March 31, 2026, and that to the best of our knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period under review which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps have been taken or is proposed to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - 1) That there are no significant changes in the internal control over financial reporting during the period under review.
 - 2) That there are no significant changes in the accounting policies during the period under review and the same has been disclosed in the notes to financial statements; and
 - 3) That we are not aware of instances of any significant fraud with involvement therein of the management or any employee having any significant role in the Company's internal control system over financial reporting.

For **V-Guard Industries Limited**

Sd/-
Mithun K Chittilappilly
Managing Director
DIN: 00027610

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Date: May 12, 2026
Place: Kochi

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
V-Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010
42/962, Vennala High School Road, Vennala, Ernakulam, Kochi, Kerala- 682 028.

We have examined the compliance with conditions of Corporate Governance by V-Guard Industries Limited ('the Company'), for the financial year ended on March 31, 2026, as per Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

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

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations during the financial year ended March 31, 2026.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and shall not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For **Dedhia Shah & Partners LLP**
Company Secretaries
Unique ICSI Code Number: L2025MH019000

Sd/-
Keyul M. Dedhia
Partner
FCS No: 7756 COP No: 8618
UDIN: F007756H000343025
Peer Review Certificate No: 6710/2025

May 12, 2026, Mumbai.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of,
V-Guard Industries Limited

Corporate Identity Number: L31200KL1996PLC010010
42/962, Vennala High School Road, Vennala, Kochi, Kerala- 682 028.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of V-Guard Industries Limited having Corporate Identity Number: L31200KL1996PLC010010 and having registered office at 42/962, Vennala High School Road, Vennala, Kochi, Kerala- 682 028 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our test check basis verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Dedhia Shah & Partners LLP**
Company Secretaries
Unique ICSI Code Number: L2025MH019000

Sd/-
Keyul M. Dedhia
Partner
FCS No: 7756 COP No: 8618
UDIN: F007756H000342959
Peer Review Certificate No: 6710/2025

May 12, 2026, Mumbai.

Business Responsibility & Sustainability Report (BRSR)

SECTION A:

General Disclosures

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L31200KL1996PLC010010
2. Name of the Listed Entity	V-Guard Industries Limited
3. Year of incorporation	February 12, 1996
4. Registered office address	42/962, Vennala High School Road, Vennala, Kochi, Kerala – 682 028
5. Corporate address	42/962, Vennala High School Road, Vennala, Kochi, Kerala – 682 028
6. E-mail	cscompliance@vguard.in
7. Telephone	0484 433 5000
8. Website	www.vguard.in
9. Financial Year for which reporting is being done	2025-2026
10. Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited and BSE Limited
11. Paid-up Capital	₹ 43,68,03,816
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramachandran V Telephone: 0484 433 5000 Email: cscompliance@vguard.in
13. Reporting boundary Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14. Name of assurance provider	Price Waterhouse Chartered Accountants LLP
15. Type of assurance obtained	Limited assurance on BRSR core and select BRSR indicators

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Electronics	2710, 2720, 2790	29%
2	Electrical	2710, 2732, 2812	43%
3	Consumer Durables	2599, 2815, 27502, 27503	28%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Electronics	Stabilizers, Digital UPS and Solar Power Systems	29%
2	Electrical	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches	43%
3	Consumer Durables	Electric Water Heaters, Solar Water Heaters, Fans, and Kitchen appliances.	28%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices *	Total
National	9 manufacturing facilities and 34 warehouses/hubs	1 Corporate office, 1 Regional office, 1 R&D Innovation Centre, 31 Branch offices and 1 lab	78
International	-	-	-

*All physical locations having operational and financial control are considered.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States/UTs)	Pan India
International (No. of Countries)	5 Countries (Nepal, Spain, Bangladesh, Bhutan, and Ghana)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Export sales (INR in Crores)	FY 25-26
Sales outside India	2.37
% to sales	0.04%

c. A brief on types of customers

- Distributive Trade (including Dealers, Distributors and Direct Marketing Associates)
- Modern Trade and Regional Specialty chains
- E-commerce/Quick Commerce
- Central Police Canteens
- Canteen Stores Department
- Institutions

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including differently abled):

Sl. No.	Particulars	Total (A)*	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,761	2,542	92.07%	219	7.93%
2.	Other than Permanent (E)	1,787	1,549	86.68%	238	13.32%
3.	Total employees (D + E)	4,548	4,091	89.95%	457	10.05%
WORKERS						
4.	Permanent (F)	458	451	98.47%	7	1.53%
5.	Other than Permanent (G)	2,418	1,615	66.79%	803	33.21%
6.	Total workers (F + G)	2,876	2,066	71.84%	810	28.16%

b. Differently abled Employees and Workers

Sl. No.	Particulars	Total (A)*	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	2	2	100%	0	0%
3.	Total differently abled employees (D + E)	2	2	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	0	0%	1	100%
5.	Other than Permanent (G)	3	3	100%	0	0%
6.	Total differently abled workers (F + G)	4	3	75%	1	25%

*Count does not include apprentices.

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors (BOD)	8	2	25%
Key Management Personnel (KMP)	5*	0	0%

*KMP includes 3 executive directors.

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

22. Turnover rate for permanent employees and workers

	FY 2026			FY 2025			FY 2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.15%	9.05%	15.60%	14.70%	10.80%	14.40%	16.17%	9.14%	15.65%
Permanent Workers	5.25%	13.33%	5.38%	4.80%	31.60%	5.30%	3.93%	9.09%	4.05%

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Guts Electro-Mech Limited	Subsidiary	100%	Yes
2.	V-Guard Consumer Products Limited	Subsidiary	100%	Yes
3.	Sunflame Enterprises Private Limited	Subsidiary	100%	Yes
4.	Gegadyne Energy Labs Private Limited	Associate	30.35% *	No

* on fully diluted basis

VI. CSR Details**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes**

(ii) **Turnover in Rs (in Crores):** 5,691.78

(iii) **Net worth in Rs (in Crores):** 2,224.68

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No)	FY 2026			FY 2025		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes, https://www.vguard.in/uploads/policies/	-	-	-	-	-	-
Communities	Stakeholder-Engagement-Policy.pdf	143	-	-	142	-	-
Shareholders*		14	1	-	14	-	-
Employees and workers		13,31,620	7,281	-	13,35,898	6,409	-
Customers**		-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.	-	-	Although no formal grievances were raised, in the ordinary course of business the partners raise issues relating to seasonal business volumes, working capital support, investment requirements etc. which get resolved.
Value Chain Partners		-	-	-	-	-	-
Others		-	-	-	-	-	-

*Complaints raised by investors majorly include queries related to unpaid dividends, annual report and dematerialization of shares.

** Customer complaints include product issues reported both within and beyond the warranty period. ~95% of these complaints are resolved within 48 hours. Based on revised categorization of complaints, previous year's figures are restated.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same approach to adapt or mitigate the risk along-with its financial implications, as per the following format

V-Guard conducted a structured materiality assessment to identify and prioritize issues most relevant to its business and stakeholders. This process involved evaluating a wide range of factors, including global megatrends, regulatory developments, ESG standards, and stakeholder expectations. Extensive engagement with internal and external stakeholders was carried out to assess the significance of each issue based on its potential impact on stakeholder interests and the Company's strategic objectives and risk profile. The assessment resulted in the identification of 21 material ESG topics, which were reviewed and approved by the Board of Directors. These material topics, along with associated ESG risks, are integrated into V-Guard's Enterprise Risk Management (ERM) framework. During the year, the Company also initiated a double materiality assessment to further enhance its sustainability governance and reporting approach.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Decarbonization	Risk	Climate change exposes V-Guard to financial risks from regulations, emission targets, energy cost volatility, and investments in cleaner operations, while physical risks like heat, water scarcity, floods, and supply disruptions may affect operations and supply chain resilience.	V-Guard is advancing its decarbonization strategy through renewable energy adoption, energy efficiency, product LCAs, and TCFD-aligned risk assessments. By expanding renewable capacity and assessing climate risks across scenarios, it identifies key value chain impacts,	Negative: Decarbonization may lead to unplanned cost increases arising from evolving environmental regulations and climate-related operational disruptions.
		Opportunity	Decarbonization offers a strategic path to long-term value and stronger competitiveness. Investing in energy efficiency, renewables, and low-carbon technologies will lower costs and reduce exposure to energy price volatility. Proactive upgrades and retrofits help avoid stranded assets while improving operations. At the same time, a sustainability-focused product portfolio opens new markets and meets evolving customer demand.	while integrating ESG and climate risks into its ERM framework to strengthen resilience.	Positive: V-Guard's transition towards lower-carbon operations support cost savings through improved energy efficiency and renewable energy adoption, enhance long-term energy cost resilience, and create opportunities in emerging markets through its sustainable product portfolio.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Water Stewardship	Risk	Inadequate water management and rising water stress can disrupt operations, increase costs, and reduce efficiency. Stricter regulations on water use and discharge may lead to compliance risks and penalties. Additionally, water pollution or community impact could damage reputation and stakeholder trust.	V-Guard is reducing freshwater dependency through conservation, rainwater harvesting, recycling, and reuse initiatives. It has enhanced STP/ETP systems, added ultra-filtration, and adopted IoT-based monitoring to improve compliance and efficiency. Community-driven water conservation efforts further support local resilience and strengthen stakeholder trust.	Negative: Poor water management can raise operating costs due to higher procurement, treatment, and compliance needs. Water scarcity or non-compliance may disrupt operations, lead to penalties, and affect business continuity, while environmental or community impacts can weaken stakeholder trust and brand value.
		Opportunity	IoT-enabled water monitoring can enhance real-time tracking, enabling better data management, quicker corrective actions, and improved compliance. This helps V-Guard strengthen operational control, reduce risks, and improve reporting reliability. Additionally, water efficiency, recycling, and community conservation initiatives can lower costs, reduce freshwater dependency, and build stakeholder trust while supporting long-term water security.		Positive: Improved water stewardship can lower costs through greater recycling and efficiency, while IoT-based monitoring and stronger treatment systems reduce compliance risks and unexpected expenses. Community water initiatives further enhance stakeholder trust, protect brand value, and support long-term resilience.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Circularity	Risk	Ineffective waste management and reliance on landfills expose the Company to environmental risks, including regulatory non-compliance, penalties, and ecological harm. These risks are further intensified by stricter Extended Producer Responsibility (EPR) regulations, which demand greater accountability, traceability, and responsible product end-of-life management.	In response, the Company has adopted a proactive mitigation approach by initiating a Zero Waste to Landfill (ZWL) program through pilot assessments and waste audits, enabling better segregation, recovery, and reduction of waste streams. Additionally, maintaining 100% EPR compliance through authorised e-waste vendors ensures adherence to regulatory requirements and strengthens oversight across the value chain.	Negative: Poor waste management and non-compliance with EPR regulations can lead to higher disposal costs, regulatory penalties, remediation expenses, and potential revenue loss due to reputational damage.
		Opportunity	By advancing circular economy practices, such as increasing the use of recycled materials, the Company can achieve cost efficiencies and lower its environmental impact. Expanding Zero Waste to Landfill (ZWL) initiatives and leading in sustainable waste management can also strengthen brand value, build stakeholder trust, and position the Company as a responsible, future-ready organization.		Positive: Efficient waste management and circular practices can drive cost savings through reduced material and disposal costs, while enhancing brand value and creating long-term revenue and investor opportunities.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Sustainable Supply Chain	Risk	Sustainable supply chain challenges expose the Company to risks such as limited visibility, supplier ESG non-compliance, and disruptions from climate events or resource constraints, potentially leading to inefficiencies, regulatory issues, and reputational harm if not effectively managed.	To address these challenges, the Company strengthens supplier governance through defined ESG criteria, regular assessments, and responsible sourcing policies. Digital tools improve traceability and transparency, while supplier engagement and capacity-building initiatives enhance alignment with sustainability goals and overall resilience.	Negative: Supply chain disruptions, non-compliance, and lack of transparency can increase procurement costs, lead to penalties, and result in potential revenue and reputational losses.
		Opportunity	A strong focus on sustainable supply chain practices offers the Company an opportunity to improve efficiency, reduce environmental impact, and build resilience. By optimizing sourcing, engaging responsible suppliers, and enhancing logistics, it can lower costs and emissions while strengthening brand reputation, stakeholder trust, and long-term growth.		Positive : Sustainable sourcing and efficient supply chain practices can drive cost savings, reduce risk exposure, and enhance brand value, leading to improved market positioning and long-term financial performance.
5.	Sustainable Products	Opportunity	Growing customer preference for energy-efficient, low-carbon and environmentally responsible products presents an opportunity for V-Guard to strengthen differentiation, brand trust and market relevance. Evolving regulations on energy efficiency, product responsibility and lifecycle impacts further enhance the strategic importance of sustainable product innovation.	V-Guard integrates sustainability into product design through its Responsible Attribute framework, covering design, raw materials, manufacturing, packaging, and people, with a lifecycle approach. It also conducts Life Cycle Assessments (LCAs) to identify impact hotspots, currently undertaking cradle-to-gate LCAs for selected products and expanding earlier assessments to a cradle-to-grave scope.	Positive: Sustainable product innovation can drive revenue growth through premium offerings and increased market share, while enhancing brand value and reducing long-term compliance and lifecycle costs.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Sustainable Packaging	Risk	Rising regulatory requirements on packaging materials, especially plastics and recyclability, create compliance risks. Additionally, sustainability-driven changes that affect product aesthetics or premium appeal may impact brand perception and customer experience.	V-Guard utilizes its Sustainable Packaging Scorecard to balance environmental impact with product protection, consumer experience, and brand value, supported by a structured 2030 roadmap to transition all SKUs to sustainable alternatives in a phased manner.	Negative: Increased costs due to redesign of packaging formats, shift to sustainable materials, and compliance with evolving regulations, along with potential impact on premium pricing if aesthetics are affected.
		Opportunity	Adoption of sustainable packaging practices such as lightweighting, improved material efficiency, and circular solutions presents an opportunity for cost optimisation while aligning with evolving regulations and enhancing brand perception.		Positive: Cost optimisation through reduced material usage and logistics efficiencies, along with enhanced brand equity enabling premium positioning and improved customer preference.
7.	Human Rights	Risk	Potential human rights violations across operations and the supply chain may expose the Company to legal liabilities, regulatory scrutiny, and reputational damage, especially with increasing stakeholder focus on ethical sourcing and labour practices.	The Company conducts comprehensive human rights assessments across manufacturing locations and the Head Office to ensure no gaps. This is reinforced by full completion of compliance trainings on Human Rights, POSH, Code of Conduct, and Information Security, along with extending awareness to value chain partners through Human Rights Values Champion sessions.	Negative: Financial exposure from legal liabilities, penalties, supply chain disruptions, and loss of investor confidence impacting valuation.
		Opportunity	A strong human rights framework enables the Company to build resilient supplier relationships and demonstrate ethical business practices, thereby strengthening stakeholder trust and investor confidence.		Positive: Improved access to capital and investor confidence driven by strong ESG performance, along with stable supplier relationships reducing disruption-related costs.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Employee Training and Development	Risk	Inadequate capability building and skill gaps can limit productivity, innovation, and operational efficiency. This may also impact employee engagement and retention due to limited growth opportunities.	V-Guard addresses capability gaps through an enterprise-wide learning strategy that includes role-based programs, AI skill development, manufacturing training, and technician enablement. Digital	Negative: Lower productivity, increased rework, and higher hiring and attrition costs due to inadequate workforce capability.
		Opportunity	Continuous investment in employee upskilling and capability enhancement enables improved workforce productivity, performance and stronger engagement. This further supports talent retention and creation of a future-ready talent pool aligned with business needs.	platforms like Degreed and Disprz LMS promote continuous learning, while structured pathways and leadership programs support career growth and long-term engagement.	Positive: Efficiency gains, reduced hiring costs, and higher employee retention contributing to long-term cost savings and performance improvement.
9.	Diversity, Equity, and Inclusion (DEI)	Risk	Lack of diversity and inclusion may limit innovation, weaken decision-making quality, and organisational effectiveness. This may also lead to reputational or regulatory risks in an increasingly inclusive business environment.	V-Guard is strengthening diversity through inclusive hiring, campus outreach, and initiatives like the V WIN women's network. It has enhanced its DEI framework through a refreshed policy, the EKTA awareness	Negative: Lower innovation-led revenue opportunities and potential reputational impact affecting talent acquisition.
		Opportunity	A diverse and inclusive workforce fosters innovation, improves problem-solving capabilities, and enhances employer branding, supporting long-term organizational effectiveness through talent attraction and employee engagement.	programme, inclusive benefits such as gender-neutral parental leave, and regular sensitisation on unconscious bias and inclusion.	Positive: Increased innovation leading to better product outcomes and improved talent attraction reducing recruitment costs.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Health, Safety, and Wellbeing	Risk Opportunity	Workplace incidents may lead to operational disruptions, legal liabilities, and loss of productivity, while inadequate safety practices can expose the Workplace incidents may lead to operational disruptions, legal liabilities, and loss of productivity, while inadequate safety practices can expose the Company to increased regulatory scrutiny and reputational risks. Health and safety management offers the Company an opportunity to improve efficiency and employee well-being. By leveraging ISO 45001 systems, digital tools like Suraksha 360, and training programs, it can proactively manage risks, reduce incidents, and enhance productivity while strengthening compliance, employee engagement, and stakeholder trust.	To embed robust safety culture, V-Guard has implemented ISO 45001-certified safety systems across 12 manufacturing facilities, supported by strong EHS governance and plant-level committees. Initiatives such as the Suraksha 360 platform, full OHS training coverage, emergency preparedness systems, and the Suraksha Veer programme further strengthen proactive risk identification and preventive safety management	Negative: Direct costs from incidents (medical, legal), production downtime, and insurance premiums impacting profitability. Positive: Reduced incident-related costs, improved productivity, and lower insurance and compliance-related expenses.
11.	Talent Management	Opportunity	The Company can enhance long-term performance by attracting and retaining high-quality talent, strengthening leadership pipelines, and building organizational resilience. A strong employer brand and compelling employee value proposition also support effective talent acquisition, retention, and sustained growth	V-Guard strengthened culture and employee experience through focused leadership development, skills and capability building, and engagement initiatives. These efforts built a future-ready talent pipeline aligned with evolving business needs.	Positive: Higher productivity and reduced recruitment costs, ensuring sustained business performance and growth.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Corporate Social Responsibility	Opportunity	The Company has an opportunity to strengthen community relationships and its social license to operate through focused CSR initiatives, enhancing reputation, building stakeholder trust, and supporting long-term sustainable development.	V-Guard delivers focused CSR initiatives across education, healthcare, environmental sustainability, and women's empowerment, supported by partnerships and stakeholder engagement. Aligned with its sustainability priorities, these efforts drive community development, strengthen local relationships, and reinforce its social license to operate.	Positive: Enhanced brand goodwill supporting revenue stability and reduced socio-operational risks.
13.	Corporate Governance	Risk	Poor corporate governance can pose several risks including legal and financial risks, reputational damage, decreased stakeholder trust, and decreased shareholder value	V-Guard has established a robust multi-tier governance framework ensuring oversight, accountability, and transparency across operations.	Negative: Financial losses from regulatory penalties, litigation, and reduced investor confidence affecting company valuation.
		Opportunity	Robust Governance structure is fundamental for the seamless functioning and performance of the organization. It shall result in building a strong market reputation and relationship with investors and other stakeholders.		Positive: Lower cost of capital, improved valuation multiples, and stronger investor participation.
14.	Business Ethics	Risk	Lacking in business ethics poses risks of deteriorating trust among employees and loyalty among customers.	The Company promotes integrity, accountability and ethical conduct through strong governance, internal controls, compliance training, and clear reporting channels.	Negative: Loss of customers, legal penalties, and disruption in business relationships impacting revenues.
		Opportunity			Positive: Stable long-term partnerships, reduced legal risks, and stronger brand loyalty driving consistent revenue.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15.	Compliance Management	Risk	Rapidly evolving regulations across jurisdictions expose the Company to risks such as penalties, legal liabilities, and operational disruptions if not effectively managed. Increasing compliance complexity across geographies and functions may also strain processes and heighten the risk of non-compliance.	Structured compliance monitoring systems and policy frameworks to track and address evolving regulatory requirements.	Negative: Gaps in compliance if any, can lead to penalties, and operational disruptions impacting profitability.
16.	Risk Management	Risk	To better understand business / ESG-related shifts, impacts, and dependencies that may affect a business's ability to achieve its strategy or objectives.	The company's Risk Management framework has been designed to establish a process that addresses the Company's business needs	Negative: Unexpected losses due to unmitigated risks affecting operations and financial stability.
		Opportunity	A robust risk management framework enables the Company to identify emerging risks early, assess potential business impacts and take timely preventive or corrective actions. This improves business resilience, strengthens decision-making and supports long-term value protection.	and responsibilities, while being simple and pragmatic. The framework is aligned to leading risk management standards and practices.	Positive: Prevention of losses and improved capital allocation supporting long-term financial stability.
17.	Innovation, R&D	Opportunity	Investment in innovation and R&D supports development of sustainable and differentiated products while improving operational efficiency.	V-Guard drives innovation through structured R&D, responsible product design, and Life Cycle Assessments, enabling the development of sustainable, differentiated products while improving efficiency, speed-to-market, and long-term competitiveness.	Positive: Revenue growth from new products and cost savings through process efficiencies.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18.	Data Privacy and Cybersecurity	Risk	Data breaches and cyber threats can lead to financial losses, disruptions, penalties, and reputational damage. The Company mitigates these risks through a robust cybersecurity framework with controls such as data classification, DLP, secure networks, access management, backups, and regular vulnerability assessments to strengthen resilience.	The Company has a robust cybersecurity framework with controls such as data classification, DLP, backup and recovery, endpoint protection, access management, secure networks, firewalls, password management, and regular vulnerability assessments to mitigate cyber risks and strengthen resilience.	Negative: Financial losses from data breaches, regulatory penalties, business disruption, and recovery costs.
		Opportunity	Strong cybersecurity practices offer an opportunity to enhance stakeholder trust, ensure business continuity, and enable secure digital operations, strengthening credibility, supporting compliance, and driving sustained growth in a digital environment.		Positive: Avoidance of breach-related losses and enhanced customer trust supporting sustained business operations.
19.	Digital Transformation	Opportunity	Integration of digital technology throughout all aspects of an organization, resulting in significant changes to how the organization functions and delivering long-term value	V-Guard uses digital technologies across operations, product development, procurement, governance, and stakeholder engagement to improve efficiency and decision-making. Its focus on automation, digital enablement, and strong cybersecurity supports scalability, agility, resilience, and long-term value creation.	Positive: Reduced operational costs, improved productivity, and better decision-making driving profitability.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
20.	Disclosures	Risk	Inadequate or inaccurate disclosures may expose the Company to regulatory non-compliance, reputational damage, and increased scrutiny from investors and rating agencies.	V-Guard mitigates these risks by aligning its Integrated Report with global frameworks such as IIRC, GRI Standards, UN SDGs, and TCFD, while actively tracking ESG ratings and disclosures to enhance transparency, credibility, and stakeholder confidence.	Negative: Penalties, reduced investor trust, and potential exclusion from ESG-focused investments.
		Opportunity	Strong and transparent disclosure practices provide an opportunity to enhance stakeholder trust and improve ESG ratings. This, in turn, strengthens the Company's credibility in capital markets and enables better access to funding and investment opportunities.		Positive: Better access to capital, improved ESG ratings, and increased investor interest.
21.	Brand and Reputation	Risk	Negative perceptions arising from ESG controversies, product-related issues, or governance failures which may further lead to loss of stakeholder trust and market share.	V-Guard mitigates these risks by strengthening its reputation through responsible business practices, transparent disclosures, robust quality systems, and sustainability-led initiatives.	Negative: Revenue loss, customer attrition, and decline in brand value impacting long-term growth.
		Opportunity	Sustainability leadership and responsible business practices offer a strong opportunity to enhance brand value, build customer loyalty, and create market differentiation, supporting long-term value creation.		Positive: Increased customer loyalty, premium pricing ability, and stronger market positioning.

SECTION B:

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/ No)*	Yes	No	Yes	Yes	Yes	No	No	Yes	No
	c. Web Link of the Policies, if available			https://www.vguard.in/home/policies						
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes
4.	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) mapped to each principle.	Yes. Policies have been developed considering relevant national and international standards and meet national regulatory requirements such as the Factories Act,1948, ISO Standards, BIS, BEE, Companies Act, 2013, the SEBI Regulations, and various other Statutes.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to the Chairperson’s and Managing Director’s Statement in the Annual Report								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to the Chairperson’s and Managing Director’s Statement in the Annual Report								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies	Mr. Mithun K Chittilappilly Managing Director								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Mr. Mithun K Chittilappilly Managing Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review**	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	A	On going	M	A	Q	Q	NA	M	Q
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	NA	Yes	Yes	Q	Q	Q	Q	Q	Q	NA	Q	Q

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes (Secretarial audit by Dedhia Shah and Partners LLP s on board policies)	Yes (BIS and BEE assessments by regulatory agencies)	Yes (ISO audits by Bureau Veritas)	Yes (Secretarial audit by Dedhia Shah and Partners LLP on Board policies)	Yes (ISO audits by Bureau Veritas)	Yes (ISO audits by Bureau Veritas)	NA	No	Yes (Information Technology General Controls assessment under IFC project by EY)

* All policies are approved either by the Board committee or Management committee.

** A, Q and M represent Annually, Quarterly and Monthly respectively.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C:

Principle Wise Performance Disclosure

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentages of people in respective categories covered by the awareness programmes
Board of Directors (BoD)	4	Awareness on ESG and material topics, Periodic updates on policy and regulations.	100%
Key Managerial Personnel (KMPs)	7	Insider Trading, Prevention of Sexual Harassment (POSH), Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy training are conducted annually. Awareness on ESG and material topics are created by Brand & Communication team through mailers and videos.	100%
Employees other than BoD and KMPs	7	Insider Trading, Prevention of Sexual Harassment (POSH), Code of Business Conduct, Human Right, Equal Opportunity, Health and Safety and IT Policy training are conducted annually. Regular newsletters and mailers are sent for data awareness and IT security. Awareness on ESG and material topics are created by Brand & Communication team through mailers, videos and also through classroom trainings	100%
Workers	5	Prevention of Sexual Harassment (POSH), Code of Business Conduct, Human Right, Equal Opportunity and Health and Safety trainings are conducted annually to all workers. 100+ trainings were also conducted across different locations for the workers on different health and safety related topics.	100%

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the Financial Year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	A. Monetary				
	NGRBC Principle	Name of the regulatory/ Enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

	B. Non-monetary			
	NGRBC Principle	Name of the regulatory/Enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has implemented a comprehensive Code of Conduct applicable to the Board of Directors, Senior Management, and all employees. It sets out the principles of ethical behavior and professional integrity expected across the organization. The Code is supported by a Whistleblower mechanism that provides confidential channels for reporting concerns. Any violations of the Code may result in disciplinary action, including impacts on performance appraisals, suspension, or termination, as appropriate. The Code of Conduct is publicly available at: <https://www.vguard.in/uploads/policies/Code-Conduct-Employees.pdf>. The policy is extended to all our wholly owned subsidiaries as well.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

Note: No other breaches related to corruption, bribery or money laundering were identified during the reporting period, in line with the Company's Code of Conduct and applicable regulations

6. Details of complaints with regard to conflict of interest:

	FY 2026 Current Financial Year		FY 2025 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

Notes:

- No instances of breaches concerning conflicts of interest were reported or identified in accordance with the Company's Code of Conduct during the reporting period
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Number of days of accounts payables	49	44

Notes:

- As per the industry standards released by SEBI, Cost of Goods/Services Procured shall include all types of procurement such as raw material, spares, services, capex procurement items.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	0.96%	1.22%
	b. Number of trading houses where purchases are made from	158	157
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	57.98%	65.91%
Concentration of Sales**	a. Sales to dealers / distributors as % of total sales	94.80%	87.36%
	b. Number of dealers/distributors to whom sales are made	9,755	9,338
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributor	7.27%	6.87%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)***	14.88%	15.87%
	b. Sales (Sales to related parties / Total Sales)***	0.41%	0.41%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)****	0%	1.95%
	d. Investments (Investments in related parties / Total Investments made)*****	83.50%	98.89%

*Purchases include material, spares and capex purchases. A "trading house" is a specialized legal entity primarily engaged in the business of export, import, and/or domestic trade of goods and services, facilitating such import, export and/or domestic trade and providing related services to support these transactions.

**A "dealer" or "distributor" means any person who whether for commission, remuneration or otherwise transfer or facilitates such transfer of the right to use any goods or services for any purpose (whether or not for a specified period) for cash, deferred payment or other valuable consideration.

***All related party purchases and sale transactions are with our wholly-owned subsidiary companies.

****Balances at year-end have been considered.

***** Investments include investments in wholly-owned subsidiaries and associate companies. Balances at year-end have been considered.

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the Financial Year

During supplier visits, the Company conducted structured knowledge transfer sessions on Environmental, Social, and Governance (ESG) aspects. These sessions focused on enhancing suppliers' awareness of ESG expectations, including regulatory requirements, ethical business practices, environmental responsibility, labour standards, health and safety, and governance controls.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, the Company has formulated policies to manage the conflict of interest, applicable to the stakeholders of the Company. V-Guard has a Code of Conduct for Board and Senior Management (https://www.vguard.in/uploads/investor_relations/Code-Conduct-for-Board-Senior-Management.pdf), which requires the Board members and senior management to avoid situations in which their personal interests could conflict with the interests of the Company. There is a declaration from the Board of Directors on an annual basis in relation to their Independence as required under Regulation 25(8) of the Listing Regulations.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year	Details of improvements in environmental and social impacts
R&D*	32%	33%	Various R&D and capital expenditure projects were undertaken to improve the safety of consumers, plastic reduction in products, improving energy efficiency, development of solar products etc.
Capex**	4%	4%	

*Employee benefit-related expenses are excluded from R&D.

**As a percentage of total Capex for tangible assets

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, V-Guard has a Supplier Code of Conduct to encourage sustainable practices across the supply chain. The Company has incorporated the Supplier Code of Conduct as part of agreements with all major suppliers.

b. If yes, what percentage of inputs were sourced sustainably?

V-Guard has established a structured Vendor Screening process that covers environmental, social, governance, and business relevance aspects such as energy use, RoHS, REACH, conflict minerals, social responsibility, health and safety, training & development activities, quality management, process control, traceability, non-conformance handling etc. The screening also considers country-specific, sector-specific, and commodity-specific risks. Suppliers are rated based on audit performance, with approval granted only to those meeting the defined thresholds. We also conducted supplier assessments (desk assessments with systematic verification of evidence) during this Financial Year, where all major critical vendors are being assessed under Environment, Social, and Governance parameters, as part of our Sustainability program. We have conducted assessments for external vendors covering 44% of total vendors by value and individually contributing to 2% or more as per SEBI regulation so far.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.

V-Guard has partnered with MoEFCC (Ministry of Environment, Forest and Climate Change) – CPCB (Central Pollution Control Board) approved authorized recyclers, as a part of plastic waste management, E waste management & battery waste management collection program. In FY2025-26, we reclaimed 1010 MT of plastic waste, 7855 MT of e-waste, and 3425 MT of battery waste through authorized channels.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to V-Guard under Plastic Waste Management Rules, battery waste management rule and E-waste management rule. The waste collection is as per the action plan submitted to the Central Pollution Control Board (CPCB). The company has contracted with registered vendors to comply with the action plan.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

As part of its commitment to environmental stewardship and in alignment with ISO 14040 standards, V-Guard completed Life Cycle Assessments (LCA) during FY26 for selected SKUs within the Stabilizer and Wires & Cables categories using a 'Cradle-to-Gate' boundary, covering impacts from raw material extraction to the final stages of manufacturing. The Company is also extending LCA to selected SKUs across 10 other product categories under the same boundary. In addition, V-Guard initiated the expansion of the assessment boundary for the previously assessed Stabilizer and Wires & Cables SKUs to a 'Cradle-to-Grave' approach, which extends the assessment beyond manufacturing to include downstream stages such as product use and end-of-life treatment. Conducted by an independent external agency, the assessments followed the four structured phases of LCA: Goal and Scope Definition, Inventory Analysis, Impact Assessment, and Interpretation. The Environmental Footprint (mid-point indicator) methodology was implemented using open LCA software, with reference data sourced from the Environmental Footprint (EF) 3.1 cut-off database. These efforts support enhanced product sustainability and more informed decision-making across the value chain.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Cradle-to-gate assessment reveals that a major contribution of the environmental (& social) impacts are coming from the upstream pre-processing of raw materials and their transportation while contribution from manufacturing remains modest.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2026	FY 2025
	Current Financial Year	Previous Financial Year
Lead (for Battery manufacturing)	100%	100%
Castings (for pumps)	34%	36%
Plastic (Switches)	25%	20%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.

	FY 2026			FY 2025		
	Current Financial Year			Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastic waste	-	404.00MT	606.00MT	-	893.00MT	-
E-waste	-	7,855.00MT	-	-	6,022.66MT	-
Battery waste	-	3,425.00MT	-	-	3,200.00MT	-

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees.

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent employees*											
Male	2,542	2,542	100%	2,542	100%	NA	NA	2,542	100%	NA	NA
Female	219	219	100%	219	100%	219	100%	NA	NA	149	68.04%
Total	2,761	2,761	100%	2,761	100%	219	100%	2,542	100%	149	68.04%
Other than Permanent employees											
Male	1,549	1,549	100%	1,549	100%	NA	NA	NA	NA	NA	NA
Female	238	238	100%	238	100%	238	100%	NA	NA	41	17.23%
Total	1,787	1,787	100%	1,787	100%	238	100%	NA	NA	41	17.23%

*Paternity benefits are applicable for all permanent employees and workers as per Paternity Policy

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/ A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/ A)	No. (F)	% (F/ A)
Permanent workers											
Male	451	451	100%	451	100%	NA	NA	451	100%	NA	NA
Female	7	7	100%	7	100%	7	100%	NA	NA	6	85.71%
Total	458	458	100%	458	100%	7	100%	451	NA	6	85.71%
Other than Permanent workers*											
Male	1,615	1,594	98.70%	1,615	100%	NA	NA	NA	NA	NA	NA
Female	803	798	99.38%	801	99.75%	803	100%	NA	NA	770	95.89%
Total	2,418	2,392	98.92%	2,416	99.92%	803	100%	NA	NA	770	95.89%

*All other than Permanent workers are either covered under Health or Accident insurance

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format.

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.20%	0.25%

Notes:

- For the purpose of calculating the spending on measures towards well being of employees and workers, the Company has only considered the expense incurred towards employees/workers Health Insurance, Accidental Insurance, Life Insurance, Parental Leaves, Creche Facilities and other medical expenses, net of any recoveries made from the employees/workers. The Company included all the staff welfare expenses in FY 2025, basis which has been restated now to ensure comparability.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Details of retirement benefits.

Benefits	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF			Yes			Yes
Gratuity	100%	100%	NA*	100%	100%	NA*
ESI			Yes			Yes

* Gratuity is a defined benefit obligation and there are no specific deductions made from the employees. Management maintains a gratuity fund with LIC for this purpose.

Notes:

- All the eligible employees / workers as per the PF and ESI regulations have been covered.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Wheelchair ramps and accessible restrooms have been provided across all plant locations, company-owned branches, and warehouses to support employees and visitors with physical disabilities. Additionally, dedicated seating arrangements for persons with disabilities have been implemented at all factory locations, with similar facilities currently being developed at our owned branches and warehouses.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes. The company has an equal opportunity and anti-discrimination policy which is available at <https://www.vguard.in/uploads/policies/Equal-Opportunity-Anti-discrimination-Policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	92.31%	100%	100%
Female	100%	77.78%	100%	100%
Total	100%	91.15%	100%	100%

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes. V-Guard has a well-established PoSH and Whistleblower policy and the process to redress grievances registered by all employees and workers is mentioned below. The company has ombudsperson and respective committees to redress grievances as the case may be. Link to the policies are –

POSH: <https://www.vguard.in/uploads/policies/PoSH-policy.pdf>

Whistleblower policy: <https://www.vguard.in/uploads/policies/WHISTLEBLOWER-POLICY.pdf>

	Yes/ No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

In the current reporting period, no employees are part of any associations/unions. However, we recognize the right of employees and workers to have freedom of association and collective bargaining at the workplace.

8. Details of training given to employees and workers:

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
				Employees						
Male	2,542	2,542	100%	2,542	100%	2,460	2,460	100%	2,460	100%
Female	219	219	100%	219	100%	201	201	100%	201	100%
Total	2,761	2,761	100%	2,761	100%	2,661	2,661	100%	2,661	100%
				Workers						
Male	451	451	100%	451	100%	464	464	100%	420	90.52%
Female	7	7	100%	7	100%	8	8	100%	8	100%
Total	458	458	100%	458	100%	472	472	100%	428	90.68%

Notes:

- The above data represents only permanent employees and workers; however, health and safety training is given to all non-permanent employees and workers as well.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

9. Details of performance and career development reviews of employees and workers:

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,542	2,441	96.03%	2,460	2,341	95.16%
Female	219	210	95.89%	201	195	97.01%
Total	2,761	2,651	96.02%	2,661	2,536	95.30%
Workers						
Male	451	449	99.56%	464	452	97.41%
Female	7	7	100%	8	8	100%
Total	458	456	99.56%	472	460	97.46%

Notes:

- The above data represents only permanent employees and workers; all permanent employees and workers are eligible for performance and career development review based on their date of joining. Previous year's figures are also restated basis the date of joining.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

10. Health and safety management system:**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?**

Yes, Internal Occupational Health and Safety (OHS) management systems have been implemented across all V-Guard factories, warehouses, and offices. Guided by a robust Environmental, Health and Safety (EHS) policy framework, these systems aim to safeguard employee health, minimize workplace incidents, ensure regulatory compliance, and foster a strong health & safety culture. As on March 31, 2026, all factories are certified under ISO 45001, with two factories certified in the reporting year. To strengthen audit processes, a digital ISO audit management module has been integrated into our EHS platform - Suraksha 360, enabling effective tracking and monitoring of internal and external audits.

Health and safety performance is continually evaluated through a structured maturity model and expert reviews. The Corporate EHS team conducts periodic management reviews, chaired by the Managing Director (MD) and Chief Operating Officer (COO), involving key stakeholders to assess performance and drive improvements. Critical safety issues are escalated to the Management Committee, comprising senior leadership, for immediate resolution.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

V-Guard has established a comprehensive framework to identify work-related hazards and assess risks across both routine and non-routine activities. A structured Hazard Identification and Risk Assessment (HIRA) system is implemented across all manufacturing sites to systematically identify and evaluate risks associated with routine operations. An online HIRA module integrated within the digital platform (Suraksha 360) supports factory-level risk monitoring, tracking of mitigation actions, and periodic reviews. For non-routine and critical activities, Job Safety Analysis (JSA) is conducted to assess potential hazards and define appropriate control measures. In addition, Management of Change (MOC) processes are followed to evaluate risks arising from any modifications in processes, man, machine and materials. Preventive and control measures are further reinforced through systems such as Work Permit procedures, a comprehensive Machine Safety Program, layered safety audits, and regular internal and external audits.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, V-Guard has implemented well-defined procedures supported by the digital platform Suraksha 360 for reporting near misses, unsafe acts, unsafe conditions, statutory violations, and policy or procedure deviations. All employees are trained to identify and promptly report such hazards, fostering a strong culture of safety, compliance, and continuous improvement. The platform enables real-time capture, analysis, and review of leading safety indicators, allowing for early risk identification and timely corrective actions.

In addition, employees are empowered and encouraged to refrain from or stop work in situations where they perceive imminent risk to their health or safety. Such concerns can be immediately reported through established channels, ensuring that appropriate actions are taken before work is resumed. This approach reinforces proactive risk management and prioritizes employee safety at all times.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, permanent employees, permanent workers and non-permanent employees including their dependent family members are covered under group Medclaim policies, which gives them access to cashless claims across 10200+ network hospitals. Further, permanent employees and permanent workers have access to the Company provided free annual health checkups, their family members can access this facility at company-negotiated rates at empanelled diagnostic centres.

Non-permanent workers have access to medical/maternity benefits under ESIC.

Many of our facilities are equipped with gyms and wellness centres to support our employees' physical health, and many programs both in person and on digital platform, towards improving mental well-being. Qualified medical practitioners also address the workforce and ensure awareness of non-occupational and lifestyle diseases / disorders. Additionally, employees are encouraged to participate in regular fitness programs, such as Zumba and Yoga.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2026	FY 2025
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	0
	Workers	0	0
Total recordable work-related injuries	Employees	1	0
	Workers	1	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Notes:

1. Rates have been calculated basis 10,00,000 hours worked
2. An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Safety at V-Guard is deeply embedded into the organizational culture through structured and continuous engagement across the employee lifecycle. Comprehensive safety training programs—including mandatory induction, role-specific, and periodic refresher training—are implemented consistently across all sites. Training effectiveness and adherence are systematically tracked. An EHS National Training Calendar, developed annually based on site-specific training needs, ensures uniform awareness, capability building, and competency enhancement across locations.

Emergency preparedness is reinforced through comprehensive fire detection and firefighting systems, complemented by periodic mock drills and emergency response training. A formally constituted Safety Committee, with equal representation from workers and management, reviews safety performance on a regular basis and drives corrective and preventive actions. V-Guard places a strong emphasis on holistic employee health and well-being. Several facilities are equipped with gyms and wellness centers to encourage physical fitness, while a range of wellness initiatives—delivered through both in-person and digital platforms—support mental well-being. Qualified medical professionals are engaged, and health talk / awareness programs aligned with the WHO health calendar are conducted with support from external experts. All employees undergo mandatory medical examinations in line with statutory requirements, with appropriate follow-up and interventions as needed. In addition, awareness programs addressing lifestyle-related and non-occupational health risks are conducted, and employees are encouraged to participate in fitness initiatives such as Yoga and Zumba.

A safety maturity assessment framework is implemented across factories to evaluate and continuously improve safety performance. Workplace hygiene is maintained by monitoring lux levels, noise levels, and air quality. All EHS guidelines, Standard Operating Procedures (SOP), and internal standards are accessible through the VG Portal to ensure uniform and compliant implementation across the organization. A customized preventive maintenance system ensures the reliability of critical safety equipment.

13. Number of complaints on the following made by employees and workers

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	6	0	-	6	0	-
Health & Safety	4	0	-	2	0	-

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	

Notes:

- All the factories and warehouses have been assessed by the internal EHS functions to ensure Health and safety practices, and work conditions. In addition, nine factories, nine warehouses and nineteen branch offices have also undergone third-party assessments to ensure compliance with statutory requirements and occupational health and safety management system. V-Guard has also completed EHS maturity assessments at eight factories.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

During the Financial Year 25-26, two safety-related recordable incidents were reported. The first incident occurred due to inadequate guarding, which has been addressed by installing appropriate mechanical guards to restrict access to moving parts of the machinery.

The second incident was attributed to improper use of personal protective equipment (PPE) during a cutting activity. In response, focused training on PPE compliance and reinforcement of work instructions have been conducted to prevent recurrence. All incidents are reported through the digitized EHS platform (Suraksha 360), followed by thorough investigations to identify root causes and determine appropriate corrective actions. These actions are reviewed by management, and their implementation and effectiveness are tracked within the system. To address significant risks, suitable poka-yoke controls such as machine interlocks, safety light curtains, and two-hand controls are implemented. Additionally, best practices like theme-based safety audits, machine safety assessments, fire safety audits and the Management of Change (MOC) process are adopted to ensure proactive risk control and enhance workplace safety.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

A) Yes, and B) Yes. The company has life insurance policies for both permanent and non-permanent employees and permanent workers. Non-permanent workers are covered under ESIC and Employees' Deposit Linked Insurance Scheme provided by the Employees' Provident Fund Organization (EPFO).

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company obtains all necessary documents as per contract labor regulations from its service providers to ensure statutory dues such as PF, ESI etc., are deducted and deposited in a timely manner.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2026	FY 2025	FY 2026	FY 2025
	Current Financial Year	Previous Financial Year	Current Financial Year	Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No/NA)

Yes. The company has a Transition Assistance policy that helps employees navigate the transition from their current role to retirement or a new phase of life outside of the organization

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We have identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have conducted assessments for external vendors covering 44% of total vendors by value and individually contributing to 2% or more as per SEBI regulation so far.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Based on assessment scores, we have categorized suppliers and developed corrective action plans, which will be communicated to our value chain partners.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

V-Guard identifies individuals or groups of individuals as their stakeholders, both external and internal, who are impacted by V-Guard's products, services, and business operations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	- Annual shareholder meeting - Investor presentations and conference calls - Press releases and newsletters - Annual Report - Intimation to Stock exchanges and website of the Company	Annually- AGM, Annual report Quarterly- Investor presentation and conference calls. As per requirement – Others	- Disclose significant information - Avoid conflict of interest - Transparency - Complaints and grievances - Governance - Internal control, internal audit and risk management
Vendors/ Suppliers and Consultants/ Agency Partners	No	- Regular interaction through online and offline meetings, phone calls, e-mails - Conferences and workshops - Training and awareness programmes - Supplier Audits - Consultative engagements for defined objectives basis business priorities - Marketing communication/ Market research/Media Planning execution	As per requirement	- Well-defined and detailed procurement procedures - Sustainable and transparent business operations - Procurement of environmentally and socially sustainable products - Timely and complete payment to suppliers - Complaints and grievances - Understanding consumer pain points and gaps - Improve brand perception
Customers	No	- Customer satisfaction surveys - Marketing and advertising - Customer service centers - Complaint handling and feedback - Electronic Communication - Social media, WhatsApp, Calls and SMS - Company website	As per requirement	- Safe, reliable and environmentally friendly products - Meet quality requirements - Dedicated customer support - Innovation, research and development - Complaints and grievances - Avoid misleading communication

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and workers	No	- Intranet portal - Trainings and development programmes - Performance management system - Emails, written communication - Newsletters, circulars and internal publications - Employee engagement initiatives - Functional and cross-functional committees	As per requirement	- Professional training and development - Performance evaluation - Equal opportunities - Work ethics and discipline - Occupational health and safety matters - Complaints and grievances - Adherence to laws and regulations
Government and Regulatory authorities	No	- Meetings and formal dialogue - Representation through various trade bodies Workshops - Written communications - Periodic Reporting	As per requirement	- Adherence to laws and regulations - NGRBC Principles - Insights on Policy improvements
Industry associations	No	- Meetings and formal dialogue - Written communications	As per requirement	- Environment-Friendly Business Practices - Skill development - NGRBC Principles
Media	No	- Written Communications - Interviews and Forums - Press Conferences - Publications and Announcements - Media releases	As per requirement	- Clarity and transparency - NGRBC Principles
NGOs and communities	No	- Conferences and workshops - Communication via telephone, email, etc. - Community-participation events - CSR partnerships - Contribution towards various causes	As per requirement	- Assistance to society and communities - Waste management - Disaster-relief initiatives - Skill development - Medical and public welfare activities - Opportunities for the vulnerable and marginalized in society

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

V-Guard engages with internal and external stakeholders and receives feedback periodically on the economic, environmental, and social aspects. We have a Risk and ESG Committee of the board to oversee the Company's ESG framework, policies, practices, performance, and reporting. The Committee reviews and monitors the operational, regulatory, and reputational risks and impacts of ESG on the Company and provides insight and guidance on the Company's management of the same.

2. Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics was incorporated into policies and activities of the entity.

Yes. V-Guard conducted stakeholder engagement and materiality assessment (SEMA) to identify and prioritize sustainability issues that are relevant and significant to both the business and its stakeholders. Based on the outcome of these exercises, the company identifies and defines the material topics that need actions on priority. These material topics assist the development of strategies, policies, objectives, and goals necessary to cascade sustainability commitment across the operations. The company also implements a comprehensive monitoring mechanism to track progress and ensure that the strategies and policies effectively address the material topics of concern.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

V-Guard identifies underprivileged communities around its business locations that are disadvantaged, vulnerable, and marginalized stakeholders and continuously engages with all such stakeholders in identifying their needs and priorities. As part of V Guard's Corporate Social Responsibility (CSR) initiatives, the organization invests in strengthening community outreach, catering to the needs of the community around it. The organization remains steadfastly committed to creating an enabling environment for the inclusive growth of the communities around it.

Principle 5

Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total(C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2,761	2,761	100%	2,661	2,661	100%
Other than permanent	1,787	1,787	100%	1,767	1,767	100%
Total employees	4,548	4,548	100%	4,428	4,428	100%
Workers						
Permanent	458	458	100%	472	472	100%
Other than permanent	2,418	2,418	100%	2,281	2,281	100%
Total workers	2,876	2,876	100%	2,753	2,753	100%

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2026 Current Financial Year					FY 2025 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,542	0	0%	2,542	100%	2,460	0	0%	2,460	100%
Female	219	0	0%	219	100%	201	0	0%	201	100%
Other than Permanent										
Male	1,549	0	0%	1,549	100%	1,556	0	0%	1,556	100%
Female	238	0	0%	238	100%	211	0	0%	211	100%
Workers										
Permanent										
Male	451	0	0%	451	100%	464	0	0%	464	100%
Female	7	0	0%	7	100%	8	0	0%	8	100%
Other than Permanent										
Male	1,615	678	41.98%	937	58.02%	1,596	903	56.58%	693	43.42%
Female	803	621	77.33%	182	22.67%	685	615	89.78%	70	10.22%

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

Gender	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	3	10,71,18,447	-	-
Key Managerial Personnel**	2	3,03,47,398	-	-
Employees other than BoD and KMP	2,537	10,43,618	219	9,53,301
Workers	451	4,61,884	7	4,48,331

* Out of 8 directors, we have 3 executive directors who are paid remuneration, and the rest are independent directors to whom the company pays sitting fees and commission.

** We have 5 KMPs in FY 2026, out of which 3 are directors hence have included their median remuneration along with BOD.

Notes:

- Above numbers are based on actual payouts.
- Median remunerations has been computed and reported only for permanent employees and permanent workers. The total remuneration considered for computing the median remuneration includes gross wages, retirement benefits, ESOPs, and other perquisites.
- The above is computed based on the count of permanent employees and workers as at March 31, 2026
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Gross wages paid to females as % of total wages	8.48%	7.92%

Notes:

- For the purpose of calculation of gross wages paid to females, expenses such as NPS contribution, performance incentive, LTRI, EOP expenses, recruitment/training expenses, provision for bonus have been distributed in the ratio of salary as per the pay register between male and female employees/workers.
- Gross wages reported is considered from the Salaries, wages and bonus numbers reported in the Statement of Profit and Loss for permanent employees and permanent workers. For other than permanent employees/workers, actual wages paid has been considered.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company has ombudsperson and respective committees to address human rights impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have a grievance redressal mechanism for monitoring and redressing all the grievances. The human resource team reviews and redresses the grievances of the employees. The Company has established a Whistle Blower mechanism for employees to raise concerns about unethical behavior or violation of the Companies' Code of Conduct. Such issues can be reported to the ombudsman through the dedicated email id- whistle.blower@vguard.in. Also, any incidents of sexual harassment can be reported through dedicated email id - posh@vguard.in.

6. Number of Complaints on the following made by employees and workers:

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of year	Remarks	Filed during the year	Pending Resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

Note: Other than the complaints disclosed, no breaches pertaining to discrimination or harassment were reported under the Company's Code of Conduct or related workplace policies during the reporting period.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	1*

*Complaint received during FY 24 and resolved in FY25.

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Confidentiality and non-retaliation aspects are covered as part of Prevention of Sexual Harassment (POSH) policy and Whistleblower policy.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

V-Guard has a Supplier Code of Conduct to encourage sustainable practices across the supply chain. The Company is incorporating the Supplier Code of Conduct as part of agreements with all major suppliers.

10. Assessments of the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	53.85%
Discrimination at workplace	
Wages	

Notes:

- During FY 2026, the Company conducted third-party assessments covering the parameters as mentioned above. The assessment covered all 9 factories and 18 branches, and 1 warehouse with branch assessments conducted over a 3-year cycle. The above percentage coverage is derived based on total factories, branches, and owned / rented warehouse where we have operating control.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No complaints were received in relation to human rights.

2. Details of the scope and coverage of any Human rights due-diligence conducted

We have conducted human rights due-diligence across all our 9 factories and the Head Office.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Wheelchair ramps and accessible restrooms have been provided across all plant locations, company-owned branches, and warehouses to support employees and visitors with physical disabilities. Additionally, dedicated seating arrangements for persons with disabilities have been implemented at all factory locations, with similar facilities currently being developed at our owned branches and warehouses.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

We have identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have conducted assessments for external vendors covering 44% of total vendors by value and individually contributing to 2% or more as per SEBI regulation so far.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Based on the assessment scores, we are categorizing suppliers and developing corrective action plans, which will be communicated to our value chain partners.

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
From renewable sources (In GJ)		
Total electricity consumption (A)	19,584.05	17,441.88
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	19,584.05	17,441.88
Total electricity consumption (D)	59,575.46	62,927.64
Total fuel consumption (E)	33,742.82	34,124.91
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F) (In GJ)	93,318.28	97,052.55
Total energy consumed (A+B+C+D+E+F) (In GJ)	1,12,902.33	1,14,494.43
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)*	19.84	21.57
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)**	403.46	445.57
Energy intensity in terms of physical output***	40,009.91	45,126.39

* Energy intensity per Crore rupee of turnover

** For calculating revenue-adjusted Purchasing Power Parity (PPP), the conversion factor of @20.34 INR / USD as per IMF website (Source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND>) has been considered. The PPP for FY 2025 was considered @20.66 INR / USD.

*** Energy intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For the purpose of computing units for wires and cables, a standardized conversion factor has been applied, wherein each 90-metre coil is considered one unit.

Notes:

- We have included all our factories, registered office, corporate offices, lab, branches and warehouse/hub locations having operational control for reporting purposes.
- Percentage of energy consumed through renewable sources with respect to the total energy consumed is 17% in FY 2026 as compared to 15% in FY 2025.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, an independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

V-Guard does not have sites/facilities identified as designated consumer under PAT.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	2,254.46	1,868.80
(ii) Groundwater	79,348.60	80,552.18
(iii) Third party water (Municipal water supplies)	19,104.97	13,693.48
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	1,00,708.03	96,114.46
Total volume of water consumption (in kiloliters)*	85,588.37	79,912.08
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)**	15.04	15.05
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)***	305.86	310.99
Water intensity in terms of physical output****	30,330.49	31,496.24

*Water consumption is calculated as the difference between water withdrawal and water discharge. It includes water consumed for domestic, gardening, process, and fire water. Water consumption for branches and warehouses is estimated by multiplying the average seated headcount by the stipulated per head per working day consumption in liters based on Central Ground water Authority guidelines (<https://cgwa-noc.gov.in/landingpage/Guidelines/NBC2016WatRequirement.pdf>).

**Water intensity per Crore rupee of turnover.

*** For calculating revenue-adjusted Purchasing Power Parity (PPP), conversion factor of @20.34 INR / USD as per IMF website (Source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND>) has been considered. The PPP for FY 2025 was considered @20.66 INR / USD.

**** Water intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities For the purpose of computing units for wires and cables, a standardized conversion factor has been applied, wherein each 90-metre coil is considered one unit.

Notes:

- We have included all our factories, registered office, corporate offices, lab, branches and warehouse/hub locations having operational control for reporting purposes.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, an independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

4. Provide the following details related to water discharged:

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water discharge by destination and level of treatment (in kilo liters)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	12,600.25	10,950.80
- With treatment –Tertiary treatment	1,262.00	2,782.91
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment (Water sent for treatment to Central Effluent Treatment Plant)	1,257.40	2,468.68
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
Total water discharged (in kilo liters)	15,119.65	16,202.39

Notes:

- We have included all our factories, registered office, corporate offices, lab, branches and warehouse/hub locations having operational control for reporting purposes. The water discharged in 1 factory (EMW), branches and warehouse locations are considered as 80% of the water withdrawal from source based on CPCB database report dated 24th December 2009.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, an independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At present we don't have Zero Liquid Discharge mechanism, however as per the pollution control board consent conditions, we responsibly reuse the treated water. Our 9 manufacturing locations and corporate office are well equipped with water management systems with the aim of reducing freshwater withdrawal. We are using treated wastewater for domestic (26516.55 kl) and process (2033.83 kl) purposes. Across our facilities, we have established robust operational efficiency measures, rainwater harvesting systems, recycle and reuse measures ensuring effective usage and lawful disposal of water. Water consumption is also tracked through installed meters across factories, with a transition underway to smart metering.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
NOx	MT	3.04	2.41
SOx	MT	0.41	0.32
Particulate matter (PM2.5)	MT	9.27	7.72
Persistent organic pollutants (POP)	MT	0	0
Hazardous air pollutants (HAP)	MT	0	0
Volatile organic compounds (VOC)	MT	5.75	3.72
Others – HC	MT	0.01	0.02
Others - CO	MT	0.95	0.63

Notes:

- We have included all our factories, registered office, corporate offices, branches and warehouse/hub locations having operational control for reporting purposes.
- Air emissions have been restated for FY 2025 to report emissions from all the stacks within the reporting boundary.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	2,436.79	2,433.60
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tons of CO ₂ equivalent	11,749.61	12,707.89
Total Scope 1 and Scope 2 emissions	Metric tons of CO ₂ equivalent	14,186.39	15,141.49
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)*	Metric tons of CO ₂ equivalent/ turnover in crores	2.49	2.85
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)**	Metric tons of CO ₂ equivalent/ turnover adjusted for PPP in crores	50.70	58.92
Total Scope 1 and Scope 2 emission intensity in terms of physical output***	Metric tons of CO ₂ equivalent/ units produced in crores	5,027.32	5,967.81

* Scope 1 and 2 emission intensity per Crore rupee of turnover

** For calculating revenue adjusted Purchasing Power Parity (PPP), conversion factor @20.34 INR/USD as per IMF website (Source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND>) has been considered. The PPP for FY 2025 was considered @20.66 INR / USD.

*** Scope 1 and 2 Emission Intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For the purpose of computing units for wires and cables, a standardized conversion factor has been applied, wherein each 90-metre coil is considered one unit.

Notes:

- We have included all our factories, registered office, corporate offices, lab, branches and warehouse/hub locations having operational control for reporting purposes.
- Intergovernmental Panel on Climate Change (IPCC) emission factors have been used for fuel consumption (scope 1 emissions), CEA baseline emission factors have been used for grid emission factor (scope 2 emissions) and GHG Protocol IPCC Global Warming Potential values have been used for refrigerants.
- Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, an independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Through onsite solar, wind turbines, and IEX green power, we are cutting carbon emissions while optimizing operations with VFDs and energy-efficient HVAC systems. Actions are being undertaken to reduce greenhouse gas emissions by investing in renewable energy projects such as solar panels and wind turbines. 17% of energy consumed during the current year is from these renewable sources which offsets about 3862.41 tons of CO₂ during FY 2025-26 and 3522 tons during FY 2024-25. ISO 50001 certification is obtained for wires and cables manufacturing units at Chavadi and Kashipur locations and PVC compounding manufacturing unit at Chavadi location.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Total Waste generated (in metric tons)		
Plastic waste (A)	484.27	561.95
E-waste (B)	21.42	28.99
Bio-medical waste (C)	0.12	0.01
Construction and demolition waste (D)	20.02	-
Battery waste (E)	356.27	323.58
Radioactive waste (F)	-	-
Other Hazardous waste. Haz. Waste from process + Haz. Waste from pollution control equipment's, + Filter bed sand+ Filter bags etc. (G)	215.65 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, oil filters, Contaminated rags, Process Waste, Residues & Sludges)	220.94 (Used oil, ETP sludge, Paint Sludge, Empty Chemical container, Oil-soaked cotton, oil filters, Contaminated rags, Process Waste, Residues & Sludges)
Other Non-hazardous waste generated (H). MS Scrap + Aluminum scrap (Break-up by composition i.e., by materials relevant to the sector)*	2,922.51	2,729.18
Total (A+B + C + D + E + F + G + H)	4,020.26	3,864.65
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)**	0.71	0.73
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)***	14.37	15.04
Waste intensity in terms of physical output****	1,424.69	1,523.22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tons)		
Category of waste		
(i) Recycled	3,765.44	1,279.87
(ii) Re-used	261.01	0.41
(iii) Other recovery operations	-	2,250.75
Total	4,026.45	3,531.03
For each category of waste generated, total waste disposed by nature of disposal method (in metric tons)		
Category of waste		
(i) Incineration	11.58	132.80
(ii) Landfilling	-	-
(iii) Other disposal operations *****	42.73	90.06
Total	54.31	222.86

*General waste generation and disposal for warehouses and branch offices is calculated based on seated headcount with the daily average generation of 123.45 gm/head/day as per guidelines provided by the Annual report of Solid Waste Management Rule 2021-22 by CPCB.

**Waste intensity per Crore rupee of turnover

*** For calculating revenue adjusted Purchasing power parity (PPP), the conversion factor @20.34 INR/USD as per IMF website (Source: <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/SAU/IND>) has been considered. The PPP for FY 2025 was considered @20.66 INR / USD.

**** Waste intensity per Crore units. For physical output, we have considered the units of different products produced across our manufacturing facilities. For the purpose of computing units for wires and cables, a standardized conversion factor has been applied, wherein each 90-metre coil is considered one unit.

***** Other disposals include hazardous waste and biomedical waste given to PCB authorized third parties as per regulatory requirements.

Notes:

1. We have included all our factories, registered office, corporate offices, lab, branches and warehouse/hub locations having operational control for reporting purposes.
2. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.
Yes, an independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above other than waste intensity per Crore of rupees. The assurance statement is provided at the end of BRSR section in this report.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste.

Hazardous waste, E-Waste, battery waste and Plastic Waste are disposed of through CPCB authorized vendors and non-hazardous waste is disposed of through V-Guard approved vendors. V-Guard monitors waste generation and waste disposal across its unit and monitors hazardous chemicals for reducing its usage. The company has adopted measures across its units for waste segregation at the source.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

V-Guard has no operations in eco-sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

Environment impact assessment is not applicable in projects as per the Environment (Protection) Rules, 1986, hence it is not conducted.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilo liters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) **Name of the area:** Chavadi, Perundurai, EMW
- (ii) **Nature of operations:** Manufacturing Locations
- (iii) **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Water withdrawal by source (in kiloliters)		
(i) Surface water	460.90	743.80
(ii) Groundwater	24,044.12	27,560.89
(iii) Third party water	12,539.99	7,919.64
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters)	37,045.01	36,224.34
Total volume of water consumption (in kiloliters)	35,966.52	35,125.89
Water intensity per rupee of turnover (Water consumed / turnover)*	6.32	6.62
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	1,078.49	1,098.45
- With treatment – Tertiary treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Tertiary treatment	-	-
Total water discharged (in kiloliters)	1,078.49	1,098.45

* Water intensity per Crore rupee of turnover.

Notes:

- We have included all factory locations for reporting purposes.
- Coverage of factories in areas of water stress are updated based on National Compilation on Dynamic Ground Water Resources of India 2025 issued by the Central Ground Water Board. The coverage has been restated for FY 2025 to report only 'Critical' and 'Over-Exploited' category based on National Compilation on Dynamic Ground Water Resources of India 2024 issued by the Central Ground Water Board.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

We have initiated the inventorization of Scope 3 emissions. Please refer 'Natural Capital' section in the annual report for more details.

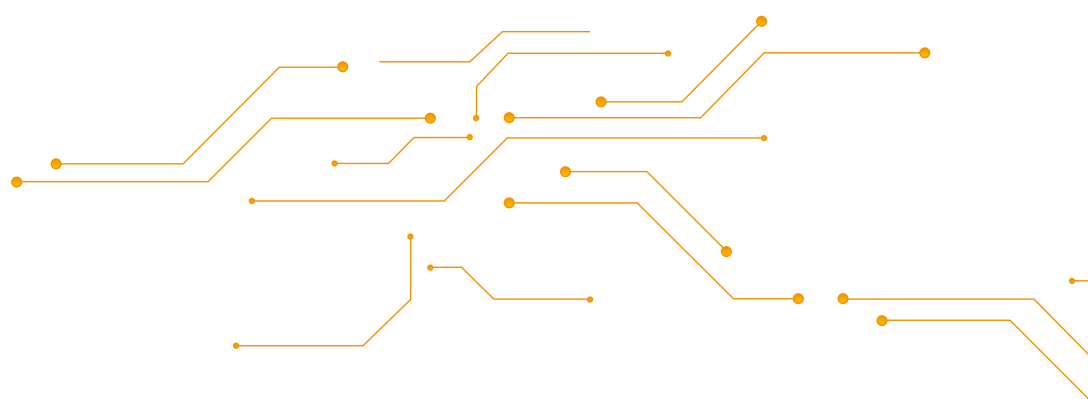
3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not present in ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
1	Increase the Energy Efficiency of Products	- Introduced India's first induction cooktop model registered with a 5 Star energy efficiency rating. - Launched highly energy efficient BLDC fans integrated with IoT technology, enabling optimized power utilization and enhanced energy efficiency. - Launched BIS and BEE (3 Star) certified Solar Water Heaters, promoting the adoption of renewable energy solutions. - Introduced LFP battery based Digital Home UPS solutions, offering improved safety, longer lifecycle, and enhanced energy efficiency. - Implemented wide voltage pump technology, ensuring efficient operation across a wide voltage range and reducing energy losses.	Reduction in energy consumption	NA
2	Renewable Energy Projects	- Launched solar grid tie inverters integrated with IoT technology. - Introduced 18 new products in the solar water heater segment, expanding the renewable energy product portfolio and supporting wider adoption of solar thermal solutions. - Launched new solar panel variants, designed to enhance energy generation efficiency and support clean energy adoption.	Increase the utilization of Renewable Energy/ Green Energy	NA
3	Eco-friendly Packaging/ Packaging Material Reduction	- Removed UV lamination from the packaging carton of Switchgear to enhance recyclability and reduce the use of non-biodegradable materials. - Implemented 100% EPR registered polybags in packaging for Fan categories, ensuring compliance with Extended Producer Responsibility requirements and supporting responsible plastic waste management.	Use of biodegradable packing material to avoid environmental impact	NA
4	IOT Based Projects	Introduced V Guard Smart App 2.0 with an advanced user interface and newly added features. Multiple enhancements were implemented during FY 2025-26 to improve functionality and user experience across various smart product categories, including DUPS, Stabilizers, Water Heaters, Pumps, and Smart Sockets.	IOT technology integrated across solar and other electrical products enables optimal power utilization through mobile-based mode selection, thereby reducing overall energy consumption and enhancing energy efficiency.	NA

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
5.	Material conservation	- Implemented digitization of user manuals and eliminated/reduced paper warranty cards by providing QR codes for downloading user manuals and warranty details, thereby reducing paper consumption. - Promoted circularity and waste reduction by recycling plastic and reusing plastic waste generated during the moulding process (such as runners and gates) in the manufacture of modular switches. - Major material optimizations include reduction in lead weight in batteries, PCB size reduction in BLDC fan models, development of slim motor designs in the fan category, reduction in thickness of MS inner tanks from 1.8 mm to 1.6 mm in the solar water heater segment.	Raw material reduction and e-waste minimization.	NA
6.	Product Life Enhancement	- Developed 13 SKUs of Solar Water Heaters with vitreous enamel coated MS inner tanks, enhancing durability, corrosion resistance, and product life while supporting efficient resource utilization. - Launched 13 models under the “MiLi” series of Digital Home UPS in the UPS segment, expanding the product portfolio with improved performance and energy efficient power backup solutions.	Extended product life and improved durability.	NA



Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action, if any
7.	Energy Conservation	- Standardization of process to reduce machine idle time. - Installation of PLC-based system to provide advance intimation of scheduled power failures, enabling timely machine preparation and controlled shutdown. - Automatic Power Factor Correction system implemented to maintain power factor close to unity - Installation of Motion-sensor-based lighting system - Replacement of conventional fan with BLDC fans - Installation of VFD panels in different machineries cooling tower, air compressors, pre-treatment line - Replacing the existing pumps with 5-star rated pumps - Optimization of chiller operating parameters such as load management, temperature set-points, and scheduling to ensure efficient cooling performance. - Conversion of induction motors to high-efficiency servo motors.	Savings of 600 GJ	NA
8.	Green Energy Mix	- Addition of 394 kWp solar power plant capacity. - Deployed solar-powered streetlights for outdoor illumination. - Utilized solar energy for indoor lighting.	Reduced Non-renewable energy consumption by 1,252 GJ	NA
9.	Water Conservation	- Installation of float switches in all water tanks to control and prevent overflow, ensuring better water management and avoiding unnecessary water wastage. - Utilization of the wastewater generated from the RO system for floor cleaning and solar panel cleaning - Water reduction by process optimization and continuous monitoring - Rainwater harvesting to utilize for process and fire water	Savings of 1,141 kl water	NA

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

To establish business contingency of operations of critical IT applications and to handle the disaster recovery scenarios, V-Guard has a defined Disaster Recovery plan. We also have Security Management System (ISMS) policy for ensuring confidentiality, integrity and availability of critical information.

We also conduct regular trainings and circulate newsletters for creating awareness on Information security to our employees. The Disaster Management Plan has been implemented as a pilot initiative at two of our manufacturing facilities, including subsidiaries, and we plan to extend its development and implementation to all other locations.

6. Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Nil

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

We have identified our critical vendors and developed a supplier assessment protocol covering ESG aspects, and initiated assessments based on the same. We have conducted assessments for external vendors covering 44% of total vendors by value and individually contributing to 2% or more as per SEBI regulation so far.

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with and industry chambers/ associations.

V-Guard is a member of 14 trade associations during FY 25-26

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Associated Chambers of Commerce and Industry of India	National
2	Indian Chamber of Commerce	National
3	Indian Electrical & Electronics Manufacturers' Association	National
4	Indian Wind Power Association / Indian Wind Energy Association	National
5	Water Quality India Association	National
6	Solar Thermal Federation of India	National
7	Kerala Management Association	State
8	Kerala Electrical Trade Associations	State
9	Kumaun Garhwal Chamber of Commerce	State
10	Kala Amb Chamber of Commerce & Industry	State

Notes:

- We have not made any payments, contributions, or donations to these associations beyond the standard membership fees.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable since there were no cases of anti-competitive conduct by V-Guard in FY 2025-26.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Nil

Principle 8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

We do not have any project for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by V-Guard.

3. Describe the mechanisms to receive and redress grievances of the community.

Communities and NGOs can reach us through email at csr@vguard.in for any grievances as defined in CSR Policy available on our website (<https://www.vguard.in/uploads/policies/CSR-Policy.pdf>).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Directly sourced from MSMEs/ small producers	20.20%	22.81%
Directly from within India	93.12%	94.47%

Notes:

1. Purchases include material, spares, services and capex purchases.
2. An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

Location	FY 2026 Current Financial Year	FY 2025 Previous Financial Year
Rural	18.85%	19.78%
Semi-urban	10.32%	10.41%
Urban	46.92%	46.26%
Metropolitan	23.91%	23.56%

Notes:

- For the purpose of categorization of people employed at locations into Rural / Semi-Urban / Urban / Metropolitan, all locations are mapped basis their respective actual addresses.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount Spent in INR
1.	Odisha	Koraput	10,00,000
2.	Uttarakhand	Haridwar	56,07,886
3.	Uttarakhand	Udham Singh Nagar	20,77,460
4.	Sikkim	West Sikkim	4,05,000

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

3. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current Financial Year), based on traditional knowledge:**

Nil

4. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

We did not have any cases of intellectual property related disputes in FY 2024-25

5. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	V-Guard Edu care & Skill Development	13,754	85%
2.	V-Guard Health	27,295	82%
3.	V-Guard Build India & Relief	16,081	16%
4.	V Guard Women Empowerment	155	100%

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

- We have a WhatsApp Chat Messenger where a consumer can drop a message 9633503333,
- Website: www.vguard.in Toll Free: 1800 103 1300: Toll No: 1860 3000 email: customercare@vguard.in
- Customers can drop their complaint products at our ASP Points and Dealer shops/ counter.
- Buddy and smart App at Dealer Points

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	48%
Safe and responsible usage	100%
Recycling and/or safe disposal	37%

3. Number of consumer complaints in respect of the following:

	FY 2026 Current Financial Year			FY 2025 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential Services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	13,31,620	7,281	Refer Note-1	13,35,898	6,409	Refer Note-1

Notes:

- For the purpose of reporting the customer complaints, management has considered all substantiated product related consumer complaints, basis which FY 2025 figures have been restated. The complaints reported in the previous year represented only consumer escalated service calls related to products.
- An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP for FY 2026 in the table above. The assurance statement is provided at the end of BRSR section in this report.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, ISMS Policy and Procedures are in place in line with ISO 27001:2022 and are available on the website (<https://www.vguard.in/uploads/policies/Information-Security-Policy.pdf>). Further refer to management discussion and analysis section for details on the mitigation for cyber security risk.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No data breaches are found.

7. **Provide the following information relating to data breaches:**

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Not Applicable
- Impact, if any, of the data breaches: Not Applicable

Note: An independent limited assurance has been carried out by Price Waterhouse Chartered Accountants LLP. The assurance statement is provided at the end of BRSR section in this report.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information pertaining to all our products is routinely updated on V-Guard's official website and can be found via other channels.

- Website: www.vguard.in
- Product Brochure/ Catalogues
- Retail Collaterals
- Product Packaging
- Social Media Platforms
- E-commerce marketplaces
- PR during launch
- OOH
- Print Ads
- Influencers

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

- Do it yourself videos on YouTube and our website (<https://www.vguard.in/thoughtful/>)
- Product Usage Manual / Product Warranty Cards
- Service personal for select product categories helping consumers get attuned to the product

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

- Website Banner
- Call Centre
- WhatsApp messages
- Social Media Platforms

4. **Does the entity display product information on the product over & above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief? Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, V-Guard provides safety and product usage manuals to our consumers with detailed information on a product's installation, operation, maintenance, and safe disposal.

Our customer service team reaches out to 5 to 6 Lakh consumers annually and successfully records their responses. This exercise is carried out for major categories that involve service and installation.

Independent Practitioner's Limited Assurance Report on Identified Sustainability Information in V-Guard Industries Limited's Business Responsibility and Sustainability Report pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of V-Guard Industries Limited

We have undertaken to perform a limited assurance engagement for V-Guard Industries Limited (the "Company") vide our Engagement Letter dated March 11, 2026, in respect of the agreed Sustainability Information referred in "Identified Sustainability Information" paragraph below (the "Identified Sustainability Information") in accordance with the Criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information are included in the Business Responsibility and Sustainability Report ("BRSR") section in the Integrated Annual Report of the Company for the financial year ended March 31, 2026, pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations").

This engagement was conducted by a team comprising assurance practitioners and engineer/ environment expert.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2026, are summarised in Appendix 1 as 'Identified Sustainability Information 1' or 'BRSR core indicators' and in Appendix 2 as 'Identified Sustainability Information 2' (together referred as the "Identified Sustainability Information") to this report.

Our limited assurance engagement was only with respect to the Identified Sustainability Information included in the BRSR of the Company for the financial year ended March 31, 2026.

We have not performed any procedures with respect to prior periods for the Identified Sustainability Information as listed in Appendix 2 to this report or any other elements included in the BRSR, and therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information are as follows:

- (a) for the information summarised in Appendix 1 - Identified Sustainability Information 1 to this report, the criteria used is the "BRSR Core", which is a subset of the BRSR, consisting of a set of Key Performance Indicators ("KPIs")/ metrics under nine Environmental, Social and Governance ("ESG") attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the guidance note given in Annexure 16 and 17, respectively, of the Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and the 'Industry Standards on Reporting of BRSR Core' issued

by the Securities and Exchange Board of India ("SEBI") vide circular SEBI/HO/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 (collectively referred to as the "SEBI Circulars"); and

- (b) for the information summarised in in Appendix 2 - Identified Sustainability Information 2 to this report, the criteria used is the format of BRSR and the guidance note given in Annexure 16 and 17, respectively, of the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024.

Management's Responsibilities

The Company's Management is responsible for determining the Reporting Boundary of the Identified Sustainability Information, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circulars, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR including BRSR Core.

Inherent Limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants ("IESBA

Code”), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (“SSAE”) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (“SAE”) 3410, “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”).

These Standards require that we plan and perform our engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement. A limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement, and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures,
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and /or measurements of the selected information,
- Made enquiries of Company’s management, including the various teams such as Sustainability team, EHS Team, HR team, etc., and those with responsibility for managing Company’s BRSR,
- Obtained an understanding and evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting on the Identified Sustainability Information including at the sites and corporate office visited,
- Based on the above understanding and the risks that the selected information may be materially misstated, determined the nature, timing and extent of further procedures,
- Performed limited substantive testing on a selective basis of the Identified Sustainability Information at corporate head office, and in relation to sample of sites, checked that data had been appropriately measured, recorded, collated and reported;
- Reviewed the records and performed testing including recalculation of sample data and established an assurance trail,
- Reviewed the level of adherence to the reporting criteria, the reporting framework followed by the Company in preparing the BRSR.
- Reviewed the BRSR for detecting, on a test basis, any major anomalies between the information reported in the Statement on performance with respect to Identified Sustainability Information and relevant source data/information.
- Relied on the audited financial statements and the trial balance for the financial year ended March 31, 2026, for the data points which will flow from the audited financial statements and/ or the trial balance; and
- Obtained written representations from Company’s Management.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Identified Sustainability

Information have been prepared, in all material respects, in accordance with the Criteria.

Exclusions

Our limited assurance scope excludes the following and, therefore, we do not express a conclusion on:

- the operating effectiveness of management systems and controls,
- Operations of the Company other than the Identified Sustainability Information 1 listed in Appendix 1 and Identified Sustainability Information 2 listed in Appendix 2 to this report.
- Aspects of the BRSR and data/ information (qualitative or quantitative) included in the BRSR other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2026.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/ or data.

Limited Assurance Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information 1 summarised in Appendix 1 and Identified Sustainability Information 2 summarised in Appendix 2 to this report and included in the BRSR, for the financial year ended March 31, 2026, are not prepared, in all material respects, in accordance with the Criteria specified in the "Criteria" section of our report.

Other Matter

The BRSR of the Company includes corresponding information pertaining to the prior financial year ended March 31, 2025, for

Identified Sustainability Information 2 listed in Appendix 2 to this report, which was not subject to assurance and is as furnished by the Management of the Company.

Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to enable them to comply with the requirements of the Circular and LODR Regulations, on reporting Company's sustainability performance and activities, and for publishing the same as a part of the BRSR Report forming part of Company's Integrated Annual Report which will be published on the Company's website. Our report should not be used for any other purpose or by any person other than the addressee of our report. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: FRN012754N/N500016

Sd/-

Pranav Kumar Evani

Partner

Place: Hyderabad

Date: 12-May-2026

Membership Number: 515171

UDIN: 26515171TXDVXO6813

Appendix 1

Identified Sustainability Information 1

BRSR Core Indicators

Sr. No.	Principle and indicator reference*	Attribute	Parameters (key performance indicators) assured
1.	Principle 6 – E7	Green-house gas (GHG) footprint	1. Total Scope 1 emissions (Break-up of the GHG into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO₂e) into CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, if available) 3. GHG Emission Intensity (Scope 1+2)
2.	Principle 6 – E3 and E4	Water footprint	1. Total water consumption 2. Water consumption intensity 3. Water Discharge by destination and levels of Treatment
3.	Principle 6 – E1	Energy footprint	1. Total Energy Consumed 2. % of energy consumed from renewable sources 3. Energy intensity
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity	1. Total waste generated a) Plastic waste (A) b) E-waste (B) c) Bio-medical waste (C) d) Construction and demolition waste (D) e) Battery waste (E) f) Radioactive waste (F) g) Other Hazardous waste. Please specify, if any. (G) h) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) i) Total waste generated ((A+B + C + D + E + F + G + H) 2. Waste intensity 3. Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 4. For each category of waste generated, total waste disposed by nature of disposal method
5.	Principle 3 – E1(C) Principle 3 – E11	Enhancing employee wellbeing and Safety	1. Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company 2. Details of safety-related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)

Sr. No.	Principle and indicator reference*	Attribute	Parameters (key performance indicators) assured
6.	Principle 5 – E3(b) Principle 5 – E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of wages paid 2. Complaints on POSH
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and from within India 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	1. Concentration of purchases & sales done with trading houses, dealers, and related parties 2. Loans and advances & investments with related parties

* E refers to Essential indicators, and L refers to Leadership indicators.

Appendix 2

Identified Sustainability Information 2

Sr. No.	Principle and indicator reference*	Parameters (key performance indicators) assured
1.	Section-A, Question 20	Details of employees and workers at the end of Financial Year
2	Section-A, Question 21	Participation / Inclusion / Representation of women in Board of Directors (BOD) and Key Management Personnel (KMP)
3	Section-A, Question 22	Turnover rate for permanent employees and workers
4	Principle 1 – E1	Percentage coverage by training and awareness programmes on any of the principles during the financial year for Board of Directors, Key Management Personnel, Employees other than BoD and KMPs, and Workers
5	Principle 1 – E2	Details of fines / penalties / punishment/ award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year
6	Principle 1 – E6	Details of complaints received with regard to conflict of interest of the Directors and KMPs
7	Principle 2 – L4	Products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of
8	Principle 3 – E2	Details of retirement benefits
9	Principle 3 – E5	Return to work and Retention rates of permanent employees and workers that took parental leave
10	Principle 3 – E8	Details of training given to employees and workers on health and safety measures and skill upgradation
11	Principle 3 – E9	Details of performance and career development reviews of employees and workers
12	Principle 3 – E14	% of your plants and offices that were assessed on Health and safety practices and Working Conditions
13	Principle 3 – L3	Number of employees / workers having suffered high consequence work related injury / ill-health / fatalities, who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
14	Principle 5 – E1	Employees and workers who have been provided training on human rights issues and policy(ies) of the entity
15	Principle 5 – E2	Details of minimum wages paid to employees and workers
16	Principle 5 – E3(a)	Details of median remuneration / salary / wages to Board of Directors (BoD), Key management Personnel (KMP), Employees other than BoD and KMP, Workers
17	Principle 5 – E10	% of your plants and offices that were assessed on child labour, forced / involuntary labour, sexual harassment, discrimination at workplace, wages (by entity or statutory authorities or third parties)
18	Principle 6 – E6	Details of air emissions (other than GHG emissions) by the entity
19	Principle 6 – L1	Water withdrawal, consumption including intensity and discharge in areas of water stress
20	Principle 7 – E1	Number of affiliations with trade and industry chambers / associations and list of top 10 trade and industry chambers / associations the entity is a member of / affiliated to.
21	Principle 8 – L2	Information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies
22	Principle 9 – E3	Number of consumer complaints in respect of data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, unfair trade practices, and others

* E refers to Essential indicators, and L refers to Leadership indicators.

Financial Statements



Independent Auditor's Report

To the Members of **V-Guard Industries Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **V-Guard Industries Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at March 31, 2026, and standalone total comprehensive income (comprising of profit and other comprehensive income), standalone changes in equity and its standalone cash flows for the year then ended.

Key audit matter

Revenue from sale of products (as described in Note 28 of the standalone financial statements)

The Company's revenue principally comprises sale of products. The revenue from sale of products is recognised in accordance with the accounting principles under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers.

The control in respect of sale of products is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers.

Basis for Opinion

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

Key audit matters

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

How our audit addressed the key audit matter

Our audit procedures among others, included the following:

- Understanding and evaluating the design and testing the operating effectiveness of Company's controls around revenue recognition including accounting for trade discounts and volume rebates;
- Assessing the Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers";
- Selecting samples of revenue transactions during the year and inspecting underlying documents which include invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms;
- Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period;
- Testing on a sample basis the calculation of the liability for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Company's Management; and

Key audit matter	How our audit addressed the key audit matter
We have considered revenue recognition as a key audit matter due to significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of liability for trade schemes.	Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance, standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - (e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. 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.
 12. 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.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above and paragraph 15(h)(vi) below.
 - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 38B and Note 27 to the standalone financial statements.
 - ii. The Company was not required to recognise a provision as at March 31, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long term derivative contracts as at March 31, 2026.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 52(vii)(A) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 52(vii)(B) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we 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 (a) and (b) above contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend until the date of this audit report.

Further, as stated in Note 20 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by users with specific access and for certain records for the period April 1, 2025 to May 7, 2025. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. With respect to direct database changes, in the absence of adequate evidence of necessary controls and documentation, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature was tampered with, does not arise. Further, the audit trail, to the extent maintained in the prior years, have been preserved by the Company as per the statutory requirements for record retention.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership Number: 064311

UDIN: 26064311QWEAJN2057

Place: Kochi
Date: May 12, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Section 143(3)(i) of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of V-Guard Industries Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Place: Kochi
Date: May 12, 2026

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership Number: 064311

UDIN: 26064311QWEAJN2057

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the standalone financial statements as of and for the year ended March 31, 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and Investment Property.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment and Investment Property of the Company are physically verified by the Management according to a planned programme designed to cover all the items once in a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all of the Property, Plant and Equipment and Investment Property has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment and Note 4 on Investment Property to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets), Investment Property and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets), Investment Property or Intangible Assets does not arise.
- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

- ii. (a) The physical verification of inventory excluding Goods in Transit and stocks with third parties aggregating to ₹ 16.11 crores, has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5.00 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. Further, the Company has not filed the returns for the quarter ended March 31, 2026 and, accordingly, the question of our commenting under clause 3(ii)(b) to that extent, does not arise. Also, refer Note 52(ii) to the standalone financial statements.
- iii. (a) The Company has made investments in an associate company and mutual fund schemes and granted secured and unsecured loans to an associate company and unsecured loans to employees during the year. The Company has not stood guarantee or provided security to any party during the year. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order with respect to guarantees or security provided to other parties are not applicable to the Company. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances are as per the table given below:

Description	Amount (₹ In Crores)
Aggregate amount granted/ provided during the year	
- Associate Company (Secured)	5.00
- Associate Company (Unsecured)	4.00
- Employees	1.65
Balance outstanding as at balance sheet date in respect of the above loans	
- Associate Company	-
- Employees	1.27

(Also, refer Note 7, 15 and 53 to the standalone financial statements)

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) Following loans were granted to same party, which has fallen due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

Name of the party	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by extension	Percentage of the aggregate to the total loans granted during the year
Gegadyne Energy Labs Private Limited, an associate company	₹ 10.60 crores *	₹ 6.60 crores	62%

* Including ₹ 1.60 crores of loan granted during the previous year and renewed/ extended during the year.

(Also, refer Note 53 to the standalone financial statements)

- (f) The loans granted during the year, including to related party had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted to promoters during the year.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made. The Company has not stood guarantee or provided security to any party during the year. Therefore, the reporting under clause 3(iv) of the Order with respect to guarantees or security provided to other parties are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the books of account maintained by the Company pursuant to the
- said requirement, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax and labour welfare fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, duty of customs, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. However, there are no arrears of statutory dues outstanding 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 of professional tax and employees' state insurance which have not been deposited on account of any dispute. The particulars of dues of income tax, entry tax, value added tax, service tax, goods and services tax, central excise duty, customs duty and provident fund as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ In Crores)	Financial year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	71.14	15.72	2007-08, 2009-10 to 2017-18, 2020-21 and 2022-23	Commissioner of Income Tax (Appeals)
Andhra Pradesh Value Added Tax Act, 2005	Value added tax	0.13	0.03	2006-07 to 2009-10	Appellate Tribunal (Commercial Taxes), Telangana

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ In Crores)	Financial year to which the amount relates	Forum where the dispute is pending
Central Goods and Services Taxes Act, 2017	Goods and Services tax	2.96	0.28	2018-19 to 2022-23	Commissioner of GST (Appeals), Coimbatore
		0.08	0.08	2024-25	Joint / Additional Commissioner of GST (Appeals), Coimbatore
		0.43	0.02	2017-18	Commissioner of GST & Central Excise (Appeals), Coimbatore
		0.04	0.04	2025-26	Joint Excise and Taxation Commissioner (Appeals), Chandigarh
		0.09	0.03	2020-21 and 2022-23	Commissioner of GST and Central Excise (Appeals), Dehradun
		0.13	0.01	2021-22	Joint / Additional Commissioner of GST (Appeals), Dehradun
		0.00	-	2019-20	Commissioner of GST & Central Excise (Appeals), Bhubaneswar
		0.03	0.03	2020-21	Commissioner of GST & Central Excise (Appeals), Mysore
		0.15	0.01	2018-19	Commissioner of GST & Central Excise (Appeals), Hyderabad
					Commissioner (Appeals), CGST Gurugram
Central Goods and Services Taxes Act, 2017	Goods and Services tax	2.61	0.26	2019-20	Joint Excise and Taxation Commissioner (Appeals), Gurugram
		0.77	0.02	2018-19	Commissioner of GST & Central Excise (Appeals), Bhopal
		1.12	0.07	2018-19 and 2020-21	Joint / Additional Commissioner of GST (Appeals), Bhopal
		0.14	0.01	2021-22	Commissioner of GST & Central Excise (Appeals), Lucknow
		1.08	-	2020-21	Joint / Additional Commissioner of GST (Appeals), Lucknow
		0.68	0.06	2021-22	Joint Commissioner of GST (Appeals), Prayagraj
		0.01	0.01	2025-26	Commissioner (Appeals), CGST Delhi Appeals-I
		0.04	-	2018-19	Commissioner of GST & Central Excise (Appeals), Jaipur
		0.21	-	2018-19 and 2019-20	Customs, Excise and Service Tax Appellate Tribunal, Kolkata
Central Excise Act, 1944	Central Excise duty	0.15	-	2016-17 and 2017-18	Assistant Commissioner of CGST and Central Excise Bhubaneswar I Division
Finance Act, 1994	Service tax	0.21	0.01		
Finance Act, 1994	Service tax	0.42	0.01	2014-15, 2015- 16 and 2016-17	Commissioner of Customs Appeals, Chennai
Customs Act, 1962	Customs duty and penalty	0.08	0.03	2013-14, 2018-19, 2019-20	Central Excise and Service Tax Appellate Tribunal, Chennai
		0.02	-	2022-23	Central Excise and Service Tax Appellate Tribunal, Mumbai
		2.13	0.25	2019-20 to 2024-25	Customs, Excise and Service Tax Appellate Tribunal, Allahabad
		0.23	0.21	2016-17	Joint Commissioner of Commercial Taxes (Appeals), Patna
Bihar Entry Tax - Goods Act, 1993	Entry Tax	0.33	0.06	2014-15 and 2015-16	

Name of the statute	Nature of dues	Amount (₹ in Crores)	Amount paid (₹ In Crores)	Financial year to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	0.08	0.01	2011-12 and 2012-13	Odisha Sales Tax Tribunal, Cuttack
Orissa Entry Tax Act, 1999	Entry Tax	1.55	0.10	2011-12 and 2012-13	
Orissa Value Added Tax Act, 2004	Value added tax	3.55	0.41	2011-12, 2012-13, 2014-15 and 2015-16	
Bihar Value Added Tax Act, 2005	Value added tax	0.14	-	2015-16	Additional Commissioner of State Taxes (Appeals), Patna
		0.08	0.08	2017-18	Commercial Taxes Tribunal, Patna
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	0.07	0.03	2008-09 to 2011-12	Central Government Industrial Tribunal, Chandigarh
	Provident Fund	0.07	-	2009-10 to 2011-12	Central Government Industrial Tribunal, Kochi

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

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

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate company. The Company did not have any joint ventures during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate company. The Company did not have any joint ventures during the year.

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. Accordingly, the

reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) was not required to be filed by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received a whistle-blower complaint during the year, which has been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi) (d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xx) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership Number: 064311

UDIN: 26064311QWEAJN2057

Place: Kochi

Date: May 12, 2026

Standalone Balance Sheet

as at March 31, 2026

(₹ in crores)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
A. ASSETS			
1. Non-current assets			
Property plant and equipment	3	468.12	343.53
Capital work-in-progress	3	7.59	48.17
Investment property	4	0.28	0.28
Other intangible assets	5	42.14	51.03
Intangible assets under development	5	1.10	0.50
Right of use assets	3	59.99	70.42
Financial assets			
(a) Investments	6	913.58	888.58
(b) Loans	7	0.92	1.05
(c) Other financial assets	8	17.98	17.91
Current tax assets (net)	9	35.56	33.96
Deferred tax assets (net)	10	14.80	8.48
Other non-current assets	11	14.86	24.97
		1,576.92	1,488.88
2. Current assets			
Inventories	12	832.11	865.03
Financial assets			
(a) Investments	6	180.55	10.00
(b) Trade receivables	13	511.45	513.53
(c) Cash and cash equivalents	14A	31.63	30.07
(d) Bank balances other than (c) above	14B	0.39	0.42
(e) Loans	15	1.32	2.85
(f) Other financial assets	16	1.70	2.96
Other current assets	17	153.64	125.12
		1,712.79	1,549.98
TOTAL ASSETS		3,289.71	3,038.86
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	18	43.68	43.58
Other equity	19	2,181.00	1,954.76
TOTAL EQUITY		2,224.68	1,998.34
2. Non-current liabilities			
Financial liabilities			
Lease liabilities	21	38.53	47.17
Provisions	22	18.23	17.19
		56.76	64.36
3. Current liabilities			
Financial liabilities			
(a) Borrowings	23	8.84	10.81
(b) Lease liabilities	21	16.99	18.75
(c) Trade payables	24		
(i) Total outstanding dues of micro enterprises and small enterprises		32.42	38.11
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		650.33	598.35
(d) Other financial liabilities	25	77.01	137.91
Other current liabilities	26	91.60	75.65
Provisions	27	131.08	96.58
		1,008.27	976.16
TOTAL LIABILITIES		1,065.03	1,040.52
TOTAL EQUITY AND LIABILITIES		3,289.71	3,038.86

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

Place : Kochi

Date : May 12, 2026

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V-Guard Industries Limited
Annual Report 2025- 26

For and on behalf of the Board of Directors of

V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Place : Kochi

Date : May 12, 2026

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in crores)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
1 Income			
(a) Revenue from operations	28	5,691.78	5,308.87
(b) Other income	29	36.12	18.86
Total income		5,727.90	5,327.73
2 Expenses			
(a) Cost of raw materials consumed		1,330.33	1,366.72
(b) Purchase of stock-in-trade		2,450.76	2,351.58
(c) Decrease / (increase) in inventories of finished goods, work-in-progress and stock-in-trade	30	72.98	(136.17)
(d) Employee benefits expense	31	494.13	479.43
(e) Depreciation and amortization expense	32	82.06	73.68
(f) Finance costs	33	6.93	19.92
(g) Other expenses	34	925.93	824.84
Total expenses		5,363.12	4,980.00
3 Profit before exceptional item and tax (1 - 2)		364.78	347.73
4 Exceptional item			
Impact of new labour code	41	20.91	-
5 Profit before tax (3-4)		343.87	347.73
6 Income tax expense	36		
(a) Current tax expense		90.58	86.18
(b) Deferred tax (credit) / expense		(6.08)	1.33
Total income tax		84.50	87.51
7 Profit for the year (5 - 6)		259.37	260.22
8 Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(a) Re-measurement (losses) / gains on defined benefit plans	41	(0.91)	(3.97)
(b) Income tax effect		0.24	0.98
Other comprehensive income for the year, net of tax		(0.67)	(2.99)
Total comprehensive income for the year, net of tax (7 + 8)		258.70	257.23
9 Earnings per equity share (basic and diluted) (₹) :	44		
(Nominal value of equity share - ₹ 1 each)			
Basic earnings per share		5.92	5.95
Diluted earnings per share		5.90	5.92

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

Place : Kochi

Date : May 12, 2026

For and on behalf of the Board of Directors of

V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Place : Kochi

Date : May 12, 2026

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Standalone Statement of changes in equity

for the year ended March 31, 2026

A) Equity share capital

Particulars	No. of shares	₹ in crores
As at April 1, 2024	43,43,85,980	43.44
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,93,053	0.14
As at March 31, 2025	43,57,79,033	43.58
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	10,24,783	0.10
As at March 31, 2026	43,68,03,816	43.68

B) Other equity

Particulars	Attributable to the equity holders					Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve	
As at April 1, 2024	184.85	64.89	1,419.76	20.46	34.67	1,724.63
Net profit for the year	-	-	260.22	-	-	260.22
Other comprehensive income for the year						
Remeasurement (losses) / gain on defined benefit plans (net of taxes)	-	-	(2.99)	-	-	(2.99)
Total comprehensive income	-	-	257.23	-	-	257.23
Equity shares issued under ESOS 2013	7.90	-	-	-	-	7.90
Final dividend (Refer Note 20)	-	-	(60.91)	-	-	(60.91)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	-	-	-	(13.59)	-
Compensation cost on stock options granted (net) (Refer Note 31)	-	-	-	-	25.91	25.91
As at March 31, 2025	206.34	64.89	1,616.08	20.46	46.99	1,954.76
Net profit for the year	-	-	259.37	-	-	259.37
Other comprehensive income for the year						
Remeasurement (losses) / gain on defined benefit plans (net of taxes)	-	-	(0.67)	-	-	(0.67)
Total comprehensive income	-	-	258.70	-	-	258.70
Equity shares issued under ESOS 2013	5.87	-	-	-	-	5.87
Final dividend (Refer Note 20)	-	-	(65.40)	-	-	(65.40)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	11.17	-	-	-	(11.17)	-
Compensation cost on stock options granted (net) (Refer Note 31)	-	-	-	-	27.07	27.07
As at March 31, 2026	223.38	64.89	1,809.38	20.46	62.89	2,181.00

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

For and on behalf of the Board of Directors of

V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Place : Kochi

Date : May 12, 2026

Place : Kochi

Date : May 12, 2026

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	343.87	347.73
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	82.06	73.68
Loss / (profit) on property, plant and equipment sold / scrapped / written off (net)	0.31	(0.12)
Finance costs	6.93	19.92
Finance income	(1.02)	(1.21)
Net gain on sale of investments	(4.40)	(5.86)
Fair value gain on investments	(0.55)	-
Dividend received from subsidiary	(14.09)	-
(Gain) / loss on lease modifications / termination	(0.08)	-
Liabilities / provisions no longer required written back	(0.55)	(0.09)
Loss allowance for trade receivables (net)	1.23	1.18
Impairment allowance for doubtful advances (net)	(0.15)	(0.65)
Unrealised (gain) / loss on foreign currency transaction	(1.17)	0.24
Share based payments expense	27.07	25.91
	95.59	113.00
Operating profit before working capital changes	439.46	460.73
Movement in working capital		
Decrease / (increase) in inventories	32.92	(155.56)
Decrease / (increase) in trade receivables	0.85	38.88
Decrease / (increase) in loans	0.06	(0.30)
Decrease / (increase) in other financial assets	1.34	(1.06)
Decrease / (increase) in other assets	(28.78)	(5.66)
Increase / (decrease) in trade payables	48.01	152.32
Increase / (decrease) in other financial liabilities	(63.95)	32.07
Increase / (decrease) in provisions	34.63	13.23
Increase / (decrease) in other liabilities	15.95	1.29
	41.03	75.21
Cash generated from operations	480.49	535.94
Income tax paid (net of refunds)	(92.18)	(91.45)
Net cash flow from / (used in) operating activities (A)	388.31	444.49
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(124.98)	(103.45)
Proceeds from sale of property, plant and equipment	0.26	0.76
Purchase of non current investment	-	(0.03)
Investment in associate	(25.00)	-
(Purchase) / sale of current investments (net)	(165.60)	25.90
(Investment in) / redemption of fixed deposits with maturity more than 3 months (net)	(0.12)	0.01
Loan granted to associate	(9.00)	(1.60)
Loan repaid by associate	10.60	-
Finance income	1.02	1.16
Dividend received from subsidiary	14.09	-
Net cash flow (used in) / from investing activities (B)	(298.73)	(77.25)

Standalone Statement of Cash Flows

for the year ended March 31, 2026

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flow from financing activities		
Proceeds from exercise of share options (including share application money)	5.97	8.04
Payment of principal portion of lease liabilities	(19.66)	(17.92)
(Repayment of) / proceeds from short term borrowings (net)	(1.97)	(6.27)
(Repayment of) / proceeds from long term borrowings	-	(273.95)
Finance costs paid	(6.93)	(21.09)
Dividends paid on equity shares	(65.43)	(61.05)
Net cash flow (used in) / from financing activities (C)	(88.02)	(372.24)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1.56	(5.00)
Cash and cash equivalents at the beginning of the year	30.07	35.07
Cash and cash equivalents at the end of the year	31.63	30.07
Components of cash and cash equivalents as at year end : (Refer Note 14A)		
(a) Cash on hand	-	0.03
(b) Balances with banks:		
In current accounts	18.63	25.04
In fixed deposits with original maturity of less than 3 months	13.00	5.00
	31.63	30.07
Non cash investing activities		
Acquisition of right of use assets	11.01	19.19
Disposal of right of use assets	(21.81)	(4.35)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

Place : Kochi

Date : May 12, 2026

For and on behalf of the Board of Directors of
V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Place : Kochi

Date : May 12, 2026

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

1. CORPORATE INFORMATION

V-Guard Industries Limited ('V-Guard' or 'the Company') is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Company is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches
Consumer Durables	Fans, Water Heaters, Kitchen Appliances and Air Coolers

The Company's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu; at Kashipur, Roorkee and Haridwar, Uttarakhand; at Kala Amb, Himachal Pradesh; and at Majitar, Rangpo and Mamring in Sikkim. The Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 12, 2026.

2. ACCOUNTING POLICIES

This note provides a list of accounting policies and basis of preparation adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with the Indian Accounting Standards Ind-AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the standalone financial statements.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- certain financial assets and liabilities (including derivative instruments) measured at fair value
- defined benefit plans – plan assets measured at fair value
- share-based payments.

c) Rounding of amounts

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to nearest crores upto two decimal places (₹ 00,00,000), except when otherwise indicated.

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

e) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

for annual reporting periods beginning on or after April 1, 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1.
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107.
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12.
- Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

f) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

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

2.2 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these standalone financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) Interest and dividend income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company has no obligation, other than the contribution payable to the fund towards such schemes. The Company recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the

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contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement

purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective

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of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) Property, plant and equipment

The Company's accounting policy for land is explained in note 3. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is

capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2026 and March 31, 2025 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) Other Intangible Assets

The Company's accounting policy for intangibles is explained in note 5.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

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Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

h) Borrowing costs

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

The Company's accounting policy for leases is explained in note 40.

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

As a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Investment in Subsidiaries and associate

The Company's accounting policy for Investment in Subsidiaries and associate is explained in note 6. An associate is an entity over which the Company

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has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies.

Investment carried at cost is tested for impairment as per Ind AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Financial Assets and Liabilities

The Company's accounting policy for financial assets is explained in note 46.

(i) Initial Recognition of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial

assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely

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payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

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

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

(iii) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e, removed from the Company's Balance Sheet) when:

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

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

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

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

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The Company follows “simplified approach” for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on

its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head ‘other expenses’ in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(v) Financial liabilities - Initial recognition and classification

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company’s financial liabilities include trade and other payables and loans and borrowings including bank overdrafts. The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains

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and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

(vi) De-recognition of financial liabilities

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

(vii) Reclassification of financial assets/ financial liabilities

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

(viii) Offsetting of financial instruments

Financials assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and

there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(ix) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

I) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises 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 the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

m) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Cash dividend and non-cash distribution

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

o) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period

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attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Company.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

q) Provisions

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can

be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Company periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

r) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless

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the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been

recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

s) Foreign currencies

The Company's financial statements are presented in INR which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

t) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and 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, maximising 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant

liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

u) Exceptional items

The Company recognises exceptional item when items of income and expenses within Statement of Profit and Loss are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.3 Critical estimates and judgements

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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Company considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated

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and accrued. The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including

liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

c) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. 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 for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 41.

d) Taxes

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes forming part of the Standalone Financial Statements

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

Accounting Policy

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at historical cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. For Leases refer Note 40.

Depreciation Methods, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture and fixtures	10
Vehicles	8 to 10

Leased assets are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.2 (e) for the other accounting policies relevant to property, plant and equipment.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

	Property, plant and equipment										Right of use assets			Capital work-in-progress
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total		
Gross block														
As at April 1, 2024	19.16	152.01	306.57	17.33	1.22	16.85	28.11	541.25	25.12	78.84	10.62	114.58	23.88	
Additions	-	5.11	33.47	3.15	-	4.83	7.03	53.59	-	8.63	10.56	19.19	37.31	
Disposals	-	-	(3.53)	(0.10)	-	(0.42)	(2.81)	(6.86)	-	(0.61)	(3.74)	(4.35)	-	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(13.02)	
As at March 31, 2025	19.16	157.12	336.51	20.38	1.22	21.26	32.33	587.98	25.12	86.86	17.44	129.42	48.17	
Additions	-	95.24	44.46	7.43	0.16	10.60	14.10	171.99	-	6.44	4.57	11.01	70.45	
Disposals	-	(0.07)	(2.15)	(0.07)	-	(1.09)	(2.64)	(6.02)	-	(18.59)	(3.22)	(21.81)	-	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(111.03)	
As at March 31, 2026	19.16	252.29	378.82	27.74	1.38	30.77	43.79	753.95	25.12	74.71	18.79	118.62	7.59	
Accumulated depreciation														
As at April 1, 2024	-	30.57	136.09	9.58	0.66	11.93	19.32	208.15	4.30	33.62	5.97	43.89	-	
Charge for the year	-	5.72	27.53	1.94	0.17	2.38	4.78	42.52	0.92	15.08	3.44	19.44	-	
Disposals	-	-	(2.92)	(0.09)	-	(0.41)	(2.80)	(6.22)	-	(0.61)	(3.72)	(4.33)	-	
As at March 31, 2025	-	36.29	160.70	11.43	0.83	13.90	21.30	244.45	5.22	48.09	5.69	59.00	-	
Charge for the year	-	6.26	29.42	2.12	0.13	2.78	6.12	46.83	0.12	15.09	4.56	19.77	-	
Disposals	-	(0.03)	(1.65)	(0.06)	-	(1.09)	(2.62)	(5.45)	-	(17.03)	(3.11)	(20.14)	-	
As at March 31, 2026	-	42.52	188.47	13.49	0.96	15.59	24.80	285.83	5.34	46.15	7.14	58.63	-	
Net block														
As at March 31, 2025	19.16	120.83	175.81	8.95	0.39	7.36	11.03	343.53	19.90	38.77	11.75	70.42	48.17	
As at March 31, 2026	19.16	209.77	190.35	14.25	0.42	15.18	18.99	468.12	19.78	28.56	11.65	59.99	7.59	

(₹ in Crores)

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

Notes:

(i) Capital work-in-progress (CWIP) as at March 31, 2026 and March 31, 2025 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

(ii) Capital work-in-progress ageing schedule

Particulars	Amount in CWIP for a period of				(₹ in Crores)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at March 31, 2026
Projects in progress	6.40	1.19	-	-	7.59
Projects temporarily suspended	-	-	-	-	-

Particulars	Amount in CWIP for a period of				(₹ in Crores)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at March 31, 2025
Projects in progress	37.31	8.92	1.94	-	48.17
Projects temporarily suspended	-	-	-	-	-

(iii) There are no projects under capital work in progress where the completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

(iv) The Company has capitalised borrowing cost of ₹ 0.93 crores (March 31, 2025 : ₹ 2.96 crores).

(v) Right of use asset includes:-

- Leasehold land which represents land obtained on long term lease from Government authorities and others.
- Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 40.
- Leased vehicles which represent cars taken on lease for use by employees.

(vi) During the year ended March 31, 2026, the Company has capitalized expenses amounting to ₹ 0.02 crores (March 31, 2025 - ₹ 0.07 crores) to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under Note 34, other expenses are net of amounts capitalized by the Company.

(vii) Also refer Note 38.A on capital commitments.

Note 4 : Investment property (at cost)

Particulars	As at		(₹ in Crores)
	March 31, 2026	March 31, 2025	
Balance as at the beginning of the year	0.28	0.28	
Additions (subsequent expenditure)	-	-	
Balance as at the end of the year	0.28	0.28	

Note: Investment Property represents land at Coimbatore acquired by the Company in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value.

Note 5 : Other intangible assets and Intangible assets under development

Accounting Policy

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 5 : Other intangible assets and Intangible assets under development (Contd..)

Asset Category	Useful life estimated by the management (in years)
Software	5 years
Trademark	10 years
Technical knowhow	10 years

See note 2.2 (g) for the other accounting policies relevant to intangible assets and note 2.2 (r) for the company's policy regarding impairment.

Regarding impairment:					
Particulars	Other intangible assets				Intangible assets under development
	Technical knowhow	Computer software	Trademark	Total	
(₹ in Crores)					
Gross block (Cost)					
As at April 1, 2024	10.00	44.63	0.05	54.68	12.37
Purchase / additions	-	31.54	-	31.54	0.50
Disposals	-	(0.72)	-	(0.72)	-
Capitalised during the year	-	-	-	-	(12.37)
As at March 31, 2025	10.00	75.45	0.05	85.50	0.50
Purchase / additions	-	6.57	-	6.57	1.10
Disposals	-	-	-	-	-
Capitalised during the year	-	-	-	-	(0.50)
As at March 31, 2026	10.00	82.02	0.05	92.07	1.10
Accumulated amortisation					
As at April 1, 2024	0.83	22.58	0.05	23.46	-
Charge for the year	1.00	10.72	-	11.72	-
Disposals	-	(0.71)	-	(0.71)	-
As at March 31, 2025	1.83	32.59	0.05	34.47	-
Charge for the year	1.00	14.46	-	15.46	-
Disposals	-	-	-	-	-
As at March 31, 2026	2.83	47.05	0.05	49.93	-
Net block					
As at March 31, 2025	8.17	42.86	-	51.03	0.50
As at March 31, 2026	7.17	34.97	-	42.14	1.10

Notes:

1. Intangible assets under development ageing (IAUD) schedule

Particulars	Amount in IAUD for a period of				Total as at March 31, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.10	-	-	-	1.10
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 5 : Other intangible assets and Intangible assets under development (Contd..)

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

- (ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.
- (iii) Also refer Note 38.A on capital commitments.
- (iv) Remaining useful life of intangible assets ranges from 1 to 8 years (March 31, 2025 : 1 to 9 years) as at the year end.

Note 6: Investments

The investment in subsidiaries and associate are carried at cost as per IND AS 27, less impairment loss, if any. See note 2.2 (j) for the other accounting policies relevant to Investment in Subsidiaries and associate.

Non-Current

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments carried at cost		
(a) Equity investments in subsidiary companies (Refer Note 39)		
Unquoted		
Guts Electro-Mech Limited		
1,965,242 (March 31, 2025 : 1,965,242) equity shares of ₹ 10 each fully paid up (Refer Note 39)	8.85	8.85
V-Guard Consumer Products Limited		
121,089,961 (March 31, 2025 : 121,089,961) equity shares of ₹ 10 each fully paid up (Refer Note 39)	121.09	121.09
Sunflame Enterprises Private Limited		
1,565,000 (March 31, 2025 : 1,565,000) equity shares of ₹ 1 each fully paid up (Refer Note 39)	688.04	688.04
	817.98	817.98
(b) Equity investments in associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2025 : 7) equity shares of ₹ 10 each fully paid up	0.08	0.08
	0.08	0.08
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1438 (March 31, 2025 : Nil) Optionally Convertible Cumulative Participating Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 4051 (March 31, 2025 : 4051) Compulsorily Convertible Cumulative Participating Preference Shares ("CCCPS") of ₹ 500 each fully paid up (Refer Note (i) below)	95.49	70.49
(b) Equity investments Other		
Unquoted		
Kinfra Electronic Park Private Limited		
2500 (March 31, 2025 : 2500) equity shares of ₹100 each fully paid up	0.03	0.03
	0.03	0.03
Total	913.58	888.58

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 6: Investments (Contd..)

Notes:

- (i) During the year ended March 31, 2026, the Company has invested an amount of ₹25.00 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the Company holds 30.35% (March 31, 2025: 24.32%) shareholding (on a fully diluted basis) in GEL. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.
- (ii) During the year ended March 31, 2025 the Company has invested an amount of ₹ 0.03 crores in Kinfra Electronics Park Private Limited which is a Special Purpose Vehicle (SPV) constituted for facility management and infrastructure development for Electronics Manufacturing Cluster (EMC) park where the Company has leased land for the in-house innovation center.

Current

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investments carried at fair value through profit and loss:		
Unquoted		
(a) ICICI Prudential Overnight Funds- Direct Growth NIL [March 31, 2025 : 36,365.60] units	-	5.00
(b) SBI MF Overnight Funds - Direct Growth Nil [March 31, 2025 :12,047.30] units	-	5.00
(c) ABSL Liquid Direct Growth Fund 22,58,698.42 [March 31, 2025 : Nil] units	100.45	-
(d) HDFC Liquid Direct Growth Fund 55,586.16 [March 31, 2025 : Nil] units	30.05	-
(e) SBI Liquid Direct Growth Fund 93,029.15 [March 31, 2025 : Nil] units	40.03	-
(f) ICICI Liquid Fund Direct Growth 2,45,985.93 [March 31, 2025 : Nil] units	10.02	-
Total	180.55	10.00

Notes:

- (i) Carrying value of unquoted investments are as below:

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
(a) Investments in Subsidiary Companies:		
Aggregate carrying value of unquoted investments	817.98	817.98
(b) Investments in Associate Company:		
Aggregate carrying value of unquoted investments	95.57	70.57
(c) Investments in Others:		
Aggregate carrying value of unquoted investments	180.58	10.03

- (ii) There is no impairment in the value of investments during the years ended March 31, 2026 and March 31, 2025.

Note 7: Loans (Non-current)

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	0.92	1.05
Total	0.92	1.05

Note:

- (i) There are no loans as at March 31, 2026 and March 31, 2025 which are secured or which have significant increase in credit risk or which are credit impaired.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	17.19	17.24
(b) Non-current bank balance (Refer Note 14B)	0.79	0.67
Total	17.98	17.91

(i) Refer Note 46 for accounting policies relevant to financials assets.

Note 9: Current tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provisions)	35.56	33.96
Total	35.56	33.96

Note 10: Deferred tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.54	9.27
Disallowances under Section 43B of the Income Tax Act, 1961	19.28	10.97
Others including lease liabilities	20.70	22.90
	49.52	43.14
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of property, plant and equipment and Right of use assets	(32.27)	(32.21)
Financial Assets at Fair Value through Profit or Loss	(2.45)	(2.45)
	(34.72)	(34.66)
Net deferred tax assets [Refer Note 36(d) and 36(e)]	14.80	8.48

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
(a) Capital advances	10.78	21.30
(b) Deposits with statutory / Government authorities	3.75	3.26
(c) Prepaid expenses	0.33	0.41
Total	14.86	24.97

Note 12: Inventories

Accounting Policy

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 12: Inventories (Contd..)

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
(a) Raw materials	169.46	130.04
(b) Work-in-progress	47.25	46.22
(c) Finished goods	201.42	196.29
(d) Stock-in-trade	397.72	476.86
(e) Packing materials and consumables	16.26	15.62
Total	832.11	865.03

Notes:

- (i) The above includes goods in transit as under:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Raw materials	6.33	3.08
Stock-in-trade	5.37	8.64
Packing materials and consumables	0.19	0.00
Total	11.89	11.72

- (ii) During the year ended March 31, 2026 ₹ 11.36 crores (March 31, 2025: ₹ (1.29) crores) was recognised as an expense for inventories carried at net realisable value.

- (iii) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Note 13: Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Secured, considered good	11.04	12.46
Unsecured, considered good	532.77	532.20
	543.81	544.66
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 48C)		
Unsecured, considered good based on expected credit loss provisioning	32.36	31.13
	32.36	31.13
Total	511.45	513.53

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 13: Trade receivables (Contd..)

Notes:

- Trade receivables are generally on terms of 15 to 90 days and are non-interest bearing except in case of overdue payments.
- Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.
- Refer Note 43 for receivables from related parties.
- Offsetting financial assets and financial liabilities: The Company provides certain incentives to selected customers, the amounts payable by the Company as at March 31, 2026 of ₹ 165.44 crores (March 31, 2025: ₹ 139.01 crores) are offset against receivables from the customers and only the net amounts are settled.
- The secured portion of trade receivables is supported by security deposits received from customers, as disclosed in Note 25(b).
- There are no disputed/ undisputed trade receivables as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

Trade receivables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment					Total as at March 31, 2026
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	432.44	78.09	4.11	2.57	1.26	1.43	519.90
ii) Disputed trade receivables - considered good	-	-	-	1.42	1.19	21.30	23.91
Total	432.44	78.09	4.11	3.99	2.45	22.73	543.81

Particulars	Not due	Outstanding for following periods from due date of payment					Total as at March 31, 2025
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	411.44	101.30	4.34	2.93	0.66	1.15	521.82
ii) Disputed trade receivables - considered good	-	-	-	0.60	3.77	18.47	22.84
Total	411.44	101.30	4.34	3.53	4.43	19.62	544.66

Note 14: Cash and cash equivalents and Other bank balances

Particulars	As at	
	March 31, 2026	March 31, 2025
A. Cash and cash equivalents		
(a) Cash on hand	-	0.03
(b) Balances with banks:		
On current accounts	18.63	25.04
In fixed deposits with original maturity of less than 3 months	13.00	5.00
Total	31.63	30.07
B. Other bank balances		
(a) Unpaid dividend accounts	0.39	0.42
(b) Fixed deposits (Refer note below)	0.79	0.67
Total	1.18	1.09
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.79)	(0.67)
Total	0.39	0.42

Note: Fixed deposits of ₹ 0.79 crores (March 31, 2025: ₹ 0.67 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good (carried at amortised cost)		
(a) Loan given to Associate (Refer Note 53)	-	1.60
Unsecured, considered good (carried at amortised cost)		
(b) Loans to employees	1.32	1.25
Total	1.32	2.85

Notes:

- (i) There are no loans as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.
- (ii) Refer Note 43 for receivables from related parties.
- (iii) Refer Note 53 for details of loan given to Associate.

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Interest accrued	0.26	0.26
(b) Receivable from related parties	1.44	2.70
Total	1.70	2.96

Notes:

- (i) Refer Note 43 for receivables from related parties.
- (ii) Refer Note 46 for accounting policies relevant to financial assets.

Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	77.12	57.00
Considered doubtful	5.56	5.71
	82.68	62.71
Less: Provision for doubtful advances	(5.56)	(5.71)
	77.12	57.00
(b) Balances with Government authorities	53.86	49.87
(c) Prepaid expenses	13.39	12.09
(d) Right to return asset	5.99	5.04
(e) Others	3.28	1.12
Total	153.64	125.12

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 18: Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ in crores	Number of shares	₹ in crores
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2025: ₹ 1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2025: ₹ 1/-) each with voting rights	43,68,03,816	43.68	43,57,79,033	43.58

(a) Reconciliation of the 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	
	Number of shares	₹ in crores	Number of shares	₹ in crores
At the beginning of the period	43,57,79,033	43.58	43,43,85,980	43.44
Issued during the period	10,24,783	0.10	13,93,053	0.14
Outstanding at the end of the period	43,68,03,816	43.68	43,57,79,033	43.58

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹1 per share (March 31, 2025: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochoseph Chittilappilly	3,67,54,043	8.41%	4,09,05,394	9.39%
Mr. Arun K Chittilappilly	3,77,77,828	8.65%	3,77,77,828	8.67%
Mr. Mithun K Chittilappilly	8,63,89,878	19.78%	8,63,89,878	19.82%
ICICI Prudential Multi-Asset Fund	3,31,05,845	7.58%	-	-
SBI Small Cap Fund	3,19,50,676	7.31%	3,27,55,487	7.52%
Kotak Emerging Equity Scheme	-	-	2,57,84,216	5.92%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 5,532,350 shares of face value of ₹ 1 each (March 31, 2025: 6,408,490 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 45.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 18: Share capital (Contd..)

(f) Details of shares held by promoters:

As at March 31, 2026

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	(41,51,351)	3,67,54,043	8.41%	(0.98%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.50%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.65%	(0.02%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.78%	(0.04%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.76%	(0.01%)
Mr. Mithun K Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.88%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.24%	(0.01%)

As at March 31, 2025

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of ₹ 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	-	4,09,05,394	9.39%	(0.03%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.51%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.67%	(0.03%)
Mr. Mithun K Chittilappilly	8,63,89,878	-	8,63,89,878	19.82%	(0.06%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.77%	(0.02%)
Mr. Mithun K Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.89%	(0.02%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.25%	(0.01%)

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	206.34	184.85
Exercise of Options under ESOS 2013	5.87	7.90
Transfer from Share based payments reserve on exercise of options under ESOS 2013	11.17	13.59
Closing Balance	223.38	206.34

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 19: Other Equity (Contd..)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
General Reserve		
Opening Balance	64.89	64.89
Change during the year	-	-
Closing Balance	64.89	64.89
Retained Earnings		
Opening Balance	1,616.08	1,419.76
Net Profit for the year	259.37	260.22
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(0.67)	(2.99)
Final dividend	(65.40)	(60.91)
Closing Balance	1,809.38	1,616.08
Capital Reserve		
Opening Balance	20.46	20.46
Change during the year	-	-
Closing Balance	20.46	20.46
Share based payments reserve		
Opening Balance	46.99	34.67
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(11.17)	(13.59)
Compensation cost on stock options granted (net) (Refer Note 31)	27.07	25.91
Closing Balance	62.89	46.99
Total	2,181.00	1,954.76

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve: Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / losses of the Company earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Note 20: Distribution made and proposed

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2025 - ₹ 1.50 per share of face value of ₹1 each (March 31, 2024 - ₹ 1.40 per share of face value of ₹1 each)	65.40	60.91
Total	65.40	60.91
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2026 - ₹ 1.50 per share of face value of ₹ 1 each (March 31, 2025 - ₹ 1.50 per share of face value of ₹ 1 each) (Refer note below)	65.52	65.37
Total	65.52	65.37

Note: Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 21: Lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Non-current portion of lease liabilities (Refer Note 23 (ii) and 40)	38.53	47.17
(b) Current portion of lease liabilities (Refer Note 23 (ii) and 40)	16.99	18.75
Total	55.52	65.92

Note 22: Provisions (Non-current)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Provision for warranty (Refer Note 27)	18.23	17.19
Total	18.23	17.19

Note 23: Current borrowings

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured (carried at amortised cost)		
Channel financing facility from bank	8.84	10.81
Total	8.84	10.81

Notes:

- (i) Channel financing facility from bank represents financing arrangement with limited recourse to the Company. The Company therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.
- (ii) Changes in liabilities arising from financing activities are as follows:

(₹ in Crores)

Particulars	Lease liabilities		Borrowings	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Balance outstanding as at beginning of the year	65.92	64.67	10.81	291.03
Addition on account of new leases during the year	11.01	19.19	-	-
Deletion on account of termination of leases during the year	(1.75)	(0.02)	-	-
Finance costs	5.72	6.00	1.06	13.40
Cash outflows	(25.38)	(23.92)	(3.03)	(293.62)
Balance outstanding as at end of the year	55.52	65.92	8.84	10.81
Disclosed as:				
Current borrowings (Refer Note 23)	-	-	8.84	10.81
Current portion of lease liabilities (Refer Note 21)	16.99	18.75	-	-
Non-current portion of lease liabilities (Refer Note 21)	38.53	47.17	-	-
Total	55.52	65.92	8.84	10.81

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 24: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(carried at amortised cost)		
(a) Total outstanding dues of micro enterprises and small enterprises	32.42	38.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises:		
- Related parties	63.77	72.25
- Others	586.56	526.10
	650.33	598.35
Total	682.75	636.46

Notes:

- Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Company's risk management process, refer Note 48.
- Trade payables are unsecured and for amounts due to related parties, refer Note 43.
- Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

(₹ in Crores)

Particulars	March 31, 2026	March 31, 2025
(a) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the year:		
Principal amount due to micro and small enterprises	32.90	38.02
Interest due on above	0.32	0.32
	33.22	38.34
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under the MSMED Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.32	0.32
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note:

- Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.
- Principal amount due to micro and small enterprises includes dues of micro and small enterprises included under other financial liabilities [Refer Note 25 (ii)].

Trade payables ageing schedule

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2026
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	32.42	-	-	-	-	32.42
ii) Others	603.47	43.05	0.66	1.10	2.05	650.33

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 24: Trade payables (Contd..)

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2026
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2025
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	36.51	1.60	-	-	-	38.11
ii) Others	530.25	61.54	2.17	1.50	2.89	598.35
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Note 25: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(carried at amortised cost)		
(a) Unpaid dividends (Refer note (i) below)	0.39	0.42
(b) Trade / Security deposits received (Refer Note 43 for related party balances)	13.05	13.21
(c) Capital creditors (Refer note (ii) below)	3.42	0.34
(d) Employee benefits payable (Refer Note 43 for related party balances)	55.47	93.12
(e) Deferred consideration payable	1.62	29.16
(f) Other payables	3.06	1.66
Total	77.01	137.91

Notes:

- (i) Unpaid dividend represents unrepresented dividend warrants and does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.
- (ii) Capital creditors includes outstanding dues of micro enterprises and small enterprises of ₹ 0.85 crores (March 31, 2025: ₹ 0.23 crores) Refer note 24(iii).

Note 26: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Statutory dues*	44.82	42.40
(b) Contract liabilities (Refer Note 28 (iii))	32.36	20.49
(c) Refund liabilities arising from right to return assets	10.24	7.85
(d) Others	4.18	4.91
Total	91.60	75.65

*Represents Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 27: Provisions (Current)

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (1) below)	35.88	26.34
(ii) Provision for gratuity (Refer Note 41)	30.73	13.16
(b) Other provisions		
(i) Provision for warranty (Refer note (2) below)	62.35	57.08
(ii) Provision for indirect tax litigations (Refer note (3) below)	2.12	-
Total	131.08	96.58

Notes:

1. Provision for compensated absences

The obligations for compensated absences cover the Company's liability for paid leaves. The entire amount of the provision is presented as current as the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision per the actuarial valuation report, included in the total obligation for compensated absences, is ₹ 5.02 crores (March 31, 2025 – ₹ 3.58 crores).

2. Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

The table below gives information about movement in provision for warranty :

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	74.27	61.21
Additional provision recognized	85.50	78.36
Amounts used during the year	(79.19)	(65.30)
Balance as at the end of the year	80.58	74.27
Disclosed as:		
Non-current (Refer Note 22)	18.23	17.19
Current	62.35	57.08

3. Provision for indirect tax litigations

Company has created a provision of ₹ 2.12 crores (March 31, 2025 : Nil) in relation to indirect tax litigations. Nature of the provision has not been given on the grounds that it can be expected to prejudice the interests of the Company. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

Note 28: Revenue from operations

Accounting Policies

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 28: Revenue from operations (Contd..)

service and acceptance of the customer. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(a) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(b) Right to return assets and refund liability

A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer.

(c) Financing Components

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(d) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(e) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Revenue from contracts with customers		
Sale of products	5,637.25	5,265.23
Sale of services	13.17	7.44
	5,650.42	5,272.67
(b) Other operating revenue		
Sale of scrap	31.87	24.33
Government budgetary support (Refer note (i) below)	9.49	11.87
	41.36	36.20
Total	5,691.78	5,308.87

Notes:

- (i) Government budgetary support represents benefits provided by the Central Government of India to the Company in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 28: Revenue from operations (Contd..)

(ii) Timing of revenue recognition is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2026			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	1,624.45	2,415.88	1,596.92	5,637.25
Sale of services	4.14	1.53	7.50	13.17
Total revenue from contracts with customers	1,628.59	2,417.41	1,604.42	5,650.42
India	1,627.41	2,417.04	1,603.60	5,648.05
Outside India	1.18	0.37	0.82	2.37
Total revenue from contracts with customers	1,628.59	2,417.41	1,604.42	5,650.42
Timing of revenue recognition				
Goods transferred at a point in time	1,624.45	2,415.88	1,596.92	5,637.25
Services transferred over time	4.14	1.53	7.50	13.17
Total revenue from contracts with customers	1,628.59	2,417.41	1,604.42	5,650.42

(₹ in Crores)

Particulars	For the year ended March 31, 2025			
	Electronics	Electricals	Consumer Durables	Total
Sale of products	1,493.93	2,141.08	1,630.22	5,265.23
Sale of services	3.51	0.98	2.95	7.44
Total revenue from contracts with customers	1,497.44	2,142.06	1,633.17	5,272.67
India	1,485.64	2,141.80	1,631.98	5,259.42
Outside India	11.80	0.26	1.19	13.25
Total revenue from contracts with customers	1,497.44	2,142.06	1,633.17	5,272.67
Timing of revenue recognition				
Goods transferred at a point in time	1,493.93	2,141.08	1,630.22	5,265.23
Services transferred over time	3.51	0.98	2.95	7.44
Total revenue from contracts with customers	1,497.44	2,142.06	1,633.17	5,272.67

Set out below, is the reconciliation of the revenue from contracts with customers :

(₹ in Crores)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Electronics	Electricals	Consumer Durables	Electronics	Electricals	Consumer Durables
External customers	1,638.03	2,436.21	1,617.54	1,508.36	2,154.83	1,645.68
Scrap sale	(4.03)	(18.80)	(9.04)	(3.91)	(12.77)	(7.65)
Government budgetary support	(5.41)	-	(4.08)	(7.01)	-	(4.86)
Total revenue from contracts with customers	1,628.59	2,417.41	1,604.42	1,497.44	2,142.06	1,633.17

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 28: Revenue from operations (Contd..)

(iii) Contract balances

The following are the contract balances:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Trade receivables (Current) (Refer Note 13)	511.45	513.53
Contract liabilities (Current) (Refer Note 26)	32.36	20.49

During the year ended March 31, 2026, revenue recognised from amount included in contract liability at the beginning of year is ₹ 18.90 crores (March 31, 2025: ₹ 20.66 crores).

(iv) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	6,079.87	5,692.96
Adjustments:		
Discounts, rebates and trade incentives	(419.21)	(388.11)
Sales return	(10.24)	(7.85)
Total revenue from contracts with customers	5,650.42	5,297.00

(v) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / dispatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Company offers standard warranty on selected products. The Company makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2026 and March 31, 2025.

Note 29: Other income

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on sale of investments	4.40	5.86
Dividend from Subsidiary	14.09	-
Fair value gain on Investment	0.55	-
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	5.97	4.99
(ii) Interest income from banks on deposits	0.01	0.10
(iii) Interest income on loans	1.01	1.11
Mould hire charges	0.12	0.12
Liabilities / provisions no longer required written back	0.55	0.09
Profit on property, plant and equipment sold / scrapped / written off (net)	-	0.12
Gain on foreign currency transactions and translation (net)	1.34	-
Miscellaneous income	8.08	6.47
Total	36.12	18.86

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 30: Decrease / (increase) in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year:		
Finished goods	201.42	196.29
Work-in-progress	47.25	46.22
Stock-in-trade	397.72	476.86
Total (A)	646.39	719.37
Inventories at the beginning of the year:		
Finished goods	196.29	167.06
Work-in-progress	46.22	41.67
Stock-in-trade	476.86	374.47
Total (B)	719.37	583.20
(Increase) / decrease in inventories		
Finished goods	(5.13)	(29.23)
Work-in-progress	(1.03)	(4.55)
Stock-in-trade	79.14	(102.39)
Net (increase) / decrease (B - A)	72.98	(136.17)

Note 31: Employee benefits expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Salaries, wages and bonus	414.20	404.94
(b) Contributions to provident and other funds	20.68	18.40
(c) Share based payment expense (Refer Note 45)	27.07	25.91
(d) Gratuity expense (Refer Note 41)	9.06	6.71
(e) Staff welfare expenses	23.12	23.47
Total	494.13	479.43

Note 32: Depreciation and amortization expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Depreciation of property, plant and equipment (Refer Note 3)	46.83	42.52
(ii) Depreciation of right of use assets (Refer Note 3)	19.77	19.44
(iii) Amortization of intangible assets (Refer Note 5)	15.46	11.72
Total	82.06	73.68

Note 33: Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	1.06	13.40
(ii) Interest on lease liabilities (Refer Note 40)	5.72	6.00
(iii) Interest - others	1.08	3.48
	7.86	22.88
Less: Capitalised with property, plant and equipment / capital work-in-progress (Refer Note 3)	0.93	2.96
Total	6.93	19.92

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 34: Other expenses

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of packing materials and consumables	59.52	55.56
Power and fuel	23.08	22.74
Job work and service charges	14.01	13.23
Rent (Refer Note 40)	10.17	10.18
Repairs and maintenance		
(i) Plant and machinery	4.16	3.94
(ii) Building	1.88	1.86
(iii) Others	53.82	53.24
Rates and taxes	6.39	3.86
Travelling and conveyance	68.04	59.07
Freight and forwarding charges	154.36	138.14
Advertisement and business promotion expenses	139.07	142.92
Donations and contributions	0.03	0.09
CSR expenditure (Refer Note 35)	5.66	5.44
Legal and professional fees	73.15	43.02
Directors' sitting fees (Refer Note 43)	0.56	0.62
Commission / emolument to Directors (Refer Note 43)	1.09	1.01
Payments to statutory auditors (Refer note (i) below)	1.29	1.16
Loss on foreign currency transactions and translation (net)	-	1.78
Loss on property, plant and equipment sold / scrapped / written off (net)	0.31	-
Loss allowance for trade receivables (net) (Refer Note 48C)	1.23	1.18
Provision for doubtful advances (net)	(0.15)	(0.65)
Outsourced manpower cost	111.93	100.86
Warranty expenses	85.50	78.36
Miscellaneous expenses	110.83	87.23
Total	925.93	824.84

Notes:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Payments to statutory auditors comprises:		
Fees for Statutory Audit Services	0.63	0.60
Fees for Tax Audit	0.06	0.06
Fees for Other Services		
(i) Limited Review	0.27	0.24
(ii) Certifications	0.02	0.02
(iii) Other assurance related services	0.21	0.14
Out-of-Pocket Expenses	0.10	0.10
Total	1.29	1.16

Note 35: Details of CSR expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
a) Gross amount required to be spent during the year	5.67	5.28
b) Amount spent during the year:		
(i) In cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	5.66	5.44
(ii) Yet to be paid in cash		
- Construction / acquisition of any asset	-	-
- On purposes other than (i) above	-	-

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 35: Details of CSR expenditure (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
c) Details related to spent / unspent obligations:		
(i) Contribution to public trust	-	-
(ii) Contribution to charitable trust	-	-
(iii) Contribution to Section 8 Company (Refer Note 43)	5.51	5.31
(iv) Others	0.15	0.13
(v) Unspent amount in relation to:		
- Ongoing project	-	-
- Other than ongoing project	-	-

d) Details of CSR expenditure under Section 135(5) of the Companies Act, 2013 in respect of other than ongoing projects

Opening Balance as on April 1, 2025	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent as at March 31, 2026
0.16	-	5.67	5.66	0.15

Opening Balance as on April 1, 2024	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Excess spent as at March 31, 2025
-	-	5.28	5.44	0.16

(e) V-Guard Foundation, a Company incorporated under Section 8 of the Companies Act, 2013, is the principal arm for implementing the Company's CSR programs / projects in compliance with Section 135 of the Companies Act, 2013. Three directors of the Company are the directors of V-Guard Foundation. During the year ended March 31, 2026, the Company has contributed ₹ 5.51 crores (March 31, 2025: ₹ 5.31 crores) towards expenditure for CSR activities. During the year Company has undertaken various CSR initiatives in relation to Edu care & Skill Development, Health & Hygiene and Build India & Relief programmes.

Note 36: Income taxes

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

(a) Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current income tax		
Current income tax charge	90.58	86.18
Deferred tax		
Relating to origination and reversal of temporary differences	(6.08)	1.33
Income tax expense reported in the statement of profit and loss	84.50	87.51

(b) OCI section

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income tax related to items recognised in OCI during the year	0.24	0.98

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 36: Income taxes (Contd..)

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income tax	343.87	347.73
Applicable tax rate	25.168%	25.168%
Computed tax expense at statutory rate	86.55	87.52
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate Social Responsibility Expenditure	1.43	1.39
Dividend from Subsidiary	(3.55)	-
Other items	0.07	(1.40)
Income tax charged to the Statement of profit and loss	84.50	87.51

(d) Reconciliation of deferred tax assets:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance as at beginning of the year	8.48	8.83
Tax income / (expense) during the year recognised in Statement of profit and loss	6.08	(1.33)
Tax income / (expense) during the year recognised in other comprehensive income	0.24	0.98
Closing balance as at end of the year	14.80	8.48

(e) Movement of deferred tax assets for the year ended March 31, 2026 and March 31, 2025:

(₹ in Crores)

Particulars	Difference between book balance and tax balance of property, plant and equipment and right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Total
As at April 1, 2024	(29.45)	(2.73)	9.14	11.05	20.82	8.83
(Charged) or credited:						
- to profit or loss	(2.76)	0.28	0.13	(1.06)	2.08	(1.33)
- to other comprehensive income	-	-	-	0.98	-	0.98
As at March 31, 2025	(32.21)	(2.45)	9.27	10.97	22.90	8.48
(Charged) or credited:						
- to profit or loss	(0.06)	-	0.27	8.07	(2.20)	6.08
- to other comprehensive income	-	-	-	0.24	-	0.24
As at March 31, 2026	(32.27)	(2.45)	9.54	19.28	20.70	14.80

Note 37: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expenses	24.13	21.68
Travelling expenses	1.74	1.65
Others	6.69	5.18
Total	32.56	28.51

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 38: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	26.87	72.08

B) Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Claims against the Company not acknowledged as debt	0.39	0.27
(b) Direct tax matters under dispute / pending before Income Tax Authorities	65.32	55.77
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	17.52	12.95
(d) Others	0.14	0.14
Total	83.37	69.13

Notes:

- The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.
- The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 39: Investment in subsidiaries

- These financial statements are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".
- The Company's investment in subsidiaries are as follows:

Name of the subsidiaries	Country of incorporation	Portion of ownership interest as at March 31, 2026	Portion of ownership interest as at March 31, 2025	Method used to account for the investment
Guts Electro-Mech Limited(Refer Note (i) below)	India	100%	100%	At cost
V-Guard Consumer Products Limited (Refer Note (ii) below)	India	100%	100%	At cost
Sunflame Enterprises Private Limited (Refer Note (iii) below)	India	100%	100%	At cost

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 39: Investment in subsidiaries (Contd..)

- (i) Guts Electro-Mech Limited ("Guts") is engaged in the manufacturing and trading of Miniature Circuit Breaker (MCB) and Residual Current Circuit Breaker (RCCB).
- (ii) V-Guard Consumer Products Limited ("VCPL") is engaged in manufacturing and trading of electronic products namely stabilizers, Digital UPS, batteries and kitchen appliances.
- (iii) Sunflame Enterprises Private Limited ("SEPL") is engaged in manufacturing and trading of Kitchen appliances such as gas stoves, cooktops, chimneys, induction cookers and electric cookers.

Note 40: Leases

Accounting Policy

The Company's lease primarily comprises of land, buildings for factories, branch offices and warehouses and vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.2 (i) for the other accounting policies relevant to leases.

Notes

- (i) Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Company's real estate portfolio, allowing the Company to readily adapt to changing business needs. The Company also has lease for vehicles, which have an average lease term 4 years. The Company also has certain leases with lease terms of 12 months or less. The Company applies the short term lease recognition exemptions for these leases.
- (ii) Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2026 and March 31, 2025.
- (iii) Refer Note 23(ii) for carrying amount and movements of lease liabilities during the years ended March 31, 2026 and March 31, 2025.
- (iv) Amounts recognised in statement of profit and loss during the year:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Depreciation on right of use assets (Refer Note 32)	19.77	19.44
Finance cost accrued during the year (included in finance costs) (Refer Note 33)	5.72	6.00
Expense related to short term leases (included in other expenses) (Refer Note 34)	10.17	10.18
(Gain) / loss on lease modifications (Refer Note 29)	(0.08)	-
Total	35.58	35.62

- (v) The maturity analysis of lease liabilities are disclosed in Note 48A.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities is 9% (March 31, 2025 : 9%).
- (vii) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (viii) The Company had total cash outflows for leases of ₹ 35.55 crores during the year ended March 31, 2026 (March 31, 2025: ₹ 34.10 crores).

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 41: Employee benefit plans

Defined benefit plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn wage) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the standalone balance sheet for gratuity benefit:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Components of employer expense:		
Current service cost	8.35	6.17
Past service cost*	12.04	-
Net interest expense / (income) on net defined benefit obligations	0.71	0.54
Total expense recognised in the Statement of Profit and Loss	21.10	6.71
Actual contribution and benefit payments for year:		
Actual benefit payments	2.85	1.82
Actual contributions	4.35	10.07
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(88.12)	(65.01)
Fair value of plan assets	57.39	51.85
Net (liability) / asset recognised in the Balance Sheet (Refer Note 27(a)(ii))	(30.73)	(13.16)
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	65.01	52.75
Current service cost	8.35	6.17
Interest cost on DBO	4.13	3.63
Transfer to subsidiary	(0.09)	(0.19)
Past service cost	12.04	-
Actuarial losses / (gains)	1.53	4.47
Benefits paid	(2.85)	(1.82)
Present value of DBO at the end of the year	88.12	65.01
Change in fair value of assets during the year:		
Plan assets at beginning of the year	51.85	40.22
Return on plan assets greater / (lesser) than discount rate	0.62	0.50
Actual company contributions	4.35	10.07
Interest income on plan assets	3.42	3.09
Transfer to subsidiary	-	(0.21)
Benefits paid	(2.85)	(1.82)
Plan assets at the end of the year	57.39	51.85
Composition of the plan assets is as follows:		
Insurer managed assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.62	0.50
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(2.99)	(2.33)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	1.46	(2.14)
Total amount recognised in OCI	(0.91)	(3.97)

*Exceptional item in the Statement of Profit and Loss of ₹ 20.91 crores includes past service cost on gratuity amounting to ₹ 12.04 crores (March 31, 2025: Nil). Also refer Note 55.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 41: Employee benefit plans (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined benefit obligation	88.12	65.01

(₹ in Crores)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	5.60	(5.67)	4.68	(4.14)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(5.28)	4.92	(4.10)	4.53

Asset liability matching strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and funding policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Maturity profile of defined benefit obligation

(₹ in Crores)

Expected cash flows (value on undiscounted basis)	As at March 31, 2026	As at March 31, 2025
Within 1 year	11.41	7.86
Within 2 years	9.87	6.94
Within 3 years	10.86	7.41
Within 4 years	11.90	8.40
Within 5 years	12.84	9.37
Within 6 to 10 years	41.61	53.58

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2025: 7 years).

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial assumptions:		
Discount rate	6.80%	6.50%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution in the immediate next year (₹ in crores)	30.73	13.16

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 41: Employee benefit plans (Contd..)

Notes:

- i) Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- ii) The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching government bonds.
- iii) The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- iv) Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- a. Interest rate risk : The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.
- b. Salary Inflation risk : The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation.
- c. Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to over state withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 42: Segment reporting

The Company publishes this standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements.

Note 43: Related party transactions

(a) Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director Mr. Ramachandran V - Director and Chief Operating Officer Mr. Antony Sebastian - Executive Director Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below) Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K. Chittilappilly Ms. Sheela Kochouseph - Mother of Mr. Mithun K. Chittilappilly Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K. Chittilappilly Dr. Reena Philip - Wife of Mr. Mithun K Chittilappilly Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 43: Related party transactions (Contd..)

Description of relationship	Names of related parties
Non - Executive Directors	Ms. Radha Unni
	Mr. George Jacob Muthoot
	Prof. Biju Varkkey
	Mr. Ishwar Subramanian
	Dr. Reena Philip (w.e.f January 28, 2026)
Subsidiaries	Guts Electro-Mech Limited
	V-Guard Consumer Products Limited
	Sunflame Enterprises Private Limited
Associate	Gegadyne Energy Labs Private Limited
Entities in which KMP/ relatives of KMP can exercise significant influence	K Chittilappilly Trust
	Arav Chittilappilly Trust
	Anekha Chittilappilly Trust
	V-Guard Foundation

(b) Transactions with related parties during the year

		(₹ in Crores)	
Name of the related party	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. Kochouseph Chittilappilly	Dividend paid	6.14	5.73
	Emoluments	-	0.94
Mr. Mithun K. Chittilappilly	Dividend paid	12.96	12.09
	Remuneration:	12.48	10.56
	Salaries and allowances	6.26	4.57
	Company contribution to provident fund	0.44	0.35
	Commission	5.78	5.64
Mr. Ramachandran V	Dividend paid	0.35	0.31
	Remuneration:	22.51	33.24
	Salaries and allowances	3.14	3.79
	Company contribution to provident fund	0.30	0.32
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	19.07	29.13
	Issue of Equity shares including premium	5.94	8.00
	Dividend paid	0.00	0.00
Mr. Sudarshan Kasturi	Remuneration:	5.36	5.55
	Salaries and allowances	3.34	3.58
	Company contribution to provident fund	0.18	0.17
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.84	1.80
	Issue of Equity shares including premium	0.01	0.01
	Dividend paid	0.00	0.00
	Remuneration:	0.70	0.82
Mr. Vikas Kumar Tak	Salaries and allowances	0.67	0.58
	Company contribution to provident fund	0.03	0.02
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	-	0.22
	Issue of Equity shares including premium	-	0.00
	Dividend Paid	0.07	0.06
	Remuneration:	1.11	1.36
	Salaries and allowances	1.04	1.29
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Company contribution to provident fund	0.07	0.07
	Dividend paid	7.40	6.91

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 43: Related party transactions (Contd..)

(₹ in Crores)

Name of the related party	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Entities in which KMP/ relatives of KMP can exercise significant influence (excluding V-Guard Foundation)	Dividend paid	9.09	8.49
Non - Executive Directors	Sitting fees	0.56	0.62
	Commission	1.09	0.07
Guts Electro-Mech Limited	Purchase of goods	86.03	75.84
	Sale of Components	0.24	0.42
	Sale of services	0.86	0.82
	Reimbursement of expenses by subsidiary	1.50	1.06
V-Guard Consumer Products Limited	Purchase of goods	647.37	668.92
	Sale of Components	15.41	15.13
	Staff Welfare	0.01	0.01
	Sale of services	4.39	3.61
	Reimbursement of expenses by subsidiary	0.91	0.80
	Rent received	0.03	0.03
Sunflame Enterprises Private Limited	Purchase of goods	0.62	-
	Sale of Goods	0.37	0.01
	Sales of services	2.01	1.66
	Reimbursement of expenses to subsidiary	1.00	-
	Dividend Received	14.09	-
	Reimbursement of expenses by subsidiary	4.96	5.45
	Rent Received	0.14	0.16
V-Guard Foundation	CSR Contribution	5.51	5.31
Gegadyne Energy Labs Private Limited	Investment in Preference shares	25.00	-
	Purchase of goods	0.06	-
	Loan Given (Refer note 53)	9.00	1.60
	Interest income on Loan Given	0.53	0.00
	Loan Repayment	10.60	-

(c) Related party balances

(₹ in Crores)

Name of the related party	Nature of transactions	As at March 31, 2026	As at March 31, 2025
Mr. Kochoseph Chittilappilly	Emoluments payable	-	0.94
Mr. Mithun K. Chittilappilly	Commission payable	5.78	5.64
Non - Executive Directors	Commission payable	1.09	0.07
Mr. Ramachandran V	Remuneration payable	-	0.95
Mr. Sudarshan Kasturi	Remuneration payable	0.14	0.46
Mr. Vikas Kumar Tak	Remuneration payable	0.03	0.09
Mr. Antony Sebastian	Remuneration payable	-	0.27
Guts Electro-Mech Limited	Trade receivables	0.79	1.16
	Trade payables	21.55	18.15
V-Guard Consumer Products Limited	Rent deposit (Other Financial Liability)	0.01	0.01
	Trade receivables	3.66	2.00
	Trade payables	40.52	54.10
Sunflame Enterprises Private Limited	Trade receivables	0.20	-
	Trade payables	1.69	-
	Other current Financial assets	1.44	2.70
Gegadyne Energy Labs Private Limited	Trade payables	0.01	-
	Loan Outstanding	-	1.60

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 43: Related party transactions (Contd..)

Notes:

- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole. These are included as part of managerial remuneration on payment basis. Further, share based payments are disclosed when the stock options are exercised by the KMP as per the perquisite valuation rule. The details of KMP compensation is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	20.23	19.44
Post-employment benefits	1.01	0.93
Share based payment expense	20.91	31.15

- Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

Note 44: Earnings per share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in crores)	259.37	260.22
Weighted average number of equity shares outstanding*	43,84,19,931	43,76,94,778
Basic earnings per share (₹)	5.92	5.95
Net Profit for the year (₹ in crores)	259.37	260.22
Weighted average number of equity shares outstanding	43,99,07,031	43,95,12,234
Diluted earnings per share (₹)	5.90	5.92
Weighted average number of equity shares in calculating basic EPS	43,84,19,931	43,76,94,778
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	14,87,100	18,17,456
Weighted average number of equity shares in calculating diluted EPS	43,99,07,031	43,95,12,234

*Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Note 45: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on May 14, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 1,97,87,023 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 45: Share based payments (Contd..)

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company and its subsidiaries.
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	
Grant XXX	2024-25	15-May-24	12,59,200	354.55	Over 4 years	
			2,60,000	1.00		
Grant XXXI	2024-25	31-Aug-24	8,07,159	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 3 years and the balance 25% will vest at the end of third year based on the performance of the Company and its subsidiaries.
Grant XXXII	2024-25	28-Oct-24	35,721	1.00	Over 4 years	
Grant XXXIII	2024-25	27-Jan-25	1,81,801	1.00	Over 3 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company and its subsidiaries.
			14,536	1.00	Over 4 years	
Grant XXXIV	2024-25	19-Mar-25	15,669	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company and its subsidiaries.
Grant XXXV	2025-26	28-Jul-25	1,21,071	1.00	Over 4 years	
Grant XXXVI	2025-26	28-Oct-25	78,079	1.00	Over 4 years	
Grant XXXVII	2025-26	27-Jan-26	1,96,125	1.00	Over 4 years	
Grant XXXVIII	2025-26	25-Mar-26	17,402	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	22,82,537 (19,64,650)	4,12,677 (13,14,886)	2,16,830 (5,06,946)	2,89,783 (4,90,053)	21,88,601 (22,82,537)	3,25,548 (2,44,559)	7.28 (7.66)
68.75	5,67,000 (11,34,000)	- -	- -	5,67,000 (5,67,000)	- (5,67,000)	- (5,67,000)	- (0.67)

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 45: Share based payments (Contd..)

Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
121.79	1,68,000	-	-	1,68,000	-	-	-
	(5,04,000)	-	-	(3,36,000)	(1,68,000)	(1,68,000)	(1.27)
172.05	12,59,200	-	-	-	12,59,200	12,59,200	2.64
	(12,59,200)	-	-	-	(12,59,200)	(12,59,200)	(3.64)
354.55	12,59,200	-	-	-	12,59,200	3,14,800	6.62
	-	(12,59,200)	-	-	(12,59,200)	-	(7.62)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2025

Weighted average fair value of the options granted during the year was ₹ 347.50 (March 31, 2025: ₹283.68).

Weighted average equity share price at the date of exercise of options during the year was ₹ 352.69 (March 31, 2025: ₹ 390.45).

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Risk-free interest rate (%)	5.92 % to 6.74 %	6.48 % to 6.96 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	26.42% to 28.97%	27.89% to 32.00%
Dividend yield	0.37 % to 0.48 %	0.32 % to 0.40 %

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome. Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefits expense is ₹ 27.07 crores (March 31, 2025: ₹ 25.91 crores).

Note 46: Fair values

(i) Classification of financial assets at amortised cost

The Company classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

See note 2.2 (k) for other accounting policies relevant to financial assets.

(ii) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

Notes forming part of the Standalone Financial Statements

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Note 46: Fair values (Contd..)

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets at FVTPL				
Other investments	276.07	80.52	276.07	80.52
Financial assets at amortised cost				
Loans	2.24	3.90	2.24	3.90
Cash and cash equivalents and other bank balances	32.81	31.16	32.81	31.16
Other financial assets	18.89	20.20	18.89	20.20
Trade receivables	511.45	513.53	511.45	513.53
Total	841.46	649.31	841.46	649.31
Financial liabilities at amortised cost				
Borrowings	8.84	10.81	8.84	10.81
Other financial liabilities	77.01	137.91	77.01	137.91
Trade payables	682.75	636.46	682.75	636.46
Total	768.60	785.18	768.60	785.18

The management assessed that fair value of cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Company based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Current investments pertains to investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

The fair value of other investments has been determined using Income and market approach specifically using discounted cash flow method and guidelines public transactions method. Refer note 47 (iv).

The fair value of loans and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

Note 47: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	31-Mar-26	0.28	-	-	0.28
	31-Mar-25	0.28	-	-	0.28

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 47: Fair value hierarchy (Contd..)

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-26	276.07	-	180.55	95.52
	31-Mar-25	80.52	-	10.00	70.52
Assets carried at amortised cost					
Cash and bank balances	31-Mar-26	32.81	-	-	32.81
	31-Mar-25	31.16	-	-	31.16
Other financial assets	31-Mar-26	18.89	-	-	18.89
	31-Mar-25	20.20	-	-	20.20
Loans	31-Mar-26	2.24	-	-	2.24
	31-Mar-25	3.90	-	-	3.90
Trade receivables	31-Mar-26	511.45	-	-	511.45
	31-Mar-25	513.53	-	-	513.53
Liabilities carried at amortised cost					
Trade payables	31-Mar-26	682.75	-	-	682.75
	31-Mar-25	636.46	-	-	636.46
Borrowings	31-Mar-26	8.84	-	-	8.84
	31-Mar-25	10.81	-	-	10.81
Other financial liabilities	31-Mar-26	77.01	-	-	77.01
	31-Mar-25	137.91	-	-	137.91

- (i) There have been no transfers between Level 1, Level 2 and Level 3 during the year. Also refer Note 48.
- (ii) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (iv) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

As at March 31, 2026

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Income and market approach specifically using discounted cash flow method and guidelines public transactions method	Earnings multiple	0.5x increase in earnings multiple will result in a ₹ 14.57 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 14.57 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 13.96 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 15.48 crores increase in fair value.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 47: Fair value hierarchy (Contd..)

As at March 31, 2025

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Discounted cash flow method	Earnings multiple	0.5x increase in earnings multiple will result in a ₹ 9.32 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 9.14 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 14.13 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 15.96 crores increase in fair value.

Note 48: Financial risk management objectives and policies

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

A. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities.

The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2026 and March 31, 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2026, the Company had ₹ 451.29 crores (March 31, 2025: ₹ 495.40 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

The table below summarises the maturity profile of Company's financial liabilities:

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2026				
a) Borrowings	8.84	-	-	8.84
b) Lease liabilities	21.40	37.14	9.87	68.41
c) Trade payables	682.75	-	-	682.75
d) Other financial liabilities	77.01	-	-	77.01
Total	790.00	37.14	9.87	837.01

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 48: Financial risk management objectives and policies (Contd..)

(₹ in Crores)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2025				
a) Borrowings	10.81	-	-	10.81
b) Lease liabilities	22.81	44.16	14.58	81.55
c) Trade payables	636.46	-	-	636.46
d) Other financial liabilities	137.91	-	-	137.91
Total	807.99	44.16	14.58	866.73

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Company's import of goods. The Company manages this foreign currency risk by using foreign currency forward contracts to hedge its import liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

(₹ in Crores)

Particulars	Effect on profit before tax	
	1% increase	1% decrease
March 31, 2026	0.97	(0.97)
March 31, 2025	3.00	(3.00)

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Company has entered into various purchase contracts for this material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Company creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 48: Financial risk management objectives and policies (Contd..)

provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Company does not hold any collateral as security except for the deposits and bank guarantees received from customers in certain instances. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss is as follows:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	31.13	29.95
Change in allowance for expected credit loss during the year	1.23	1.18
Balance as at the end of the year	32.36	31.13

The Company follow the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and in respect of loans and deposits are managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 49: Capital management

For the purpose of the Company capital management, capital includes issued equity capital and 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 manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Borrowings	8.84	10.81
Less: Cash and cash equivalents and other bank balances	32.02	30.49
Borrowings (A)	-	-
Equity	2,224.68	1,998.34
Capital and Net debt (B)	-	-
Gearing ratio (A/B)	-	-

Note : In the current year, cash and cash equivalents along with other bank balances exceed net debt; hence, the gearing ratio is not applicable.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 50: Ratios

Ratio	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% change
Current ratio (times)	Current assets	Current liabilities	1.70	1.59	7%
Debt - Equity ratio (times) (Refer note (i) below)	Total debt	Shareholder's equity	0.00	0.01	-100%
Debt service coverage ratio (times) (Refer note (ii) below)	Earnings available for debt service = Net profit after taxes + depreciation and amortization expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	12.25	1.11	1004%
Return on equity ratio (%)	Net profit after tax	Average shareholder's equity	12%	14%	-14%
Inventory turnover ratio (times)	Cost of goods sold	Average inventory	4.54	4.55	0%
Trade receivable turnover ratio (times)	Net sales	Average trade receivables	11.11	9.95	12%
Trade payable turnover ratio (times)	Net purchases	Average trade payables	5.84	6.39	-9%
Net capital turnover ratio (times)	Net sales	Working capital = Current assets - Current liabilities	8.08	9.25	-13%
Net profit ratio (%)	Net profit after tax	Net sales	5%	5%	0%
Return on capital employed (%)	Earnings before interest and tax	Capital employed = Net worth + Total borrowings	17%	18%	-1%
Return on investment (%)	Earnings before interest and tax	Average Total Assets	12%	12%	-1%

Notes:

- (i) Variance in the aforementioned ratios is attributable to reduction in borrowings and increase in the equity during the year.
- (ii) Variance in the aforementioned ratios is attributable to the full repayment of borrowings during the previous year.

Note 51 : Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) that has operated throughout the financial year for all relevant transactions except:

- (i) for changes to certain tables where audit trail was not activated as part of default settings of the ERP vendor for the period April 1, 2025 to May 7, 2025.
- (ii) for transactions by users having specific access used for debugging and troubleshooting and
- (iii) for direct database changes to the ERP database, where adequate technical documentation is not available to enable audit trail. The Company has however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled. Further, the audit trail, to the extent maintained in the prior years, has been preserved by the Company as per the statutory requirements for record retention.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 52: Other statutory information

(i) Details of Benami property held

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

(ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company during the year with banks are in agreement with the books of accounts.

(iii) Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Company has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) Core Investment Company

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 52: Other statutory information (Contd..)

(xii) Title deeds of immovable properties

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3 and 4, are held in the name of the Company.

(xiii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiv) Utilisation of borrowings availed from banks and financial institution

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

Note 53: Disclosure required under Section 186 (4) of the Companies Act, 2013

(i) Details of Investments as per Section 186 (4) of Companies Act, 2013

(₹ in Crores)

Name of the investee	As at March 31, 2026		As at March 31, 2025	
	Investment made	Outstanding balance	Investment made	Outstanding balance
Investment in Subsidiaries				
Guts Electro-Mech Limited	-	8.85	-	8.85
V-Guard Consumer Products Limited	-	121.09	-	121.09
Sunflame Enterprises Private Limited	-	688.04	-	688.04
Investment in Associate				
Gegadyne Energy Labs Private Limited	25.00	95.57	-	70.57
Investment - Others				
Kinfra Electronic Park Private Limited	-	0.03	0.03	0.03

(ii) Details of loans (gross) as per Section 186 (4) of Companies Act, 2013

(₹ in Crores)

Name of Borrower	Relationship	Purpose	Rate of Interest	Term / Repayment schedule	As at March 31, 2026	As at March 31, 2025
Gegadyne Energy Labs Private Limited	Associate	Business operational expenses including working capital	9%/9.50%	Principal and interest to be repaid on or before May 31, 2026 (Refer note below)	-	1.60

The Company granted the following loans to Gegadyne during the current and previous years:

- A secured loan of ₹ 5.00 crores (March 31, 2025: ₹ 1.60 crores) at an interest rate of 9%, secured against the current and fixed assets of the associate company. During the year, the repayment period of this loan was extended from October 31, 2025 to May 31, 2026.
- An unsecured loan of ₹ 4.00 crores granted during the year at an interest rate of 9.50%, payable on or before May 31, 2026.

Both the above loans were fully repaid during the year. Refer Note 43(b).

Note 54: During the year, the Company was required to transfer 14,645 equity shares to IEPFA as dividend has not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2018-19 to 2024-2025. However, the Company could transfer only 13,383 equity shares, as 1,262 equity shares could not be transferred due to regulatory restrictions.

Notes forming part of the Standalone Financial Statements

as of and for the year ended March 31, 2026

Note 55: 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 - replacing 29 existing labour laws, collectively referred to as the 'New Labour Codes'. The Company has assessed and disclosed the incremental financial impact of these changes, taking into consideration the best information available read with the FAQs released by the Ministry of Labour & Employment and the Institute of Chartered Accountants of India and the rules notified subsequent to the year end. Considering the materiality and non-recurring nature of this impact, the Company has presented incremental charge of ₹ 20.91 crores under "Exceptional item" in the standalone financial statements for the year ended March 31, 2026.

The Company continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/guidance.

Note 56: The Board of Directors in its meeting held on July 29, 2025 have accorded in-principle approval for merger of Sunflame Enterprises Private Limited with the V-Guard Industries Limited (Holding Company), subject to necessary approvals. The proposed merger is being carried out to take advantage of synergies with the Holding Company.

Note 57: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the standalone financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

Place : Kochi

Date : May 12, 2026

**For and on behalf of the Board of Directors of
V-Guard Industries Limited**

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Place : Kochi

Date : May 12, 2026

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Independent Auditor's Report

To the Members of **V-Guard Industries Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **V-Guard Industries Limited** (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate company (refer Note 53 to the consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate company as at March 31, 2026, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter

Revenue from sale of products (as described in note 29 of the consolidated financial statements)

The Holding Company's revenue principally comprises sale of products. The revenue from sale of products is recognised in accordance with the accounting principles under Ind AS 115, "Revenue from contracts with customers" and is measured at the transaction price net of trade discounts and volume rebates as per trade schemes and taxes or duties collected on behalf of government authorities and is recognised at a point in time when the entity satisfies the performance obligation by transferring control of promised goods to customers.

The control in respect of sale of products is generally transferred when the products are delivered to customers in accordance with the terms of contract with customers.

How our audit addressed the key audit matter

Our audit procedures among others, included the following:

- Understanding and evaluating the design and testing the operating effectiveness of Holding Company's controls around revenue recognition including accounting for trade discounts and volume rebates;
- Assessing the Holding Company's accounting policy for revenue recognition including the policy for recording trade discounts and volume rebates in accordance with Ind AS 115 "Revenue from Contracts with Customers";
- Selecting samples of revenue transactions during the year and inspecting underlying documents which include invoices, shipping documents/ customers' acceptance, as applicable, to determine that the revenue is recognised in accordance with the agreed terms;
- Testing selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with agreed terms, in the appropriate financial period;

Key audit matter

We have considered revenue recognition as a key audit matter due to significant audit risk around revenue recognition requiring greater audit effort and attention on account of the risk of revenue being recorded in incorrect period and due to estimates involved in calculation of liability for trade schemes.

Impairment assessment of goodwill and intangible assets with indefinite useful life (Refer note 5 to the consolidated financial statements)

As at March 31, 2026, the consolidated financial statements include goodwill of ₹ 249.14 crores and intangible assets with indefinite useful life of ₹ 366.00 crores pertaining to acquisition of Sunflame Enterprises Private Limited, a wholly owned subsidiary ("Sunflame"), in the prior year.

In accordance with the requirements of Ind AS 36 'Impairment of Assets', the management has allocated the said goodwill and intangible assets to the underlying Cash Generating Unit (CGU) and tested the same for impairment using a Discounted Cash Flow (DCF) model. Based on such testing, the recoverable amount of the CGU is higher than the carrying amount of the said CGU and accordingly no adjustment for impairment is considered necessary by the Group.

The DCF model requires the Group to make significant assumptions such as discount rate, projected revenue growth and margins over the estimation period and terminal revenue growth rate which involves high estimation uncertainty affected by future market and economic conditions and hence, are inherently uncertain.

We considered this as a key audit matter because of the significant level of judgments used in assumptions that can lead to changes in the assessment of the recoverable amount.

How our audit addressed the key audit matter

- Testing on a sample basis the calculation of the liability for trade discounts and volume rebates at year end with approved trade schemes and underlying sales data, including testing of completeness and arithmetical accuracy of the data used by the Holding Company's Management; and
- Testing on a sample basis credit notes issued to customers/ payments made for incentives as per the approved trade schemes.

Our audit procedures among others, included the following:

- Understanding and evaluating the design and testing the operating effectiveness of the controls on the impairment assessment process, including preparation of the DCF model;
- Evaluating the Company's accounting policy in respect of impairment assessment of goodwill and intangible assets with indefinite useful life;
- Understanding the cash flow projections and assumptions used in the DCF model, evaluating the mathematical accuracy and reading the report of the management's expert;
- Together with auditor's valuation experts, testing the appropriateness of the DCF model and key assumptions therein and performing sensitivity analysis over key assumptions to corroborate that the recoverable amount of the CGU is within a reasonable range; and
- Evaluating the related presentation and disclosures in the consolidated financial statements.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility and Sustainability report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate company are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group and of its associate company are responsible for overseeing the financial reporting process of the respective companies.

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - (a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) 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 ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.
 - (e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

14. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of ₹ (0.01) crores for the year ended March 31, 2026 as considered in the consolidated financial statements, in respect of an associate company, whose financial information has not been audited by us. The financial information of this associate company are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of Section 143(3) of the Act including report on Other Information insofar as it relates to the aforesaid associate company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of Section 143(11) of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 reports issued by us in respect of the standalone financial statements of the Holding Company and financial statements of the subsidiaries which are included in these Consolidated Financial Statements, to whom CARO 2020 is applicable.

The statutory audit report of Gegadyne Energy Labs Private Limited, an associate company of the Holding Company has not been issued until the date of this report. Accordingly, qualifications or adverse remarks, if any, have not been included under this clause.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India whose audit under Section 143 of the Act has been completed, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above and paragraph 16(h)(vi) below.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 27 and Note 39B to the consolidated financial statements.

- ii. The Group was not required to recognise a provision as at March 31, 2026 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any long term derivative contracts as at March 31, 2026.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries which are companies incorporated in India during the year ended March 31, 2026.
 - iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 51(vii)(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51(vii)(B) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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 has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
 - v. The dividend declared and paid by the Holding Company and a subsidiary which is a company incorporated in India during the year in respect of the prior year ended March 31, 2025 is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of dividend until the date of this audit report.
- Further, as stated in Note 20 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination, which included test checks, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained in case of modification by users with specific access and for certain records for the period April 1, 2025 to May 7, 2025. During the course of performing our procedures, other than the aforesaid instances

of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. With respect to direct database changes, in the absence of adequate evidence of necessary controls and documentation, we are unable to comment on the audit trail feature and, accordingly, the question of our commenting on whether the audit trail feature

was tampered with, does not arise. Further, the audit trail, to the extent maintained in the prior years, have been preserved by the Group as per the statutory requirements for record retention.

17. The Group has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership Number: 064311

UDIN: 26064311VFQHEJ3094

Place: Kochi

Date: May 12, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of V-Guard Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2026

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Section 143(3)(i) of the Act

1. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to financial statements of V-Guard Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiaries, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to financial statements

6. 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. 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.

Place: Kochi
Date: May 12, 2026

Opinion

8. In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership Number: 064311

UDIN: 26064311VFQHEJ3094

Consolidated Balance Sheet

as at March 31, 2026

(₹ in Crores)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
A. ASSETS			
1. Non-current assets			
Property, plant and equipment	3	661.84	529.42
Capital work-in-progress	3	19.93	48.62
Investment property	4	0.28	0.28
Goodwill	5	252.80	252.80
Other intangible assets	5	437.28	450.53
Intangible assets under development	5	1.10	0.50
Right of use assets	3	171.31	140.83
Financial assets			
(a) Investments	6	95.59	70.60
(b) Loans	7	0.92	1.05
(c) Other financial assets	8	21.22	19.71
Current tax assets (net)	9	37.59	35.71
Deferred tax assets (net)	10A	15.69	9.08
Other non-current assets	11	33.66	26.59
		1,749.21	1,585.72
2. Current assets			
Inventories	12	1,023.93	997.29
Financial assets			
(a) Investments	6	180.70	10.14
(b) Trade receivables	13	532.85	542.31
(c) Cash and cash equivalents	14A	46.92	49.98
(d) Bank balances other than (c) above	14B	12.38	14.52
(e) Loans	15	1.33	2.87
(f) Other financial assets	16	1.79	1.83
Other current assets	17	164.61	133.55
		1,964.51	1,752.49
TOTAL ASSETS		3,713.72	3,338.21
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	18	43.68	43.58
Other equity	19	2,329.37	2,054.25
TOTAL EQUITY		2,373.05	2,097.83
2. Non-current liabilities			
Financial liabilities			
Lease liabilities	21	130.55	98.35
Deferred tax liabilities (net)	10B	99.70	99.65
Provisions	22	20.89	19.43
		251.14	217.43
3. Current liabilities			
Financial liabilities			
(a) Borrowings	23	8.84	10.81
(b) Lease liabilities	21	25.87	24.36
(c) Trade payables	24		
(i) Total outstanding dues of micro enterprises and small enterprises		75.78	56.77
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		662.69	600.18
(d) Other financial liabilities	25	82.18	145.77
Other current liabilities	26	97.98	83.64
Provisions	27	135.19	100.52
Current tax liabilities (net)	28	1.00	0.90
		1,089.53	1,022.95
TOTAL LIABILITIES		1,340.67	1,240.38
TOTAL EQUITY AND LIABILITIES		3,713.72	3,338.21

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

For and on behalf of the Board of Directors of
V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha UnniChairperson
DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Sd/-

Mithun K. ChittilappillyManaging Director
DIN: 00027610

Sd/-

Vikas Kumar TakCompany Secretary
Membership No: F6618

Place : Kochi

Date : May 12, 2026

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V-Guard Industries Limited
Annual Report 2025- 26

Place : Kochi

Date : May 12, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in Crores)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
1 Income			
(a) Revenue from operations	29	5,965.78	5,577.82
(b) Other income	30	23.51	20.89
Total income		5,989.29	5,598.71
2 Expenses			
(a) Cost of raw materials consumed		1,955.91	1,993.48
(b) Purchase of stock-in-trade		1,799.16	1,710.32
(c) Decrease / (increase) in inventories of finished goods, work-in-progress and stock-in-trade	31	42.33	(148.05)
(d) Employee benefits expense	32	536.37	518.78
(e) Depreciation and amortization expense	33	107.89	95.66
(f) Finance costs	34	12.38	24.51
(g) Other expenses	35	1,105.25	990.06
Total expenses		5,559.29	5,184.76
3 Profit before exceptional item and tax (1 - 2)		430.00	413.95
4 Exceptional item			
Impact of new labour code	42	22.11	-
5 Profit before tax (3-4)		407.89	413.95
6 Income tax expense	37		
(a) Current tax expenses		105.83	100.59
(b) Deferred tax (credit) / expense		(6.28)	(0.36)
Total income tax		99.55	100.23
7 Profit for the year before share of profit / (loss) of associate (net) (5-6)		308.34	313.72
8 Share of (loss) of associate (net)		(0.01)	(0.00)
9 Profit for the year (7+8)		308.33	313.72
10 Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(a) Re-measurement (losses) / gains on defined benefit plans	42	(1.03)	(4.15)
(b) Income tax effect		0.28	1.01
Other comprehensive income for the year, net of tax		(0.75)	(3.14)
11 Total comprehensive income for the year, net of tax (9 + 10)		307.58	310.58
12 Profit for the year, net of tax attributable to:			
Equity holders of the parent company		308.33	313.72
Non controlling interests		-	-
13 Total comprehensive income for the year, net of tax attributable to:			
Equity holders of the parent company		307.58	310.58
Non controlling interests		-	-
14 Earnings per equity share (basic and diluted) (₹) :	45		
(Nominal value of equity share - ₹ 1 each)			
Basic earnings per share		7.03	7.17
Diluted earnings per share		7.01	7.14

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

For and on behalf of the Board of Directors of
V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Place : Kochi

Date : May 12, 2026

Place : Kochi

Date : May 12, 2026

Consolidated Statement of changes in equity

for the year ended March 31, 2026

A) Equity share capital

Particulars	No. of shares	₹ in crores
As at April 1, 2024	43,43,85,980	43.44
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	13,93,053	0.14
As at March 31, 2025	43,57,79,033	43.58
Add : Equity shares issued under Employee Stock Option Scheme 2013 ('ESOS 2013')	10,24,783	0.10
As at March 31, 2026	43,68,03,816	43.68

B) Other equity

Particulars	Attributable to the equity holders of the parent company					Total	Non controlling interests	Total
	Securities premium	General reserve	Retained earnings	Capital reserve	Share based payments reserve			
As at April 1, 2024	184.85	64.89	1,465.90	20.46	34.68	1,770.78	-	1,770.78
Net profit for the year	-	-	313.72	-	-	313.72	-	313.72
Other comprehensive income for the year	-	-	(3.14)	-	-	(3.14)	-	(3.14)
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(3.14)	-	-	(3.14)	-	(3.14)
Total comprehensive income	-	-	310.58	-	-	310.58	-	310.58
Equity shares issued under ESOS 2013	7.90	-	-	-	-	7.90	-	7.90
Final dividend (Refer Note 20)	-	-	(60.91)	-	-	(60.91)	-	(60.91)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	13.59	-	-	-	(13.59)	-	-	-
Compensation cost on stock options granted (net) (Refer Note 32)	-	-	-	-	25.90	25.90	-	25.90
As at March 31, 2025	206.34	64.89	1,715.57	20.46	46.99	2,054.25	-	2,054.25
Net profit for the year	-	-	308.33	-	-	308.33	-	308.33
Other comprehensive income for the year	-	-	(0.75)	-	-	(0.75)	-	(0.75)
Remeasurement (losses) / gains on defined benefit plans (net of taxes)	-	-	(0.75)	-	-	(0.75)	-	(0.75)
Total comprehensive income	-	-	307.58	-	-	307.58	-	307.58
Equity shares issued under ESOS 2013	5.87	-	-	-	-	5.87	-	5.87
Final dividend (Refer Note 20)	-	-	(65.40)	-	-	(65.40)	-	(65.40)
Transfer from Share based payments reserve on exercise of options under ESOS 2013	11.17	-	-	-	(11.17)	-	-	-
Compensation cost on stock options granted (net) (Refer Note 32)	-	-	-	-	27.07	27.07	-	27.07
As at March 31, 2026	223.38	64.89	1,957.75	20.46	62.89	2,329.37	-	2,329.37

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311Place : Kochi
Date : May 12, 2026For and on behalf of the Board of Directors of
V-Guard Industries Limited
CIN: L31200KL1996PLC010010Sd/-
Radha Unni
Chairperson
DIN: 03242769
Sd/-
Sudarshan Kasturi
Chief Financial OfficerPlace : Kochi
Date : May 12, 2026Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610
Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities		
Profit before tax	407.89	413.95
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	107.89	95.66
Loss on property, plant and equipment sold / scrapped / written off (net)	0.35	0.67
Loss on sale of investment property	-	0.22
Finance costs	12.38	24.51
Finance income	(2.27)	(2.28)
Net gain on sale of investments	(4.40)	(5.86)
Fair value gain on investments	(0.55)	-
Loss / (gain) on lease modifications / termination	0.78	-
Liabilities / provisions no longer required written back	(0.55)	(1.20)
Loss allowance for trade receivables (net)	1.52	1.03
Impairment allowance for doubtful advances (net)	(0.15)	(0.65)
Unrealised (gain) / loss on foreign currency transaction	(1.17)	0.24
Share based payments expense	27.07	25.90
	140.90	138.24
Operating profit before working capital changes	548.79	552.19
Movement in working capital		
Decrease / (increase) in inventories	(26.64)	(185.46)
Decrease / (increase) in trade receivables	7.94	52.48
Decrease / (increase) in loans	0.07	(0.30)
Decrease / (increase) in other financial assets	(1.33)	(0.86)
Decrease / (increase) in other assets	(31.14)	6.32
Increase / (decrease) in trade payables	83.24	107.89
Increase / (decrease) in other financial liabilities	(64.21)	33.94
Increase / (decrease) in provisions	35.10	14.22
Increase / (decrease) in other liabilities	14.34	4.25
	17.37	32.48
Cash generated from operations	566.16	584.67
Income tax paid (net of refunds)	(107.61)	(107.71)
Net cash flow from / (used in) operating activities (A)	458.55	476.96
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets including capital work-in-progress, intangible assets under development and capital advances	(179.85)	(120.66)
Proceeds from sale of property, plant and equipment	0.65	0.87
Purchase of non current investment	-	(0.03)
Investment in associate	(25.00)	-
(Purchase) / sale of current investments (net)	(165.61)	25.89
Proceeds from sale of investment property	-	1.11
Redemption of / (investment in) fixed deposits with maturity more than 3 months (net)	1.99	(4.72)
Loan granted to associate	(9.00)	(1.60)
Loan repaid by associate	10.60	-
Finance income	2.28	2.22
Net cash flow (used in) / from investing activities (B)	(363.94)	(96.92)

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C. Cash flow from financing activities		
Proceeds from exercise of share options (including share application money)	5.97	8.04
Payment of principal portion of lease liabilities	(23.86)	(18.60)
(Repayment of) / proceeds from short term borrowings (net)	(1.97)	(6.27)
(Repayment of) / proceeds from long term borrowings	-	(273.95)
Finance costs paid	(12.38)	(25.68)
Dividends paid on equity shares	(65.43)	(61.05)
Net cash flow (used in) / from financing activities (C)	(97.67)	(377.51)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(3.06)	2.53
Cash and cash equivalents at the beginning of the year	49.98	47.45
Cash and cash equivalents at the end of the year	46.92	49.98
Components of cash and cash equivalents as at year end: (Refer Note 14A)		
(a) Cash on hand	-	0.03
(b) Balances with banks:		
In current accounts	27.90	40.22
In fixed deposits with original maturity of less than 3 months	19.02	9.73
	46.92	49.98
Non cash investing activities		
Acquisition of right of use assets	59.40	31.36
Disposal of right of use assets	(21.89)	(4.35)

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Price Waterhouse Chartered Accountants LLP**

Firm registration number: 012754N/N500016

Sd/-

Amit Kumar Agrawal

Partner

Membership No. : 064311

For and on behalf of the Board of Directors of

V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Sd/-

Radha Unni

Chairperson

DIN: 03242769

Sd/-

Sudarshan Kasturi

Chief Financial Officer

Sd/-

Mithun K. Chittilappilly

Managing Director

DIN: 00027610

Sd/-

Vikas Kumar Tak

Company Secretary

Membership No: F6618

Place : Kochi

Date : May 12, 2026

Place : Kochi

Date : May 12, 2026

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of V-Guard Industries Limited ('V-Guard' or 'the Company' or 'the Holding Company' or 'the Parent Company') and its subsidiaries, Guts Electro-Mech Limited ('Guts'), V-Guard Consumer Products Limited ('VCPL') and Sunflame Enterprises Private Limited ('Sunflame') (collectively, the 'Group') and its interests in associate company (Gegadyne Energy Labs Private Limited) for the year ended March 31, 2026. The Company is a public company domiciled in India with its registered office at Vennala High School Road, Kochi, Kerala. The Group is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Stabilizers, Digital UPS, and Solar Inverters
Electricals	PVC Insulated Cables, Switch Gears, Pumps and Modular Switches
Consumer Durables	Fans, Water Heaters, Kitchen Appliances and Air Coolers
Sunflame	Products sold under trademark Sunflame and Superflame.

The Group's manufacturing facilities are located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Roorkee, Haridwar and Pantnagar, Uttarakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu; at Hyderabad, Telangana; at Majitar, Rangpo and Mamring in Sikkim; at IMT, Faridabad; at Vapi, Gujarat and at Mahabubnagar, Hyderabad in Telangana. The Holding Company's shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on May 12, 2026.

2. ACCOUNTING POLICIES

This note provides a list of the accounting policies and basis of preparation adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

2.1 Basis of preparation

a) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as applicable to the consolidated financial statements.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- certain financial assets and liabilities (including derivative instruments) measured at fair value.
- defined benefit plans – plan assets measured at fair value.
- share-based payments.

c) Rounding of amounts

The financial statements are presented in Indian Rupees ('₹') and all values are rounded to nearest crores upto two decimal places (₹ 00,00,000), except when otherwise indicated.

d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

e) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1.
- Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107.
- International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12.
- Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

f) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 01, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8.

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

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and associate as at March 31, 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in

Notes forming part of the Consolidated Financial Statements

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preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost

- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 Other Accounting Policies

This note provides a list of other accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

b) Interest and dividend income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument

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(for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Dividend income is recognised when the right to receive payment is established.

c) Retirement and other employee benefits

Defined contribution schemes

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare fund etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Group has no obligation, other than the contribution payable to the fund towards such schemes. The Group recognizes contribution payable as an expense, when an employee renders the related services. If the contribution payable to scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit scheme

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund maintained with Life Insurance Corporation of India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, as the Group believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

d) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Share based payments reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

e) Property, plant and equipment

The Group's accounting policy for land is explained in note 3. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses.

f) Investment Property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable, borrowing costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. Investment property as at March 31, 2026 and March 31, 2025 comprise of land.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

g) Other Intangible Assets

The Group's accounting policy for intangibles is explained in note 5.

Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in

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accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets are disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortised on straight line basis over the estimated useful life. During the period of development, the asset is tested for impairment annually.

h) Borrowing costs

Borrowing costs 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Leases

The Group's accounting policy for leases is explained in note 41.

As a Lessee

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

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- any initial direct costs
- restoration costs

As a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Financial Assets and Liabilities

The Group's accounting policy for financial assets is explained in note 47.

(i) Initial Recognition of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual

cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

A financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of

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EIR. The EIR amortization is included in finance income in statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to loans, deposits, trade and other receivables.

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

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instrument included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments. Investments in other entity and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Investments in mutual funds are mandatorily classified as fair value through statement of profit and loss. Fair value of mutual funds is determined based on the net asset value of the funds.

(iii) De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar

financial assets) is primarily derecognised (i.e., removed from the Group's Balance Sheet) when:

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

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

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

(iv) Impairment of financial assets

In accordance with Ind AS 109, the Group applies the expected credit losses (ECL) model for measurement and recognition of impairment loss.

The Group follows "simplified approach" for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed

ECL impairment loss allowance (or reversal) recognized during the period is recognized

as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. For financial assets measured as at amortised cost and contractual revenue receivables ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

(v) Financial liabilities - Initial recognition and classification

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid per the term of contract with suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using Effective interest rate method.

Loans and borrowings

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

Amortised cost is calculated by taking into account any discount or premium on acquisition

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and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

(vi) De-recognition of financial liabilities

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

(vii) Reclassification of financial assets/ financial liabilities

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

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(ix) Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts to hedge its

foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

k) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the uncertainty.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises 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 the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

l) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

m) Cash dividend and non-cash distribution

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders in case of final dividend and by the board of directors in case of interim dividend. A corresponding amount is recognised directly in equity.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Segment accounting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. The Management monitors the

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operating results of all strategic business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The operating segments have been identified on the basis of the nature of products. Further:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- Segment results includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.
- Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.
- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated business.

p) Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, 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.

Warranty provision

Provision for assurance type warranty-related costs are recognised when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to four years.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

q) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

r) Foreign currencies

The Group's financial statements are presented in INR which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency

spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses a monthly average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

s) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value,

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maximising 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group has a team comprising of members of senior management that determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale/distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted investments and financial assets, and significant liabilities, such as contingent consideration. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

t) Exceptional items

The Group recognises exceptional item when items of income and expenses within Statement of Profit and Loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period.

2.4 Critical estimates and judgements

The preparation of the Group'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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Revenue from sale of products

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. In determining the transaction price for the sale of products, the Group considers the effects of various factors such as volume based discounts, rebates and other promotion incentives schemes ('trade schemes') provided to the customers. At year end, amounts for trade schemes that have been incurred and not yet provided to the customers are estimated and accrued. The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return also.

In estimating the variable considerations, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with trade schemes, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number

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of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

c) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These mainly include the determination of the discount rate and future salary increases. 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 for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined

benefit obligation. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligation are given in Note 42.

d) Taxes

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

e) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset including intangible assets having indefinite useful life and goodwill may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are estimated based on past trend and 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress

Accounting Policy

Freehold land is carried at historical cost. All other property, plant and equipment is recognised at cost, less accumulated depreciation and impairment loss, if any. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. For Leases Refer Note 41.

Depreciation Methods, estimated useful lives and residual value

Depreciation is provided for property, plant and equipment on a straight-line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation.

The estimated useful lives are as mentioned below:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture and fixtures	10
Vehicles	8 to 10

Leased assets are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II of the Companies Act 2013, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

See note 2.3 (e) for the other accounting policies relevant to property, plant and equipment.

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

(₹ in Crores)

	Property, plant and equipment								Right of use asset				Capital work-in-progress
	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Leasehold land	Leasehold buildings	Leased vehicles	Total	
Gross block													
As at April 1, 2024	59.83	195.42	399.53	22.99	2.28	21.57	31.71	733.33	42.69	127.12	10.62	180.43	24.75
Additions	-	8.44	47.57	4.16	-	6.39	8.72	75.28	-	20.80	10.56	31.36	37.71
Disposals	-	-	(5.80)	(0.12)	-	(0.62)	(2.91)	(9.45)	-	(0.61)	(3.74)	(4.35)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(13.84)
As at March 31, 2025	59.83	203.86	441.30	27.03	2.28	27.34	37.52	799.16	42.69	147.31	17.44	207.44	48.62
Additions	-	97.66	60.44	8.70	0.16	12.70	15.49	195.15	-	54.83	4.57	59.40	82.73
Disposals	-	(0.07)	(2.26)	(0.07)	(0.69)	(1.09)	(2.76)	(6.94)	-	(18.67)	(3.22)	(21.89)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(111.42)
As at March 31, 2026	59.83	301.45	499.48	35.66	1.75	38.95	50.25	987.37	42.69	183.47	18.79	244.95	19.93
Accumulated depreciation													
As at April 1, 2024	-	33.60	144.37	10.28	0.65	12.78	20.22	221.90	4.85	36.36	5.99	47.20	-
Charge for the year	-	7.58	36.06	2.26	0.36	3.47	6.02	55.75	1.12	19.18	3.44	23.74	-
Disposals	-	-	(4.34)	(0.10)	-	(0.58)	(2.89)	(7.91)	-	(0.61)	(3.72)	(4.33)	-
As at March 31, 2025	-	41.18	176.09	12.44	1.01	15.67	23.35	269.74	5.97	54.93	5.71	66.61	-
Charge for the year	-	8.24	38.99	2.63	0.23	4.02	7.62	61.73	0.32	21.43	4.56	26.31	-
Disposals	-	(0.03)	(1.70)	(0.06)	(0.33)	(1.09)	(2.73)	(5.94)	-	(16.17)	(3.11)	(19.28)	-
As at March 31, 2026	-	49.39	213.38	15.01	0.91	18.60	28.24	325.53	6.29	60.19	7.16	73.64	-
Net block													
As at March 31, 2025	59.83	162.68	265.21	14.59	1.27	11.67	14.17	529.42	36.72	92.38	11.73	140.83	48.62
As at March 31, 2026	59.83	252.06	286.10	20.65	0.84	20.35	22.01	661.84	36.40	123.28	11.63	171.31	19.93

Notes forming part of the Consolidated Financial Statements

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Note 3 : Property, plant and equipment; Right of use assets and Capital work-in-progress (Contd..)

Notes:

- (i) Capital work-in-progress (CWIP) as at March 31, 2026 and March 31, 2025 represents property, plant and equipment under construction at various plants, warehouses and office buildings.

- (ii) Capital work-in-progress ageing schedule

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	18.68	1.25	-	-	19.93
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in CWIP for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	37.71	8.97	1.94	-	48.62
Projects temporarily suspended	-	-	-	-	-

- (iii) Capital work-in-progress completion schedule whose expected completion date is overdue as at March 31, 2026

(₹ in Crores)

Particulars	Amount in CWIP to be completed in				Total as at March 31, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Water monitoring project	0.06	-	-	-	0.06

There are no projects under capital work in progress where the completion is overdue as at March 31, 2025

- (iv) There are no Capital work-in-progress which has exceeded its cost as compared to its original plan as at March 31, 2026 and March 31, 2025.

- (v) The Group has capitalised borrowing cost of ₹ 0.93 crores (March 31, 2025 : ₹ 2.96 crores).

- (vi) Right of use asset includes:-

- Leasehold land which represents land obtained on long term lease from Government authorities and others.
- Leasehold building which represents properties taken on lease for its factories, offices and warehouses, accounted for in accordance with principle of Ind AS 116 'Leases'. Refer Note 41.
- Leased vehicles which represent cars taken on lease for use by employees.

- (vii) During the year ended March 31, 2026, the Group has capitalized expenses amounting to ₹ 0.02 crores (March 31, 2025 : ₹ 0.07 crores) to the cost of property, plant and equipment / capital work-in-progress. Consequently, expenses disclosed under Note 35, Other expenses are net of amounts capitalized by the Group.

- (viii) Plant and Machinery amounting to ₹ 87.81 crores (March 31, 2025 : ₹ 81.82 crores) are hypothecated with the banks against working capital limits and non fund based facilities availed by the Group.

- (ix) Refer Note 39.A on capital commitments.

Note 4 : Investment property (at cost)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Land	0.28	0.28

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 4 : Investment property (at cost) (Contd..)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(ii) Building		
Gross Block		
Gross Block at the beginning of the year	-	1.50
Additions	-	-
Disposals	-	(1.50)
Gross Block at the end of the year	-	-
Accumulated Depreciation		
Accumulated Depreciation at the beginning of the year	-	0.10
Charge for the year	-	0.07
Disposals	-	(0.17)
Accumulated Depreciation at the end of the year	-	-
Net balance as at the end of the year	0.28	0.28

Note: Investment Property represents land at Coimbatore acquired by the Group in earlier years. The carrying amount of the investment property is a reasonable approximation of fair value.

Note 5 : Goodwill; Other intangible assets and Intangible assets under development

Accounting Policy

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation method and useful lives

Intangible assets with finite useful life are amortised on a straight line basis over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5 years
Trademark	Indefinite/10 years
Technical knowhow	10 years
Customer relationships / Distribution network	5 to 10 years
Non Compete	10 years

See note 2.3 (g) for the other accounting policies relevant to other intangible assets and note 2.3 (q) for the group's policy regarding impairment.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income. After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually or earlier, when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 5 : Goodwill; Other intangible assets and Intangible assets under development (Contd..)

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(₹ in Crores)

Particulars	Other intangible assets						Goodwill	Intangible assets under development
	Technical knowhow	Computer software	Trademark	Customer relationship	Non compete	Total		
Gross block								
As at April 1, 2024	10.01	44.78	371.05	39.54	0.91	466.29	252.80	12.37
Purchase / additions	-	31.61	-	-	-	31.61	-	0.50
Disposals	-	(0.72)	-	-	-	(0.72)	-	-
Capitalised during the year	-	-	-	-	-	-	-	(12.37)
As at March 31, 2025	10.01	75.67	371.05	39.54	0.91	497.18	252.80	0.50
Purchase / additions	-	6.60	-	-	-	6.60	-	1.10
Disposals	-	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	-	(0.50)
As at March 31, 2026	10.01	82.27	371.05	39.54	0.91	503.78	252.80	1.10
Accumulated amortization								
As at April 1, 2024	0.84	22.94	0.67	5.97	0.84	31.26	-	-
Charge for the year	1.00	10.75	0.51	3.84	-	16.10	-	-
Disposals	-	(0.71)	-	-	-	(0.71)	-	-
As at March 31, 2025	1.84	32.98	1.18	9.81	0.84	46.65	-	-
Charge for the year	1.00	14.43	0.51	3.84	0.07	19.85	-	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2026	2.84	47.41	1.69	13.65	0.91	66.50	-	-
Net block								
As at March 31, 2025	8.17	42.69	369.87	29.73	0.07	450.53	252.80	0.50
As at March 31, 2026	7.17	34.86	369.36	25.89	-	437.28	252.80	1.10

Notes:

- (i) Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2026
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.10	-	-	-	1.10
Projects temporarily suspended	-	-	-	-	-

(₹ in Crores)

Particulars	Amount in IAUD for a period of				Total as at March 31, 2025
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	-	-

- (ii) There are no projects under intangible assets under development where the completion is overdue or has exceeded its cost compared to its original plan.
- (iii) Refer Note 39.A on capital commitments.
- (iv) Impairment testing of goodwill and intangible assets with indefinite useful lives Goodwill and Trademark acquired on acquisition of Sunflame having indefinite useful lives have been allocated to a separate single cash generating unit (CGU) i.e Sunflame. The Group has performed an annual impairment test to ascertain the recoverable amount of such goodwill and trademark. The recoverable amount is determined based on value in use calculation. These calculations use management assumptions and

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 5 : Goodwill; Other intangible assets and Intangible assets under development (Contd..)

post tax cash flow projections based on budgets approved by management covering a 5 years period. Cash flow projection beyond 5 years time period are extrapolated using the estimated long term growth rates which is consistent with forecasts included in industry reports specific to industry in which CGU operates. Management has used following assumptions for impairment testing of CGU:

Assumption	As at March 31, 2026	As at March 31, 2025	Approach used in determining value
Weighted average Cost of capital % (WACC) before tax (discount rate)	12.50%	13.50%	It has been determined basis risk free rate of return adjusted for equity risk premium
Long Term Growth Rate	5.00%	5.00%	Long term growth rate has been taken basis on overall economic growth rate, industry trend & expected long-term inflation in India.

Management determined budgeted gross margin based on past performance and its expectations of productivity and price increase. The weighted average growth rates used for next 5 years are consistent with management plans which considers expansion in new markets. The calculations performed indicate that there is no impairment of CGU of the Group. Management has performed a sensitivity analysis with respect to changes in assumptions for assessment of value-in-use of CGU. Based on this analysis, management believes that reasonable possible change in any of above assumption would not cause any material possible change in carrying value of CGU.

- (v) Remaining useful life of intangible assets ranges from 1 to 9 years (March 31, 2025 : 1 to 10 years) as at the year end.

Note 6: Investments

Non-Current

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Investments carried at cost		
(a) Equity investments in associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
7 (March 31, 2025 : 7) equity shares of ₹ 10 each fully paid up	0.07	0.08
	0.07	0.08
Investments carried at fair value through profit and loss		
(a) Investments in Preference shares of associate company		
Unquoted		
Gegadyne Energy Labs Private Limited		
1438 (March 31, 2025 : Nil) Optionally Convertible Cumulative Participating Preference Shares ("OCCPS") of ₹ 500 each fully paid up and 4051 (March 31, 2025 : 4051) Compulsorily Convertible Cumulative Participating Preference Shares ("CCCPS") of ₹ 500 each fully paid up (Refer Note (i) below)	95.49	70.49
	95.49	70.49
(b) Equity investments Others		
Unquoted		
Kinfra Electronic Park Private Limited		
2500 (March 31, 2025 : 2500) equity shares of ₹100 each fully paid up (Refer Note (ii) below)	0.03	0.03
	0.03	0.03
Investments (at amortised cost) (unquoted):		
Investments in National Savings certificate	-	0.00
Total	95.59	70.60

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 6: Investments (Contd..)

- (i) During the year ended March 31, 2026, the Company has invested an amount of ₹ 25.00 crores in Gegadyne Energy Labs Private Limited (GEL). Post investment, the Company holds 30.35% (March 31, 2025: 24.32%) shareholding (on a fully diluted basis) in GEL. Gegadyne is a Mumbai based alternate battery technology start-up developing energy storage (battery) solutions.
- (ii) During the year ended March 31, 2025, the Company has invested an amount of ₹ 0.03 crores in Kinfra Electronics Park Private Limited which is a Special Purpose Vehicle (SPV) constituted for facility management and infrastructure development for Electronics Manufacturing Cluster (EMC) park where the company has leased land for the in-house innovation center.

Current

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Investments carried at fair value through profit and loss:		
Unquoted		
(a) ICICI Prudential Overnight Funds- Direct Growth Nil [March 31, 2025 : 36,365.60] units	-	5.00
(b) SBI MF Overnight Funds - Direct Growth Nil [March 31, 2025 : 12,047.30] units	-	5.00
(c) ABSL Liquid Direct Growth Fund 22,58,698.42 [March 31, 2025 : Nil] units	100.45	-
(d) HDFC Liquid Direct Growth Fund 55,586.16 [March 31, 2025 : Nil] units	30.05	-
(e) SBI Liquid Direct Growth Fund 93,029.15 [March 31, 2025 : Nil] units	40.03	-
(f) ICICI Liquid Fund Direct Growth 2,45,985.93 [March 31, 2025 : Nil] units	10.02	-
(g) SBI Liquid Direct Growth Fund 347 [March 31, 2025: 347] units	0.15	0.14
Total	180.70	10.14

Notes:

- (i) Carrying value of unquoted investments are as below:

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
(a) Investments in Associate Company:		
Aggregate carrying value of unquoted investments	95.56	70.57
(b) Investments in Others		
Aggregate carrying value of unquoted investments	180.73	10.17

- (ii) There is no impairment in the value of investments during the years ended March 31, 2026 and March 31, 2025.

Note 7: Loans (Non-current)

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Loans to employees	0.92	1.05
Total	0.92	1.05

Note : There are no loans as at March 31, 2026 and March 31, 2025 which are secured or have significant increase in credit risk or which are credit impaired.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 8: Other non-current financial assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	20.43	19.04
(b) Non-current bank balance (Refer Note 14B)	0.79	0.67
Total	21.22	19.71

Note : Refer Note 47 for accounting policies relevant to financials assets.

Note 9: Current tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provisions)	37.59	35.71
Total	37.59	35.71

Note 10: Deferred tax assets / (liabilities)

10A: Deferred tax assets (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax assets		
Impairment allowance for doubtful trade receivables, loans and advances	9.56	9.73
Disallowances under Section 43B of the Income Tax Act, 1961	19.44	11.35
Others including lease liabilities	24.28	22.93
	53.28	44.01
Set-off of deferred tax liabilities pursuant to set-off provisions		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(35.14)	(32.48)
Financial Assets at Fair Value through Profit or Loss	(2.45)	(2.45)
	(37.59)	(34.93)
Net deferred tax assets [Refer Note 37(d) and 37(f)]	15.69	9.08

10B: Deferred tax (liabilities) (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of property, plant and equipment and right of use assets	(16.25)	(10.94)
On difference between book balance and tax balance of intangible assets	(102.95)	(102.95)
	(119.20)	(113.89)
Set-off of deferred tax assets pursuant to set-off provisions		
Impairment allowance for doubtful trade receivables, loans and advances	0.23	0.17
Disallowances under Section 43B of the Income Tax Act, 1961	0.67	0.60
Others including lease liabilities	18.60	13.47
	19.50	14.24
Net deferred tax (liabilities) [Refer Note 37(e) and 37(g)]	(99.70)	(99.65)

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 11: Other non-current assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
(a) Capital advances	29.30	22.46
(b) Deposits with statutory / Government authorities	3.75	3.26
(c) Prepaid expenses	0.61	0.87
Total	33.66	26.59

Note 12: Inventories

Accounting Policy

Inventories are valued at lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, packing materials, consumables and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Raw materials	265.17	201.51
(b) Work-in-progress	71.68	66.29
(c) Finished goods	359.27	326.02
(d) Stock-in-trade	302.89	383.86
(e) Packing materials and consumables	24.92	19.61
Total	1,023.93	997.29

Notes:

- (a) The above includes goods in transit as under:

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	12.26	5.88
Stock-in-trade	5.37	8.64
Packing materials and consumables	0.19	0.00
Total	17.82	14.52

- (b) During the year ended March 31, 2026, ₹ 12.13 crores (March 31, 2025: ₹ (0.59) crores) was recognised as an expense for inventories carried at net realisable value.
- (c) Inventories are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 13: Trade receivables

Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Secured, considered good	13.90	31.41
Unsecured, considered good	552.36	542.83
	566.26	574.24
Less: Impairment allowance (allowance for bad and doubtful debts) (Refer Note 49C)		
Unsecured, considered good based on expected credit loss provisioning	33.41	31.93
	33.41	31.93
Total	532.85	542.31

Notes:

- Trade receivables are generally on terms of 7 to 90 days and are non-interest bearing except in case of overdue payments.
- Trade receivables are hypothecated with the banks against working capital limits and non fund facilities availed from lenders.
- Offsetting financial assets and financial liabilities: The Group provides certain incentives to selected customers, the amounts payable by the Group as at March 31, 2026 of ₹ 168.89 crores (March 31, 2025: ₹ 144.24 crores) are offset against receivables from the customers and only the net amounts are settled.
- No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person; nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The secured portion of trade receivables is supported by security deposits received from customers, as disclosed in Note 25(b).
- There are no disputed/ undisputed trade receivables as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

Trade receivables ageing schedule

(₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total as at March 31, 2026
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	406.14	126.09	4.22	2.79	1.32	1.79	542.35
ii) Disputed trade receivables – considered good	-	-	-	1.42	1.19	21.30	23.91
Total	406.14	126.09	4.22	4.21	2.51	23.09	566.26

(₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total as at March 31, 2025
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables – considered good	422.77	118.38	4.91	3.12	1.07	1.15	551.40
ii) Disputed trade receivables – considered good	-	-	-	0.60	3.77	18.47	22.84
Total	422.77	118.38	4.91	3.72	4.84	19.62	574.24

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 14: Cash and cash equivalents and Other bank balances

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
A. Cash and cash equivalents		
(a) Cash on hand	-	0.03
(b) Balances with banks		
On current accounts	27.90	40.22
In fixed deposits with original maturity of less than 3 months	19.02	9.73
Total	46.92	49.98
B. Other bank balances		
(a) Unpaid dividend accounts	0.39	0.42
(b) Fixed deposits (Refer note below)	12.78	14.77
Total	13.17	15.19
Less: Amount disclosed under other non-current financial assets (Refer Note 8)	(0.79)	(0.67)
Total	12.38	14.52

Note: Fixed deposits of ₹ 11.05 crores (March 31, 2025: ₹ 10.35 crores) has been lien marked with banks towards various guarantees in favour of vendors, statutory authorities and others.

Note 15: Loans (Current)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured, considered good (carried at amortised cost)		
(a) Loan given to Associate (refer note (ii) below)	-	1.60
Unsecured, considered good (carried at amortised cost)		
(b) Loans to employees	1.33	1.27
Total	1.33	2.87

(i) There are no loans as at March 31, 2026 and March 31, 2025 which have significant increase in credit risk or which are credit impaired.

(ii) Details of loans (gross) is shown below

(₹ in Crores)

Name of Borrower	Relationship	Purpose	Rate of Interest	Term / Repayment schedule	As at March 31, 2026	As at March 31, 2025
Gegadyne Energy Labs Private Limited	Associate	Business operational expenses including working capital	9% / 9.50%	Principal and interest to be repaid on or before May 31, 2026 (Refer note below)	-	1.60

The Company granted the following loans to Gegadyne during the current and previous years:

- A secured loan of ₹ 5.00 crores (March 31, 2025: ₹ 1.60 crores) at an interest rate of 9%, secured against the current and fixed assets of the associate company. During the year, the repayment period of this loan was extended from October 31, 2025 to May 31, 2026.
- An unsecured loan of ₹ 4.00 crores granted during the year at an interest rate of 9.50%, payable on or before May 31, 2026.

Both the above loans were fully repaid during the year. Refer Note 44(b).

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 16: Other current financial assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good (carried at amortised cost)		
(a) Security deposits	0.24	0.35
(b) Other receivables	1.29	1.21
(c) Interest accrued	0.26	0.27
Total	1.79	1.83

Note : Refer Note 47 for accounting policies relevant to financials assets.

Note 17: Other current assets

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless other wise stated		
(a) Advance to suppliers		
Considered good	79.15	60.74
Considered doubtful	6.35	6.50
	85.50	67.24
Less: Provision for doubtful advances	(6.35)	(6.50)
	79.15	60.74
(b) Balances with Government authorities	62.16	53.06
(c) Prepaid expenses	13.69	13.21
(d) Right to return asset	6.23	5.11
(e) Others	3.38	1.43
Total	164.61	133.55

Note 18: Share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ in crores	Number of shares	₹ in crores
(a) Authorised:				
Equity shares of ₹ 1/- (March 31, 2025: ₹ 1/-) each with voting rights	1,91,50,00,000	191.50	1,91,50,00,000	191.50
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 1/- (March 31, 2025: ₹ 1/-) each with voting rights	43,68,03,816	43.68	43,57,79,033	43.58

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	₹ in crores	Number of shares	₹ in crores
At the beginning of the year	43,57,79,033	43.58	43,43,85,980	43.44
Issued during the year	10,24,783	0.10	13,93,053	0.14
Outstanding at the end of the year	43,68,03,816	43.68	43,57,79,033	43.58

(b) Terms / rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹1 per share (March 31, 2025: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 18: Share capital (Contd..)

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	3,67,54,043	8.41%	4,09,05,394	9.39%
Mr. Arun K Chittilappilly	3,77,77,828	8.65%	3,77,77,828	8.67%
Mr. Mithun K. Chittilappilly	8,63,89,878	19.78%	8,63,89,878	19.82%
ICICI Prudential Multi-Asset Fund	3,31,05,845	7.58%	-	-
SBI Small Cap Fund	3,19,50,676	7.31%	3,27,55,487	7.52%
Kotak Emerging Equity Scheme	-	-	2,57,84,216	5.92%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

The Company has issued 5,532,350 shares of face value of ₹ 1 each (March 31, 2025: 6,408,490 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in form of employee services.

(e) Shares reserved for issue under options and contracts

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer Note 46.

(f) Details of shares held by promoters:

As at March 31, 2026

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of Re 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	(41,51,351)	3,67,54,043	8.41%	(0.98%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.50%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.65%	(0.02%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.78%	(0.04%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.76%	(0.01%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.88%	(0.01%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.24%	(0.01%)

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 18: Share capital (Contd..)

As at March 31, 2025

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Equity shares of Re 1/- each fully paid with voting rights					
Promoters					
Mr. Kochouseph Chittilappilly	4,09,05,394	-	4,09,05,394	9.39%	(0.03%)
Mrs. Sheela Kochouseph	1,09,31,202	-	1,09,31,202	2.51%	(0.01%)
Promoter group					
Mr. Arun K Chittilappilly	3,77,77,828	-	3,77,77,828	8.67%	(0.03%)
Mr. Mithun K. Chittilappilly	8,63,89,878	-	8,63,89,878	19.82%	(0.06%)
Mr. Kochouseph Chittilappilly, Managing Trustee of K Chittilappilly Trust	2,08,08,000	-	2,08,08,000	4.77%	(0.02%)
Mr. Mithun K. Chittilappilly, Trustee of Anekha Chittilappilly Trust	2,13,00,000	-	2,13,00,000	4.89%	(0.02%)
Mr. Kochouseph Chittilappilly, Managing Trustee of Arav Chittilappilly Trust	1,85,25,250	-	1,85,25,250	4.25%	(0.02%)

Note 19: Other Equity

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Securities Premium		
Opening Balance	206.34	184.85
Exercise of Options under ESOS 2013	5.87	7.90
Transfer from Share based payments reserve on exercise of options under ESOS 2013	11.17	13.59
Closing Balance	223.38	206.34
General Reserve		
Opening Balance	64.89	64.89
Change during the year(net)	-	-
Closing Balance	64.89	64.89
Retained Earnings		
Opening Balance	1,715.57	1,465.90
Net profit for the year	308.33	313.72
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement (loss) / gain on defined benefit plans (net of taxes)	(0.75)	(3.14)
Final dividend	(65.40)	(60.91)
Closing Balance	1,957.75	1,715.57
Capital Reserve		
Opening Balance	20.46	20.46
Change during the year(net) (Refer note below)	-	-
Closing Balance	20.46	20.46
Share based payments reserve		
Opening Balance	46.99	34.68
Transfer from Share based payments reserve on exercise of options under ESOS 2013	(11.17)	(13.59)
Compensation cost on stock options granted (net) (Refer Note 32)	27.07	25.90
Closing Balance	62.89	46.99
Total	2,329.37	2,054.25

Nature and purpose of reserves:

Securities premium: The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. It is utilised in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 19: Other Equity (Contd..)

General reserve: Represents the amounts transferred from the retained earnings in accordance with the Companies (Transfer of Profits to Reserves) Rules 1975, as per the requirements of the erstwhile Companies Act, 1956.

Retained earnings: Represents the profits / (losses) of the Group earned till date, net of appropriations. Further, remeasurement gains / (losses) of defined benefit plans are presented as part of retained earnings.

Capital reserve: The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve.

Share based payments reserve: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to share based payments reserve. The outstanding balance represents the cumulative compensation cost of stock options granted but not yet vested / exercised.

Note 20: Distribution made and proposed

(₹ in Crores)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Dividends on equity shares declared and paid:		
Final dividend for the year ended March 31, 2026 - ₹ 1.50 per share of face value of ₹1 each (March 31, 2025 - ₹ 1.40 per share of face value of ₹1 each)	65.40	60.91
Total	65.40	60.91
Proposed dividends on equity shares:		
Proposed dividend for the year ended March 31, 2026 - ₹ 1.50 per share of face value of ₹ 1 each (March 31, 2025 - ₹ 1.50 per share of face value of ₹ 1 each) (Refer note below)	65.52	65.37
Total	65.52	65.37

Note: Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability as at the balance sheet date.

Note 21: Lease liabilities

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
(a) Non-current portion of lease liabilities (Refer Note 23 (ii) and 41)	130.55	98.35
(b) Current portion of lease liabilities (Refer Note 23 (ii) and 41)	25.87	24.36
Total	156.42	122.71

Note 22: Provisions (Non-current)

(₹ in Crores)		
Particulars	As at March 31, 2026	As at March 31, 2025
(a) Provision for employee benefits		
(i) Provision for gratuity (Refer Note 42)	1.17	0.64
(b) Other provisions		
(i) Provision for warranty (Refer Note 27(ii))	19.52	18.60
(ii) Provision for de-commissioning liability (Refer Note 27(iii))	0.20	0.19
Total	20.89	19.43

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 23: Current Borrowings

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, (carried at amortised cost)		
Channel financing facility from bank - Unsecured (Refer note (i) below)	8.84	10.81
Total	8.84	10.81

Notes:

- (i) Channel financing facility from bank represents financing arrangement with limited recourse to the Group. The Group therefore continues to recognise receivables in their entirety in its balance sheet with corresponding liability presented as borrowings.
- (ii) Change in liabilities arising from financing activities are as follows:

(₹ in Crores)

Particulars	Lease liabilities		Borrowings	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Balance outstanding as at beginning of the year	122.71	110.26	10.81	291.03
Addition on account of new leases during the year	59.40	31.07	-	-
Deletion on account of termination of leases during the year	(1.83)	(0.02)	-	-
Cash inflow from borrowings	-	-	-	-
Finance costs	11.13	10.35	1.06	13.40
Cash outflows	(34.99)	(28.95)	(3.03)	(293.62)
Balance outstanding as at end of the year	156.42	122.71	8.84	10.81
Disclosed as:				
Current borrowings (Refer Note 23)	-	-	8.84	10.81
Current portion of lease liabilities (Refer Note 21)	25.87	24.36	-	-
Non-current portion of lease liabilities (Refer Note 21)	130.55	98.35	-	-
Total	156.42	122.71	8.84	10.81

Note 24: Trade payables

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(carried at amortised cost)		
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	75.78	56.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	662.69	600.18
Total	738.47	656.95

Trade payables ageing schedule

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2026
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	75.54	0.20	0.03	-	0.01	75.78
ii) Others	603.91	54.58	0.64	1.16	2.40	662.69

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 24: Trade payables (Contd..)

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2026
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

(₹ in Crores)

Particulars	Not due	Outstanding for following periods from due date of payment				Total as at March 31, 2025
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) Micro enterprises and small enterprises	55.08	1.68	0.00	0.01	-	56.77
ii) Others	526.29	66.78	2.21	1.93	2.97	600.18
iii) Disputed dues - Micro enterprises and small enterprises	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

Notes:

- (i) Trade payables are non interest bearing and are normally settled in 7 days to 120 days. For explanations on the Group's risk management process, refer Note 49.
- (ii) Trade payables are unsecured.

Note 25: Other current financial liabilities

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(carried at amortised cost)		
(a) Unpaid dividends (Refer note below)	0.39	0.42
(b) Trade / Security deposits received	13.05	13.21
(c) Capital creditors	3.97	3.32
(d) Employee benefits payable (Refer Note 44 for related party balances)	57.92	95.60
(e) Deferred consideration payable	1.62	29.16
(f) Other payables	5.23	4.06
Total	82.18	145.77

Note: Unpaid dividend represents unrepresented dividend warrants and does not include any amount due and outstanding to be credited to Investor Education and Protection Fund.

Note 26: Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Statutory dues*	47.72	47.97
(b) Contract liabilities (Refer Note 29 (iv))	34.82	22.25
(c) Refund liabilities arising from right to return assets	11.19	8.44
(d) Others	4.25	4.98
Total	97.98	83.64

*Represents Goods and Services tax, Provident Fund, Employee State Insurance, withholding taxes etc.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 27: Provisions (Current)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Provision for employee benefits		
(i) Provision for compensated absences (Refer note (i) below)	37.26	27.54
(ii) Provision for gratuity (Refer Note 42)	31.06	13.29
(b) Other provisions		
(i) Provision for warranty (Refer note (ii) below)	64.75	59.69
(ii) Provision for indirect tax litigations (Refer note (iv) below)	2.12	-
Total	135.19	100.52

Notes:

(i) Provision for compensated absences:

The obligations for compensated absences cover the Group's liability for paid leaves. The entire amount of the provision is presented as current as the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The current portion of provision as per the actuarial valuation report, included in total obligation for compensated absences, is ₹ 5.20 crores (March 31, 2025 – ₹3.65 crores).

(ii) Provision for warranty:

A provision is recognized for expected warranty claims and after sales services on products sold during the year, based on past experience of the level of repairs and defective returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will be incurred within five years after the reporting date. Assumptions used to calculate the provisions for warranties are based on current information available about defective returns based on the warranty period for the respective products sold.

(iii) Provision for de-commissioning liability:

A provision has been recognized for decommissioning costs associated with a factory of Guts Electro Mech Limited.

(iv) Provision for indirect tax litigations

Group has created a provision of ₹ 2.12 crores (March 31, 2025 : Nil) in relation to indirect tax litigations. Nature of the provision has not been given on the grounds that it can be expected to prejudice the interests of the Group. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

The table below gives information about movement in provisions for warranty and de-commissioning liability:

(₹ in Crores)

Particulars	Warranty		De-commissioning liability	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	78.29	64.55	0.19	0.17
Additional provision recognized	88.86	85.18	0.01	0.02
Amounts used during the year	(82.88)	(71.44)	-	-
Balance as at the end of the year	84.27	78.29	0.20	0.19
Disclosed as:				
Non-current (Refer Note 22)	19.52	18.60	0.20	0.19
Current	64.75	59.69	-	-

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 28: Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for income tax (net of advance tax)	1.00	0.90
Total	1.00	0.90

Note 29: Revenue from operations

Accounting Policies

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group manufactures and sells a range of electronic, electrical and consumer durables. Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The performance obligation for revenue from sale of services is satisfied over time and payment is generally due upon completion of service and acceptance of the customer. Revenue from services related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, and consideration payable to the customer (if any).

(a) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as volume discount, gifts, other schemes etc. Revenue from contract with customer is presented after deducting cost of all these schemes.

(b) Right to return assets and refund liability

A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of good sold) is also recognised for the right to recover the goods from the customer.

(c) Financing Components

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(d) Contract Liabilities

Contract liability is recognised when there are billings in excess of revenues and the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(e) Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 29: Revenue from operations (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Revenue from contracts with customers		
Sale of products	5,912.43	5,535.64
Sale of services	5.93	1.35
	5,918.36	5,536.99
(b) Other operating revenue		
Sale of scrap	37.93	28.96
Government budgetary support (Refer Note (i) below)	9.49	11.87
	47.42	40.83
Total	5,965.78	5,577.82

Notes:

- Government budgetary support represents benefits provided by the Central Government of India to the Group in respect of its manufacturing units in the state of Sikkim in accordance with the 'Scheme of budgetary support under Goods and Service Tax Regime' as notified on October 5, 2017 which were earlier eligible for excise duty exemption.
- Refer Note 43 for Disaggregated revenue information.
- Timing of revenue recognition is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2026				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	1,626.46	2,440.10	1,596.79	249.08	5,912.43
Services transferred over time	0.04	0.68	5.21	-	5.93
Total revenue from contracts with customers	1,626.50	2,440.78	1,602.00	249.08	5,918.36

(₹ in Crores)

Particulars	For the year ended March 31, 2025				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
Timing of revenue recognition					
Goods transferred at a point in time	1,495.60	2,155.61	1,630.22	254.21	5,535.64
Services transferred over time	0.11	0.17	1.07	-	1.35
Total revenue from contracts with customers	1,495.71	2,155.78	1,631.29	254.21	5,536.99

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 43):

(₹ in Crores)

Particulars	For the year ended March 31, 2026				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	1,639.58	2,461.08	1,615.51	249.61	5,965.78
Scrap sale	(7.67)	(20.30)	(9.43)	(0.53)	(37.93)
Government budgetary support	(5.41)	-	(4.08)	-	(9.49)
Total revenue from contracts with customers	1,626.50	2,440.78	1,602.00	249.08	5,918.36

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 29: Revenue from operations (Contd..)

(₹ in Crores)

Particulars	For the year ended March 31, 2025				
	Electronics	Electricals	Consumer Durables	Sunflame	Total
External customers	1,509.63	2,169.94	1,643.87	254.38	5,577.82
Scrap sale	(6.91)	(14.16)	(7.72)	(0.17)	(28.96)
Government budgetary support	(7.01)	-	(4.86)	-	(11.87)
Total revenue from contracts with customers	1,495.71	2,155.78	1,631.29	254.21	5,536.99

(iv) Contract balances

The following are the contract balances:

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables (Current) (Refer Note 13)	532.85	542.31
Contract liabilities (Current) (Refer Note 26)	34.82	22.25

During the year ended March 31, 2026, revenue recognised from amount included in contract liability at the beginning of year is ₹ 20.66 crores (March 31, 2025: ₹ 21.99 crores).

(v) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	6,360.19	5,946.42
Adjustments:		
Discounts, rebates and trade incentives	(430.64)	(400.99)
Refund liabilities	(11.19)	(8.44)
Total revenue from contracts with customers	5,918.36	5,536.99

(vi) Performance obligation

The performance obligation for sale of products and scrap are satisfied upon delivery / despatch of goods depending upon terms with customers and payment is generally due within 15 to 90 days from delivery. Some contracts provide customers with a right of return, volume based discounts, rebates and other promotion incentive schemes, which give rise to variable consideration subject to constraint. The contracts do not have a significant financing component. The Group offers standard warranty on selected products. The Group makes provision for same as per the principles laid down under Ind AS 37. The performance obligation for services is satisfied over-time and payment is generally due upon completion of service and acceptance of the customer. There are no unsatisfied performance obligations as at March 31, 2026 and March 31, 2025.

Note 30: Other income

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Net gain on sale of investments	4.40	5.86
Fair value gain on Investment	0.55	-
Interest income from financial assets at amortised cost:		
(i) Interest income on overdue trade receivables	5.97	4.99
(ii) Interest income from banks on deposits	1.18	1.10
(iii) Interest income on loans	1.09	1.18
Mould hire charges	0.12	0.12
Liabilities / provisions no longer required written back	0.55	1.20
Gain on foreign currency transactions and translation (net)	0.62	-
Miscellaneous income	9.03	6.44
Total	23.51	20.89

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 31: Decrease / (increase) in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the end of the year:		
Finished goods	359.27	326.02
Work-in-progress	71.68	66.29
Stock-in-trade	302.89	383.86
Total (A)	733.84	776.17
Inventories at the beginning of the year:		
Finished goods	326.02	245.25
Work-in-progress	66.29	55.30
Stock-in-trade	383.86	327.57
Total (B)	776.17	628.12
Decrease / (increase) in inventories		
Finished goods	(33.25)	(80.77)
Work-in-progress	(5.39)	(10.99)
Stock-in-trade	80.97	(56.29)
Net (increase) / decrease (B - A)	42.33	(148.05)

Note 32: Employee benefits expense

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Salaries, wages and bonus	451.77	440.91
(b) Contributions to provident and other funds	22.17	19.68
(c) Share based payment expense (Refer Note 46)	27.07	25.90
(d) Gratuity expense (Refer Note 42)	9.73	7.09
(e) Staff welfare expenses	25.63	25.20
Total	536.37	518.78

Note 33: Depreciation and amortization expense

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Depreciation of property, plant and equipment (Refer Note 3)	61.73	55.75
(ii) Depreciation of right of use assets (Refer Note 3)	26.31	23.74
(iii) Amortization of intangible assets (Refer Note 5)	19.85	16.10
(iv) Depreciation on Investment Property (Refer Note 4)	-	0.07
Total	107.89	95.66

Note 34: Finance costs

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on income tax	-	0.16
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss:		
(i) Interest on borrowings	1.06	13.40
(ii) Interest on lease liabilities (Refer Note 41)	11.13	10.35
(iii) Interest - others	1.12	3.56
	13.31	27.47
Less: Capitalised with property, plant and equipment (Refer Note 3)	0.93	2.96
Total	12.38	24.51

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 35: Other expenses

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of packing materials and consumables	96.12	86.75
Power and fuel	34.10	32.75
Job work and service charges	28.68	24.28
Rent (Refer Note 41)	13.86	12.86
Repairs and maintenance		
(i) Plant and machinery	6.03	5.58
(ii) Building	2.47	2.88
(iii) Others	54.81	54.78
Rates and taxes	7.61	5.79
Travelling and conveyance	72.70	63.38
Freight and forwarding charges	163.85	146.99
Advertisement and business promotion expenses	156.47	163.85
Donations and contributions	0.03	0.09
CSR expenditure (Refer Note 36)	6.96	6.51
Legal and professional fees	84.22	52.60
Directors' sitting fees (Refer Note 44)	0.59	0.62
Commission / emolument (Refer Note 44)	1.09	1.01
Payments to statutory auditors (Refer note below)	2.10	2.02
Loss on foreign currency transactions and translation (net)	-	2.91
Loss on property, plant and equipment sold / scrapped / written off (net)	0.35	0.67
Loss on investment property sold	-	0.22
Loss allowance for trade receivables (net) (Refer Note 49C)	1.52	1.03
Impairment allowance for doubtful advances (net)	(0.15)	(0.65)
Outsourced manpower cost	167.30	146.79
Warranty expenses	88.86	85.18
Miscellaneous expenses	115.68	91.17
Total	1,105.25	990.06

Notes:

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Payments to statutory auditors comprises:		
Fees for Statutory Audit Services	1.33	1.38
Fees for Tax Audit	0.11	0.08
Fees for Other Services		
(i) Limited Review	0.27	0.24
(ii) Certifications	0.02	0.02
(iii) Other assurance related services	0.21	0.14
Out-of-Pocket Expenses	0.16	0.16
Total	2.10	2.02

Note 36: Details of CSR expenditure

V-Guard Foundation, a company incorporated under Section 8 of the Companies Act, 2013, is the principal arm for implementing the group's CSR programs/projects in compliance with Section 135 of the Companies Act, 2013. Three directors of the Holding Company are the directors of V-Guard Foundation. During the year ended March 31, 2026, the Group has contributed ₹ 6.81 crores (March 31, 2025: ₹ 6.41 crores) towards expenditure for CSR activities. V-Guard Foundation has undertaken various CSR projects like V-Guard Educare and Skill development, V-Guard Build India, V-Guard Health Care and V-Guard Women Empowerment.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 37: Income taxes

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

(a) Statement of profit and loss

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Current income tax		
Current income tax charge	105.83	100.59
Deferred tax		
Relating to origination and reversal of temporary differences	(6.28)	(0.36)
Income tax expense reported in the Statement of profit and loss	99.55	100.23

(b) OCI section

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Re-measurement (losses) / gains on defined benefit plans	(1.03)	(4.15)
Income tax related to items recognised in OCI during the year	0.28	1.01

(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025:

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit before income tax	407.89	413.95
Applicable tax rate	25.168%	25.168%
Computed tax expense at statutory rate	102.66	104.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :		
Corporate Social Responsibility Expenditure	1.75	1.67
Other items	0.04	(0.69)
Difference in tax rates	(4.90)	(4.93)
Income tax expense reported in to the Statement of profit and loss	99.55	100.23

(d) Reconciliation of deferred tax assets (net):

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Opening balance as at beginning of the year	9.08	9.76
Tax income / (expense) during the year recognised in Statement of profit and loss	6.39	(1.66)
Tax income / (expense) during the year recognised in other comprehensive income	0.22	0.98
Closing balance as at end of the year	15.69	9.08

(e) Reconciliation of deferred tax (liabilities) (net):

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Opening balance as at beginning of the year	(99.65)	(101.70)
Tax income / (expense) during the year recognised in Statement of profit and loss	(0.11)	2.02
Tax income / (expense) during the year recognised in other comprehensive income	0.06	0.03
Closing balance as at end of the year	(99.70)	(99.65)

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 37: Income taxes (Contd..)

(f) Movement of deferred tax assets (net) for the year ended March 31, 2026 and March 31, 2025:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Financial Assets at Fair Value through Profit or Loss	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net deferred tax assets
As at April 1, 2024	(30.28)	(2.73)	9.36	11.27	22.14	9.76
(Charged) or credited:						
- to profit or loss	(2.20)	0.28	0.37	(0.90)	0.79	(1.66)
- to other comprehensive income	-	-	-	0.98	-	0.98
As at March 31, 2025	(32.48)	(2.45)	9.73	11.35	22.93	9.08
(Charged) or credited:						
- to profit or loss	(2.66)	-	(0.17)	7.87	1.35	6.39
- to other comprehensive income	-	-	-	0.22	-	0.22
As at March 31, 2026	(35.14)	(2.45)	9.56	19.44	24.28	15.69

(g) Movement of deferred tax (liabilities) (net) for the year ended March 31, 2026 and March 31, 2025:

(₹ in Crores)

Particulars	On difference between book balance and tax balance of property, plant and equipment and Right of use assets	Difference between book balance and tax balance of intangible assets	Impairment allowance for doubtful trade receivables, loans and advances	Disallowances under Section 43B of the Income Tax Act, 1961	Others including lease liabilities	Net deferred tax liabilities
As at April 1, 2024	(9.16)	(102.94)	-	0.17	10.23	(101.70)
(Charged) or credited:						
- to profit or loss	(1.78)	(0.01)	0.17	0.40	3.24	2.02
- to other comprehensive income	-	-	-	0.03	-	0.03
As at March 31, 2025	(10.94)	(102.95)	0.17	0.60	13.47	(99.65)
(Charged) or credited:						
- to profit or loss	(5.31)	-	0.06	0.01	5.13	(0.11)
- to other comprehensive income	-	-	-	0.06	-	0.06
As at March 31, 2026	(16.25)	(102.95)	0.23	0.67	18.60	(99.70)

Note 38: Details of research and development expenditure

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Employee benefits expense	24.13	21.68
Travelling and conveyance	1.74	1.65
Other expenses	6.69	5.18
Total	32.56	28.51

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 39: Commitments and contingencies

A) Capital commitments (Net of advances)

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for	40.93	74.03

B) Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an ongoing basis with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Claims against the Group not acknowledged as debt	0.56	0.44
(b) Direct tax matters under dispute / pending before Income Tax Authorities	65.35	55.80
(c) Indirect tax matters for demands raised by sales tax / VAT department pending before various appellate authorities	17.71	13.59
(d) Others	0.14	0.14
Total	83.76	69.97

Notes:

- The Group is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to Group's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Group's financial position and results of operations. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.
- The aforementioned amounts under disputes are as per the demands from various authorities for the respective periods and has not been adjusted to include further interest and penalty leviable, if any, at the time of final outcome of the appeals or similar demand for subsequent assessment years.
- The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 40: Interests in other entities

- The Holding Company's investments in subsidiaries are as follows:

Name of the subsidiaries	Country of incorporation	Ownership interest held by the Group		Ownership interest held by Non controlling interests		Principal business activity
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	
Guts Electro-Mech Limited	India	100%	100%	Nil	Nil	Manufacture and trading of electrical goods
V-Guard Consumer Products Limited	India	100%	100%	Nil	Nil	Manufacture of electronics and consumer durable goods
Sunflame Enterprises Private Limited	India	100%	100%	Nil	Nil	Manufacture of consumer durables

Notes forming part of the Consolidated Financial Statements

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Note 40: Interests in other entities (Contd..)

(b) Individually immaterial associate

The group has interests in an individually immaterial associate that is accounted for using the Equity method

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Aggregate carrying amount of individually immaterial associate	95.59	70.60
Aggregate amounts of the group's share of:		
Profit / (Loss) from operations	(0.01)	(0.00)
Other comprehensive income	-	-
Total comprehensive income	(0.01)	(0.00)
Total share of profits / (Loss) from associate	(0.01)	(0.00)

Note 41: Leases

Accounting Policy

The Group's lease asset primarily consist of leases for vehicles, land and buildings for factories, branch offices and warehouses having the various lease terms. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 2.3 (i) for the other accounting policies relevant to leases.

Notes

- Certain real estate leases have renewal and / or termination options, which are assessed to determine if those options would affect the duration of the lease term. Renewal and termination options in real estate leases create flexibility in the Group's real estate portfolio, allowing the Group to readily adapt to changing business needs. The Group also has lease for vehicles, which have an average lease term 4 years. The Group also has certain leases with lease terms of 12 months or less. The Group applies the short term lease recognition exemptions for these leases.
- Refer Note 3 for carrying amount and movements of right of use assets during the years ended March 31, 2026 and March 31, 2025.
- Refer Note 23 (ii) for carrying amount and movements of lease liabilities during the years ended March 31, 2026 and March 31, 2025.
- Amounts recognised in statement of profit and loss during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on Right of use assets (Refer Note 33)	26.31	23.74
Finance cost accrued during the year (included in finance costs) (Refer Note 34)	11.13	10.35
Expense related to short term leases (included in other expenses) (Refer Note 35)	13.86	12.86
(Gain) / loss on lease modifications	0.78	-
Total	52.08	46.95

Notes forming part of the Consolidated Financial Statements

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Note 41: Leases (Contd..)

- (v) The maturity analysis of lease liabilities are disclosed in Note 49A.
- (vi) The weighted average incremental borrowing rate applied to lease liabilities is 9% (March 31, 2025 : 9%).
- (vii) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- (viii) The Group had total cash outflows for leases of ₹ 48.85 crores during the year ended March 31, 2026 (March 31, 2025 ₹ 41.81 crores).

Note 42: Employee Benefit Plans

Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (based on last drawn wages) for each completed year of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the consolidated balance sheet for gratuity benefit:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Components of employer expense:		
Current service cost	9.00	6.52
Past service cost *	12.86	-
Net interest expense / (income) on net defined benefit obligation	0.73	0.57
Total expense recognised in the Statement of Profit and Loss	22.59	7.09
Actual contribution and benefit payments for year:		
Actual benefit payments	3.00	2.02
Actual contributions	5.32	10.46
Net (liability) / asset recognised in the Balance Sheet:		
Present value of defined benefit obligation	(92.03)	(67.28)
Fair value of plan assets	59.80	53.35
Net (liability) / asset recognised in the Balance Sheet (Refer Note 27(a)(ii))	(32.23)	(13.93)
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	67.28	54.39
Current service cost	9.00	6.52
Interest cost on DBO	4.21	3.74
Past service cost	12.86	-
Actuarial losses / (gains)	1.68	4.65
Benefits paid	(3.00)	(2.02)
Present value of DBO at the end of the year	92.03	67.28
Change in fair value of assets during the year:		
Plan assets at beginning of the year	53.35	41.22
Return on plan assets greater / (lesser) than discount rate	0.65	0.50
Actual company contributions	5.32	10.48
Interest income on plan assets	3.48	3.17
Benefits paid	(3.00)	(2.02)
Plan assets at the end of the year	59.80	53.35
Composition of the plan assets is as follows:		
Insurer managed assets	100%	100%
Remeasurement (losses) / gains in other comprehensive income		
Return on plan assets greater / (lesser) than discount rate	0.65	0.50
Actuarial (loss) / gain on obligations arising from changes in experience adjustments	(3.31)	(2.37)
Actuarial gain / (loss) on obligations arising from changes in financial assumptions	1.63	(2.28)
Total amount recognised in OCI	(1.03)	(4.15)

*Exceptional item in the Statement of Profit and Loss of ₹ 22.11 crores includes past service cost on gratuity amounting to ₹ 12.86 crores (March 31, 2025: Nil). Also refer Note 55.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 42: Employee Benefit Plans (Contd..)

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The below sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet.

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Defined Benefit Obligation	92.03	67.28

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	1% Decrease	1% Increase	1% Decrease	1% Increase
Impact on defined benefit obligation (increase / (decrease)) due to change in discount rate	5.89	(5.93)	4.83	(4.27)
Impact on defined benefit obligation (increase / (decrease)) due to change in salary escalation rate	(6.04)	5.94	(4.23)	4.67

Asset Liability Matching Strategies

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

Funding arrangements and Funding policy

The Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Maturity profile of Defined Benefit Obligation

Expected Cash Flows (value on undiscounted basis)	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Within 1 year	11.72	8.17
Within 2 years	10.24	7.21
Within 3 years	11.35	7.71
Within 4 years	13.03	8.66
Within 5 years	13.62	9.90
Within 6 to 10 years	45.58	55.44

Weighted average duration of the defined benefit plan obligation at the end of the reporting period is 7 years (March 31, 2025: 7 years).

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial assumptions:		
Discount rate	6.80%	6.50%
Salary escalation rate	9.00%	9.00%
Attrition	Marketing - 16% & Non-Marketing - 8%	Marketing - 16% & Non-Marketing - 8%

Notes forming part of the Consolidated Financial Statements

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Note 42: Employee Benefit Plans (Contd..)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Estimate of amount of contribution/payout in the immediate next year (₹ in crores)	31.06	13.29

Notes:

- Plan assets are fully represented by balance with the Life Insurance Corporation of India.
- The long term estimate of the expected rate of return on fund assets has been arrived at based on the prevailing yields on these assets. Assumed rate of return on assets is expected to vary from year to year reflecting the returns on matching Government bonds.
- The estimates of future increase in compensation levels, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Plan Characteristics and Associated Risks:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

- Interest rate risk : The defined benefit obligation calculated uses a discount rate based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. If bond yields fall, the defined benefit obligation will tend to increase.
- Salary Inflation risk : The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Note 43: Segment Reporting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment". Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Accordingly, the management has identified, based on its products, four reportable segments namely, Electronics, Electricals, Consumer Durables and Sunflame as follows:

- Electronics Segment includes Stabilizers, Digital UPS and Solar Inverters;
- Electricals Segment includes PVC Insulated Cables, Switch Gears, Pumps and Modular Switches;
- Consumer Durables Segment includes Fans, Water Heaters, Kitchen Appliances, Air Coolers and
- Sunflame includes products sold under trademark Sunflame and Superflame.

The Management Committee of the Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the

Notes forming part of the Consolidated Financial Statements

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Note 43: Segment Reporting (Contd..)

basis of the nature of product and have been identified as per the quantitative criteria specified in the Ind AS. The management has complied with the aggregation criteria as specified in Ind-AS 108 and the same has been applied based on the nature of products, considering their end users and as considered relevant and appropriate for the industry the Group operates in.

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, Cash and bank balances, tax related assets and liabilities, borrowings and certain other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as “unallocable”.

Capital expenditure consists of addition of property, plant and equipment, capital work-in-progress, intangible assets, intangible assets under development and capital advances.

Transfer pricing between operating segments if any, are on an arm length basis in a manner similar to transaction with third parties.

Year ended March 31, 2026

(₹ in Crores)						
Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	1,639.58	2,461.08	1,615.51	249.61	-	5,965.78
Inter-segment	-	-	0.37	0.62	(0.99)	-
Total revenue	1,639.58	2,461.08	1,615.88	250.23	(0.99)	5,965.78
Income / (Expenses)						
Depreciation and amortisation	(14.01)	(14.89)	(14.42)	(7.61)	-	(50.93)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(0.31)	(0.48)	(0.31)	(0.27)	-	(1.37)
Segment profit	294.12	279.60	26.08	13.16	-	612.96
Total assets	730.31	719.52	713.50	791.73	-	2,955.06
Total liabilities	311.21	284.59	328.57	136.73	-	1,061.10
Other disclosure: Capital expenditure	26.92	34.92	50.91	5.86	-	118.61

Year ended March 31, 2025

(₹ in Crores)						
Particulars	Electronics	Electricals	Consumer Durables	Sunflame	Eliminations	Total
Revenue						
External customers	1509.63	2,169.94	1,643.87	254.38	-	5,577.82
Inter-segment	-	-	-	-	-	-
Total revenue	1,509.63	2,169.94	1,643.87	254.38	-	5,577.82
Income / (Expenses)						
Depreciation and amortisation	(12.57)	(13.51)	(17.05)	(7.61)	-	(50.74)
Impairment allowance for doubtful trade and other receivables, loans and advances (net)	(0.16)	(0.27)	(0.16)	0.21	-	(0.38)
Segment profit	296.91	218.16	69.38	6.40	-	590.85
Total assets	708.15	569.44	770.45	808.25	-	2856.29
Total liabilities	270.01	288.96	290.46	132.58	-	982.01
Other disclosure: Capital expenditure	17.01	20.85	25.59	3.49	-	66.94

Reconciliation of amount reflected in the financial statements

(₹ in Crores)		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Reconciliation of profit		
Segment profit	612.96	590.85
Other unallocable income	22.38	19.86

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 43: Segment Reporting (Contd..)

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Other unallocable expenses	(192.96)	(172.25)
Finance cost	(12.38)	(24.51)
Exceptional item	(22.11)	-
Profit before tax	407.89	413.95

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
(b) Reconciliation of assets		
Segment operating assets	2,955.06	2,856.29
Investments - Current & Non-Current	276.29	80.74
Investment property	0.28	0.28
Deferred tax asset	14.80	8.48
Cash and cash equivalents	46.92	49.98
Other bank balances	12.38	14.52
Current tax assets (net)	35.56	33.96
Property, plant and equipment, Capital work-in-progress, Intangible assets, Intangible assets under development and Right of use assets	303.55	238.88
Other unallocable assets	68.88	55.08
Total assets	3,713.72	3,338.21
(c) Reconciliation of liabilities		
Segment operating liabilities	1,061.10	982.01
Lease liabilities	27.76	38.15
Provision for leave benefits	35.88	26.34
Provision for gratuity	30.73	13.16
Other unallocable liabilities	185.20	180.72
Total liabilities	1,340.67	1,240.38

Revenue from external customer

Particulars	(₹ in Crores)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
India	5,963.41	5,564.46
Outside India	2.37	13.36

The revenue information above is based on the location of the customers. All non current operating assets of the Group are located in India and consists of property, plant and equipment, capital work-in-progress, investment property, intangible assets, intangible assets under development and capital advances. No individual customer contributes to more than 10% of the revenue.

Note 44: Related Party Transactions

(a) Details of related parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Mithun K. Chittilappilly - Managing Director Mr. Ramachandran V - Director and Chief Operating Officer Mr. Sudarshan Kasturi - Chief Financial Officer (Refer Note 2 below) Mr. Vikas Kumar Tak - Company Secretary (Refer Note 2 below) Mr. Antony Sebastian - Executive Director

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Note 44: Related Party Transactions (Contd..)

Description of Relationship	Names of Related Parties
Relatives of KMP with whom transactions have taken place during the year	Mr. Kochouseph Chittilappilly - Father of Mr. Mithun K. Chittilappilly Ms. Sheela Kochouseph - Mother of Mr. Mithun K. Chittilappilly Mr. Arun K. Chittilappilly - Brother of Mr. Mithun K. Chittilappilly Ms. Vidyavathi Vaidyanathan - Wife of Mr. Ramachandran V Ms. Radhika Ramachandran - Daughter of Mr. Ramachandran V
Non - Executive Directors	Mr. George Jacob Muthoot Prof. Biju Varkkey Mr. Ishwar Subramanian Ms. Radha Unni Dr. Reena Philip (w.e.f January 28, 2026)
Associate	Gegadyne Energy Labs Private Limited
Entities in which KMP / relatives of KMP can exercise significant influence	K Chittilappilly Trust Arav Chittilappilly Trust Anekha Chittilappilly Trust V-Guard Foundation

(b) Transactions with related parties during the year

		(₹ in Crores)	
Name of the Related Party	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. Kochouseph Chittilappilly	Dividends paid	6.14	5.73
	Emoluments	-	0.94
Mr. Mithun K Chittilappilly	Dividends paid	12.96	12.09
	Remuneration:	12.48	10.56
	Salaries and allowances	6.26	4.57
	Company contribution to provident fund	0.44	0.35
	Commission	5.78	5.64
Mr. Ramachandran V	Dividends paid	0.35	0.31
	Remuneration:	22.51	33.24
	Salaries and allowances	3.14	3.79
	Company contribution to provident fund	0.30	0.32
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	19.07	29.13
	Issue of Equity shares including premium	5.94	8.00
Mr. Sudarshan Kasturi	Dividends paid	0.00	0.00
	Remuneration:	5.36	5.55
	Salaries and allowances	3.34	3.58
	Company contribution to provident fund	0.18	0.17
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	1.84	1.80
	Issue of Equity shares including premium	0.01	0.01
Mr. Vikas Kumar Tak	Dividends paid	0.00	0.00
	Remuneration:	0.70	0.82
	Salaries and allowances	0.67	0.58
	Company contribution to provident fund	0.03	0.02
	Perquisite value on options exercised during the year under the Employees Stock Option Scheme, 2013	-	0.22
	Issue of Equity shares including premium	-	0.00

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Note 44: Related Party Transactions (Contd..)

(₹ in Crores)

Name of the Related Party	Nature of transactions	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. Antony Sebastian	Dividend Paid	0.07	0.06
	Remuneration:	1.11	1.36
	Salaries and allowances	1.04	1.29
	Company contribution to provident fund	0.07	0.07
Relatives of KMP (Excluding Mr. Kochouseph Chittilappilly)	Dividends paid	7.40	6.91
Entities in which KMP/ relatives of KMP can exercise significant influence	Dividends paid	9.09	8.49
Non - Executive Directors	Sitting fees	0.59	0.62
	Commission	1.09	0.07
V-Guard Foundation	CSR Contribution	6.81	6.41
Gegadyne Energy Labs Private Limited	Investment in Preference shares	25.00	-
	Purchase of goods	0.06	-
	Loan Given (Refer Note 15)	9.00	1.60
	Interest on Loan Given	0.53	0.00
	Loan Repayment	10.60	-

(c) Related party balances

(₹ in Crores)

Name of the Related Party	Nature of transactions	As at March 31, 2026	As at March 31, 2025
Mr. Kochouseph Chittilappilly	Emoluments payable	-	0.94
Mr. Mithun K Chittilappilly	Commission payable	5.78	5.64
Non - Executive Director	Commission payable	1.09	0.07
Mr. Ramachandran V	Remuneration payable	-	0.95
Mr. Sudarshan Kasturi	Remuneration payable	0.14	0.46
Mr. Vikas Kumar Tak	Remuneration payable	0.03	0.09
Mr. Antony Sebastian	Remuneration payable	-	0.27
Gegadyne Energy Labs Private Limited	Trade payables	0.01	-
	Loan Outstanding	-	1.60

Notes:

- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Group as a whole. These are included as part of managerial remuneration on payment basis. Further, share based payments are disclosed when the stock options are exercised by the KMP as per the perquisite valuation rule. The details of KMP compensation is as below:

(₹ in Crores)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Short-term employee benefits	20.23	19.44
Post-employment benefits	1.01	0.93
Share based payment expense	20.91	31.15

- Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

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Note 45: Earnings Per Share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year attributable to equity holders of the parent (₹ in crores)	308.33	313.72
Weighted average number of equity shares outstanding*	43,84,19,931	43,76,94,778
Basic earnings per share (₹)	7.03	7.17
Net Profit for the year attributable to equity holders of the parent (₹ in crores)	308.33	313.72
Weighted average number of equity shares outstanding	43,99,07,031	43,95,12,234
Diluted earnings per share (₹)	7.01	7.14
Weighted average number of equity shares in calculating basic EPS	43,84,19,931	43,76,94,778
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	14,87,100	18,17,456
Weighted average number of equity shares in calculating diluted EPS	43,99,07,031	43,95,12,234

*Includes effect of vested employee stock options, considered as 'in-substance' issued equity shares.

Note 46: Share based payments

The members of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Group. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions. All options granted under ESOS 2013 can be exercised within 6 years from the date of vesting. The number of shares allocated for allotment under the ESOS 2013 is 2,23,61,109 equity shares of ₹ 1/- each. The schemes are monitored and supervised by the Nomination and Remuneration Committee of the Board of Directors in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereof from time to time. Refer table below for details of grants yet to be exercised as at the year end.

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant V	2016-17	08-Aug-16	12,61,246	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
			49,280	1.00		100% of the entitlements are time based grants which will vest over 4 years.
			2,80,000	1.00		60% of the total entitlements are time based grants which will vest over 4 years and the balance 40% will vest at the end of fourth year based on the performance of the Company.
			11,20,000	121.79		
Grant X	2017-18	22-Jan-18	2,50,768	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Company.
Grant XVI	2020-21	27-Aug-20	10,62,635	1.00	Over 4 years	
Grant XX	2021-22	28-Oct-21	1,14,365	1.00	Over 4 years	
Grant XXI	2021-22	02-Feb-22	2,51,143	1.00	Over 4 years	
Grant XXII	2021-22	25-Mar-22	59,980	1.00	Over 4 years	
Grant XXIII	2022-23	19-May-22	91,407	1.00	Over 4 years	
Grant XXIV	2022-23	27-Jul-22	86,868	1.00	Over 4 years	
Grant XXV	2022-23	02-Feb-23	1,23,651	1.00	Over 4 years	

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Note 46: Share based payments (Contd..)

Grant	Financial year	Date of grant	No. of options granted	Exercise Price per share (₹)	Vesting period	Vesting conditions
Grant XXVI	2023-24	29-May-23	27,657	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Group.
Grant XXVII	2023-24	27-Jul-23	1,40,326	1.00	Over 4 years	
Grant XXVIII	2023-24	29-Oct-23	65,415	1.00	Over 4 years	
Grant XXIX	2023-24	31-Jan-24	36,915	1.00	Over 4 years	
Grant XXX	2024-25	15-May-24	12,59,200	354.55	Over 4 years	
			2,60,000	1.00		
Grant XXXI	2024-25	31-Aug-24	8,07,159	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 3 years and the balance 25% will vest at the end of third year based on the performance of the Group.
Grant XXXII	2024-25	28-Oct-24	35,721	1.00	Over 4 years	
Grant XXXIII	2024-25	27-Jan-25	1,81,801	1.00	Over 3 years	
			14,536		Over 4 years	
Grant XXXIV	2024-25	19-Mar-25	15,669	1.00	Over 4 years	
Grant XXXV	2025-26	28-Jul-25	1,21,071	1.00	Over 4 years	75% of the total entitlements are time based grants which will vest over 4 years and the balance 25% will vest at the end of fourth year based on the performance of the Group.
Grant XXXVI	2025-26	28-Oct-25	78,079	1.00	Over 4 years	
Grant XXXVII	2025-26	27-Jan-26	1,96,125	1.00	Over 4 years	
Grant XXXVIII	2025-26	25-Mar-26	17,402	1.00	Over 4 years	

The details of the activity under the Scheme are summarized below:

Weighted average Exercise Price per share (₹)	Outstanding at the beginning of the year	Granted during the year	Forfeited / expired during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year	Weighted average remaining contractual life (in years)
1.00	22,82,537 (19,64,650)	4,12,677 (13,14,886)	2,16,830 (5,06,946)	2,89,783 (4,90,053)	21,88,601 (22,82,537)	3,25,548 (2,44,559)	7.28 (7.66)
68.75	5,67,000 (11,34,000)	-	-	5,67,000 (5,67,000)	- (5,67,000)	- (5,67,000)	- (0.67)
121.79	1,68,000 (5,04,000)	-	-	1,68,000 (3,36,000)	- (1,68,000)	- (1,68,000)	- (1.27)
172.05	12,59,200 (12,59,200)	-	-	-	12,59,200 (12,59,200)	12,59,200 (12,59,200)	2.64 (3.64)
354.55	12,59,200	-	-	-	12,59,200	3,14,800	6.62
	-	(12,59,200)	-	-	(12,59,200)	-	(7.62)

Note: The numbers in parenthesis pertains to the previous year ended March 31, 2025

Weighted average fair value of the options granted during the year was ₹347.50 (March 31, 2025: ₹ 283.68).

Weighted average equity share price at the date of exercise of options during the year was ₹ 352.69 (March 31, 2025: ₹ 390.45).

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Note 46: Share based payments (Contd..)

The value of the underlying shares has been determined by an independent valuer. The following assumptions were used for calculation of fair value of grants in accordance with Binomial model:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Risk-free interest rate (%)	5.92 % to 6.74 %	6.48 % to 6.96 %
Expected life of options (years)	4.01 to 7.01	4.01 to 7.01
Expected volatility (%)	26.42% to 28.97%	27.89% to 32.00%
Dividend yield	0.37 % to 0.48 %	0.32 % to 0.40 %

The risk free interest rates are determined based on the zero-coupon sovereign bond yields with maturity equal to the expected term of the option. The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical period is taken into account to match the expected life of the option. Dividend yield has been calculated taking into account expected rate of dividend on equity share price as on grant date, indicative of future trends, which may not necessarily be the actual outcome. Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefits expense is ₹ 27.07 crores (March 31, 2025: ₹ 25.90 crores).

Note 47: Fair Values

Accounting Policy

(i) Classification of financial assets at amortised cost

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets classified at amortised cost comprise trade receivables, loans and security deposits.

See note 2.3 (j) for other accounting policies relevant to financial assets.

(ii) Classification of financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):

- debt investments (preference shares and mutual funds) that do not qualify for measurement at either amortised cost or FVOCI, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial assets at FVTPL				
Other investments	276.22	80.66	276.22	80.66
Financial assets at amortised cost				
Trade receivables	532.85	542.31	532.85	542.31
Cash and bank balances	60.09	65.17	60.09	65.17
Loans	2.25	3.92	2.25	3.92
Other financial assets	22.22	20.87	22.22	20.87
Total	893.63	712.93	893.63	712.93

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Note 47: Fair Values (Contd..)

(₹ in Crores)

Particulars	Carrying value		Fair value	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Financial liabilities at amortised cost				
Borrowings	8.84	10.81	8.84	10.81
Trade payables	738.47	656.95	738.47	656.95
Other financial liabilities	82.18	145.77	82.18	145.77
Total	829.49	813.53	829.49	813.53

The management assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term receivables / advances given are evaluated by the Group based on parameters such as interest rates and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

Current investments pertains to Investments in mutual funds which are mandatorily classified as fair value through statement of profit and loss. The fair value of investments in mutual funds units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at balance sheet date. NAV represents the price at which the issuer will issue further units of mutual funds and the price at which issuers will redeem such units from the investors.

The fair value of other investments has been determined using Income and market approach specifically using discounted cash flow method and guidelines public transactions method. Refer Note 48 (iv).

The fair value of loans and borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The same would be sensitive to a reasonably possible change in the forecast cash flows or the discount rate. There are no unobservable inputs that impact fair value.

Note 48: Fair Value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, measured at fair value on the balance sheet date:

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets carried at cost for which fair value are disclosed					
Investment property (Refer Note 4)	31-Mar-26	0.28	-	-	0.28
	31-Mar-25	0.28	-	-	0.28
Fair value of financial assets disclosed					
FVTPL - Other investments	31-Mar-26	276.22	-	180.70	95.52
	31-Mar-25	80.66	-	10.14	70.52
Assets carried at amortised cost for which fair value are disclosed					
Trade receivables	31-Mar-26	532.85	-	-	532.85
	31-Mar-25	542.31	-	-	542.31
Cash and bank balances	31-Mar-26	60.09	-	-	60.09
	31-Mar-25	65.17	-	-	65.17
Loans	31-Mar-26	2.25	-	-	2.25
	31-Mar-25	3.92	-	-	3.92
Other financial assets	31-Mar-26	22.22	-	-	22.22
	31-Mar-25	20.87	-	-	20.87

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Note 48: Fair Value Hierarchy (Contd..)

(₹ in Crores)

Particulars	Date of valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities carried at amortised cost for which fair value are disclosed					
Borrowings	31-Mar-26	8.84	-	-	8.84
	31-Mar-25	10.81	-	-	10.81
Trade payables	31-Mar-26	738.47	-	-	738.47
	31-Mar-25	656.95	-	-	656.95
Other financial liabilities	31-Mar-26	82.18	-	-	82.18
	31-Mar-25	145.77	-	-	145.77

- (i) There have been no transfers between Level 1, Level 2 and Level 3 during the year.
- (ii) Short-term financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (iv) Fair value of mutual funds is determined based on the net asset value of the funds.
- (v) The significant unobservable inputs used in the fair value measurement of investment categorised within Level 3 of the fair value hierarchy together with sensitivity analysis are as shown below:

Description of significant unobservable inputs to valuation:

As at March 31, 2026

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Income and market approach specifically using discounted cash flow method and guidelines public transactions method	Earnings multiple	0.5x increase in earnings multiple will result in a ₹ 14.57 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 14.57 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 13.96 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 15.48 crores increase in fair value.

As at March 31, 2025

Particulars	Valuation technique	Significant unobservable inputs	Sensitivity of the input to fair value
FVTPL Investments	Discounted cash flow method	Earnings multiple	0.5x increase in earnings multiple will result in a ₹ 9.32 crores increase in fair value and 0.5x decrease in earnings multiple will result in a ₹ 9.14 crores decrease in fair value.
		Weighted average cost of capital (WACC) at 40%	2% increase in WACC will result in a ₹ 14.13 crores decrease in fair value and 2% decrease in WACC will result in a ₹ 1.60 crores increase in fair value

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Note 49: Financial risk management objectives and policies

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for establishing and governing the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Group.

A. Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities.

The Group's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2026 and March 31, 2025. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an ongoing basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents(to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable investments, such as mutual funds, with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

As at March 31, 2026, the Group had ₹ 537.29 crores (March 31, 2025: ₹ 581.4 crores) of undrawn committed borrowing / credit facilities including non fund based facilities.

The table below summarises the maturity profile of Group's financial liabilities:

(₹ in Crores)				
Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at March 31, 2026				
a) Borrowings	8.84	-	-	8.84
b) Lease liabilities	31.29	82.30	153.52	267.11
c) Trade payables	738.47	-	-	738.47
d) Other financial liabilities	82.18	-	-	82.18
Total	860.78	82.30	153.52	1,096.60
As at March 31, 2025				
a) Borrowings	10.81	-	-	10.81
b) Lease liabilities	28.45	65.39	38.90	132.74
c) Trade payables	656.95	-	-	656.95
d) Other financial liabilities	145.77	-	-	145.77
Total	841.98	65.39	38.90	946.27

B. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following: interest rate risk, foreign currency risk and commodity price risk. Financial instruments affected by market risk include loans, borrowings, trade payables and deposits.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings which are at floating interest rates.

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Note 49: Financial risk management objectives and policies (Contd..)

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are included in the table below :

Particulars	(₹ in Crores)	
	Effect on profit before tax	
	1% increase	1% decrease
As at March 31, 2026	-	-
As at March 31, 2025	-	-

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risks arising from exposures to US Dollars and Chinese Yuan from the Group's import of goods. The Group manages this foreign currency risk by using foreign currency forward contracts to hedge certain of its import liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following table demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities net of amounts hedged is as follows:

Particulars	(₹ in Crores)	
	Effect on profit before tax	
	1% increase	1% decrease
As at March 31, 2026	0.99	(0.99)
As at March 31, 2025	2.98	(2.98)

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of domestic cable and other electronic items and therefore require a continuous supply of copper, being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the Copper, the Group has entered into various purchase contracts for this material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price for each month.

C. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and other financial assets.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and certain customers are covered under credit insurance. An impairment analysis is performed at each reporting date by grouping a large number of minor receivables into homogenous groups and assess them for impairment collectively. The Group creates allowance based on lifetime expected credit loss based on a provision matrix after considering adjustment under credit insurance. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13. The Group does not hold any collateral as security except for the deposits and bank guarantees received from the customers. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several locations and operate in largely independent markets.

The movement for change in allowance for expected credit loss and credit impairment is as follows:

Particulars	(₹ in Crores)	
	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	31.93	30.90
Change in allowance for expected credit loss and credit impairment during the year	1.48	1.03
Balance as at the end of the year	33.41	31.93

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 49: Financial risk management objectives and policies (Contd..)

The Group follow the following provision matrix as on the reporting date:

Particulars	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due
Default rate	0.02%	2%	2.50%	5%	10%	30%	35%	70%	100%

Other financial assets

Credit risk from balances with banks and financial institutions and in respect of loans and deposits are managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable liquid fund instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Note 50: Capital management

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

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group monitors Capital using Gearing ratio, which is net debt divided by total capital plus net debt.

(₹ in Crores)

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	8.84	10.81
Less: Cash and cash equivalents and other bank balances	59.30	64.50
Borrowings (A)	-	-
Equity	2,373.05	2,097.83
Capital and Net debt (B)	-	-
Gearing ratio (A/B)	-	-

Note : In the current year, cash and cash equivalents along with other bank balances exceed net debt; hence, the gearing ratio is not applicable.

Note 51: Other statutory information

(i) Details of Benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets

The Group has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group during the year with banks are in agreement with the books of accounts.

(iii) Willful defaulter

The Group has not been declared willful defaulter by any bank or financial institution or other lender.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 51: Other statutory information (Contd..)

(iv) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) Compliance with approved scheme of arrangements

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of borrowed funds and share premium

A. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

B. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Undisclosed income

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

(ix) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) Valuation of property, plant and equipment, right of use assets, intangible assets and investment property

The Group has not revalued its property, plant and equipment (including right of use assets), intangible assets and investment property during the current or previous year.

(xi) Core Investment Company

The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

Note 52: Audit Trail

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) that has operated throughout the financial year for all relevant transactions except:

- (i) for changes to certain tables where audit trail was not activated as part of default settings of the ERP vendor for the period April 1, 2025 to May 7, 2025.
- (ii) for transactions by users having specific access used for debugging and troubleshooting and

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 52: Audit Trail (Contd..)

- (iii) for direct database changes to the ERP database, where adequate technical documentation is not available to enable audit trail. The Group has however put in place controls to ensure that changes to database are only through the ERP application where audit trail is enabled. Further, the audit trail, to the extent maintained in the prior years, has been preserved by the Group as per the statutory requirements for record retention.

Note 53: Statutory Group Information

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	₹ in crores	As % of consolidated net profit	₹ in crores	As % of consolidated other comprehensive Income	₹ in crores	As % of consolidated total comprehensive income	₹ in crores
Parent Company								
V-Guard Industries Limited								
Balance as at March 31, 2026	93.75%	2,224.68	84.12%	259.37	89.33%	(0.67)	84.11%	258.70
Balance as at March 31, 2025	95.26%	1,998.34	82.95%	260.22	95.22%	(2.99)	82.82%	257.23
Subsidiaries								
Guts Electro-Mech Limited								
Balance as at March 31, 2026	1.72%	40.85	2.12%	6.53	-9.34%	0.07	2.15%	6.60
Balance as at March 31, 2025	1.63%	34.25	2.24%	7.04	0.64%	(0.02)	2.26%	7.02
V-Guard Consumer Products Limited								
Balance as at March 31, 2026	10.71%	254.12	16.40%	50.59	-1.33%	0.01	16.45%	50.60
Balance as at March 31, 2025	9.70%	203.51	16.12%	50.56	2.55%	(0.08)	16.25%	50.48
Sunflame Enterprises Private Limited								
Balance as at March 31, 2026	4.59%	109.01	2.23%	6.88	21.33%	(0.16)	2.18%	6.72
Balance as at March 31, 2025	5.55%	116.38	1.05%	3.29	1.59%	(0.05)	1.05%	3.25
Adjustment due to consolidation								
Balance as at March 31, 2026	-10.77%	(255.61)	-4.87%	(15.03)	0.01%	0.00	-4.89%	(15.03)
Balance as at March 31, 2025	-12.14%	(254.65)	-2.36%	(7.39)	0.00%	0.00	-2.38%	(7.40)
Associate - Gegadyne Energy Labs Private Limited (refer Note 6)								
Balance as at March 31, 2026	0.00%	0.00	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Balance as at March 31, 2025	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00
Consolidated Net Asset/profit and Loss								
Balance as at March 31, 2026	100.00%	2,373.05	100.00%	308.33	100.00%	(0.75)	100.00%	307.58
Balance as at March 31, 2025	100.00%	2,097.83	100.00%	313.72	100.00%	(3.14)	100.00%	310.58

Note: Amounts disclosed above are net of inter company elimination for the purpose of consolidation.

Note 54: During the year, the Holding Company was required to transfer 14,645 equity shares to IEPFA as dividend has not been encashed or claimed on the above shares during the seven consecutive years from the Financial Year 2018-19 to 2024-2025. However, the Holding Company could transfer only 13,383 equity shares, as 1,262 equity shares could not be transferred due to regulatory restrictions.

Notes forming part of the Consolidated Financial Statements

as of and for the year ended March 31, 2026

Note 55: 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 - replacing 29 existing labour laws, collectively referred to as the 'New Labour Codes'. The Group has assessed and disclosed the incremental financial impact of these changes, taking into consideration the best information available read with the FAQs released by the Ministry of Labour & Employment and the Institute of Chartered Accountants of India and the rules notified subsequent to the year end. Considering the materiality and non-recurring nature of this impact, the Group has presented incremental charge of ₹ 22.11 crores under "Exceptional item" in the consolidated financial statements for the year ended March 31, 2026.

The Group continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/guidance.

Note 56: The Board of Directors in its meeting held on July 29, 2025 have accorded in-principle approval for merger of Sunflame Enterprises Private Limited with V-Guard Industries Limited (Holding Company), subject to necessary approvals. The proposed merger is being carried out to take advantage of synergies with the Holding Company.

Note 57: Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

As per our report of even date
For **Price Waterhouse Chartered Accountants LLP**
Firm registration number: 012754N/N500016

Sd/-
Amit Kumar Agrawal
Partner
Membership No. : 064311

Place : Kochi
Date : May 12, 2026

**For and on behalf of the Board of Directors of
V-Guard Industries Limited**
CIN: L31200KL1996PLC010010

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Place : Kochi
Date : May 12, 2026

Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A" Subsidiaries

Name of the subsidiary	Guts Electro-Mech Ltd	V-Guard Consumer Products Limited	Sunflame Enterprises Private Limited
CIN	U52520TG1987PLC007245	U31904KL2021PLC069893	U74899DL1984PTC018992
The date since when subsidiary was acquired	August 31, 2017	July 19, 2021	January 12, 2023
Reporting period for the subsidiary concerned	March 31, 2026	March 31, 2026	March 31, 2026
Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	₹	₹	₹

Sl. No.	Particulars	₹ in crores	₹ in crores	₹ in crores
1	Share capital	1.97	121.09	0.16
2	Other equity	38.87	133.03	108.86
3	Total assets	71.58	430.68	149.65
4	Total liabilities	30.74	176.56	40.63
5	Investments	Nil	0.15	Nil
6	Turnover	113.43	657.13	249.70
7	Profit before taxation	7.41	57.11	8.79
8	Provision for taxation	2.37	10.55	2.45
9	Profit after taxation	5.04	46.56	6.34

Other information			
Proposed dividend	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%
Names of subsidiaries which are yet to commence operations	Nil		
Names of subsidiaries which have been liquidated or sold during the year	Nil		

Part "B" Subsidiaries

Name of Associates or Joint Ventures		Gegadyne Energy Labs Private Limited
1	Latest audited Balance Sheet Date	31-Mar-2025
2	Date on which the Associate or Joint Venture was associated or acquired	November 21, 2023
3	Shares of Associate or Joint Ventures held by the company on the year end	
	i. Number	7 Equity shares, 4051 Compulsarily Convertible Cumulative Preference Shares and 1438 Optionally Convertible Cumulative Preference Shares
	ii. Amount of Investment in Associates or Joint Venture	95.56 crores
	iii. Extent of Holding (in percentage)	30.35%
4	Description of how there is significant influence	Associate
5	Reason why the associate/Joint venture is not consolidated.	NA
6	Net worth attributable to shareholding as per latest audited Balance Sheet	-0.09
7	Profit or Loss for the year	
	i. Considered in Consolidation	(0.01)
	ii. Not Considered in Consolidation	(10.85)

Note - The amount shown as investment in associate is inclusive of the fair valuation gain

**For and on behalf of the Board of Directors of
V-Guard Industries Limited**

Sd/-
Radha Unni
Chairperson
DIN: 03242769

Sd/-
Sudarshan Kasturi
Chief Financial Officer

Sd/-
Mithun K. Chittilappilly
Managing Director
DIN: 00027610

Sd/-
Vikas Kumar Tak
Company Secretary
Membership No: F6618

Place : Kochi
Date : May 12, 2026

GRI Content Index

Statement of use	GRI 1 used
V-Guard Ltd. has reported the information cited in this GRI content index for the period 1 st April 2025 to 31 st March 2026 with reference to the GRI Standards.	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (Page Numbers)	SECTION
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 10	V-Guard at a Glance
	2-2 Entities included in the organization's sustainability reporting	Page 32	Corporate Information
	2-3 Reporting period, frequency and contact point	Page 5	About the Report
	2-4 Restatements of information		N/A
	2-5 External assurance	Page 5	About the Report
	2-6 Activities, value chain and other business relationships	Page 10, 154	V-Guard at a Glance, BRSR Section A
	2-7 Employees	Page 64	Human Capital
	2-8 Workers who are not employees	Page 64, 155	Human Capital, BRSR Section A
	2-9 Governance structure and composition	Page 28	Leadership & Governance
	2-10 Nomination and selection of the highest governance body	Page 104	Board's Report
	2-11 Chair of the highest governance body	Page 28	Leadership & Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 129-153, 169	Corporate Governance Report, Business Responsibility and Sustainability Report
	2-13 Delegation of responsibility for managing impacts	Page 129-153	Corporate Governance Report
	2-14 Role of the highest governance body in sustainability reporting	Page 136-137	Corporate Governance Report
	2-15 Conflicts of interest	Page 172	Business Responsibility and Sustainability Report
	2-16 Communication of critical concerns	Page 34-35, 157	Stakeholder Engagement, Business Responsibility and Sustainability Report
	2-17 Collective knowledge of the highest governance body	Page 132	Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Page 102, 135	Board's Report, Corporate Governance Report
	2-19 Remuneration policies	Page 101, 134-138	Board's Report, Corporate Governance Report
	2-20 Process to determine remuneration	Page 104, 134-138	Board's Report, Corporate Governance Report
	2-21 Annual total compensation ratio	Page 128, 138-139	Board's Report, Corporate Governance Report
	2-22 Statement on sustainable development strategy	Page 34	Sustainability Strategy
	2-23 Policy commitments	Page 33	Ethics & Compliance
	2-24 Embedding policy commitments	Page 33	Ethics & Compliance
	2-25 Processes to remediate negative impacts	Page 96	MD&A (ERM)
	2-26 Mechanisms for seeking advice and raising concerns	Page 33	Ethics & Compliance
	2-27 Compliance with laws and regulations	Page 33	Ethics & Compliance
	2-28 Membership associations	Page 178	BRSR P3
	2-29 Approach to stakeholder engagement	Page 34	Stakeholder Engagement
	2-30 Collective bargaining agreements		N/A

GRI STANDARD	DISCLOSURE	LOCATION (Page Numbers)	SECTION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 36	Materiality Assessment
	3-2 List of material topics	Page 36	Materiality Assessment
	3-3 Management of material topics	Page 36	Materiality Assessment
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 49-51, 96, 208-355	Financial Capital, Board's Report, Financial Statements
	201-2 Financial implications and other risks and opportunities due to climate change	Page 25	Climate Risk Assessment
	201-3 Defined benefit plan obligations and other retirement plans	Page 67, 177	Human Capital, BRSR P3
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Page 128, 165	Board's Report, Business Responsibility and Sustainability Report
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Page 198	BRSR P8
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 72, 198	Social & Relationship Capital, BRSR P8
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	-	Not disclosed
	205-2 Communication and training about anti-corruption policies and procedures	Page 33	Ethics & Compliance
	205-3 Confirmed incidents of corruption and actions taken	Page 33	Ethics & Compliance
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 33	Ethics & Compliance
GRI 207: Tax 2019	207-1 Approach to tax	Page 214-218	Annexure B to Independent Auditors' Report
	207-2 Tax governance, control, and risk management	Page 96-97, 214-218	Management Discussion & Analysis, Annexure B to Independent Auditors' Report
	207-3 Stakeholder engagement and management of concerns related to tax	Page 34-35, 214-218	Stakeholder Engagement, Annexure B to Independent Auditors' Report
	207-4 Country-by-country reporting		N/A
GRI 301: Materials 2016	301-2 Recycled input materials used	Page 58	Intellectual Capital
	301-3 Reclaimed products and their packaging materials	Page 61	Intellectual Capital
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 79, 188	Natural Capital; BRSR Principle 6
	302-2 Energy consumption outside of the organization	Page 79, 188	Natural Capital; BRSR Principle 7
	302-3 Energy intensity	Page 79, 188	Natural Capital; BRSR Principle 6
	302-4 Reduction of energy consumption	Page 79, 188	Natural Capital; BRSR Principle 6
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 81, 189	Natural Capital; BRSR Principle 7
	303-2 Management of water discharge-related impacts	Page 81, 189	Natural Capital; BRSR Principle 8
	303-3 Water withdrawal	Page 81, 189	Natural Capital; BRSR Principle 6
	303-4 Water discharge	Page 81, 189	Natural Capital; BRSR Principle 6
	303-5 Water consumption	Page 81, 189	Natural Capital; BRSR Principle 6

GRI STANDARD	DISCLOSURE	LOCATION (Page Numbers)	SECTION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 79, 190	BRSR Principle 6
	305-2 Energy indirect (Scope 2) GHG emissions	Page 79, 190	BRSR Principle 6
	305-3 Energy indirect (Scope 3) GHG emissions	Page 80, 190	Natural Capital; BRSR Principle 6
	305-4 GHG emissions intensity	Page 190	BRSR Principle 6
	305-5 Reduction of GHG emissions	Page 190	BRSR Principle 6
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 190	BRSR Principle 6
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 82,191	Natural Capital; BRSR Principle 6
	306-2 Management of significant waste-related impacts	Page 82,191	Natural Capital; BRSR Principle 6
	306-3 Waste generated	Page 82,191	Natural Capital; BRSR Principle 6
	306-4 Waste diverted from disposal	Page 191	BRSR Principle 6
	306-5 Waste directed to disposal	Page 191	BRSR Principle 6
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	-	Not Disclosed
	308-2 Negative environmental impacts in the supply chain and actions taken	-	Not Disclosed
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 64,156	Human Capital, BRSR Section A
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 176	BRSR P3
	401-3 Parental leave	Page 176	BRSR P3
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 56, 178	Manufactured Capital, BRSR P3
	403-2 Hazard identification, risk assessment, and incident investigation	Page 179	BRSR P3
	403-3 Occupational health services	Page 179	BRSR P3
	403-5 Worker training on occupational health and safety	Page 179	BRSR P3
	403-6 Promotion of worker health	Page 179	BRSR P3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 179	BRSR P3
	403-8 Workers covered by an occupational health and safety management system	Page 178	BRSR P3
	403-9 Work-related injuries	Page 179	BRSR P3
	403-10 Work-related ill health	Page 179	BRSR P3

GRI STANDARD	DISCLOSURE	LOCATION (Page Numbers)	SECTION
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 67, 178	Human Capital, BRSR P3
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 178	BRSR P3
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 28	Leadership & Governance
	405-2 Ratio of basic salary and remuneration of women to men	Page 185	BRSR P5
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 186	BRSR P5
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 186	BRSR P5
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Page 186	BRSR P5
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 186	BRSR P5
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 76	Social & Relationship Capital
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	-	Not disclosed
	414-2 Negative social impacts in the supply chain and actions taken	-	Not disclosed
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-	Not disclosed
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 201	BRSR P9
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 201	BRSR P9
	417-2 Incidents of non-compliance concerning product and service information and labeling	Page 201	BRSR P9
	417-3 Incidents of non-compliance concerning marketing communications	Page 201	BRSR P9
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 201	BRSR P9



V-Guard Industries Limited

CIN L31200KL1996PLC010010

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