



June 20, 2026

To, BSE Ltd. Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001  <b>Scrip Code: 544703</b>	To, National Stock Exchange of India Ltd Exchange Plaza, 5th Floor, Plot No. C-1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051  <b>Symbol: DSFCL</b>
--	---

**Sub: Annual Report 2025-26 - “5<sup>th</sup> Annual General Meeting” of the Members of the Company, “E-voting”, “Book-Closure” and “Record date”**

Dear Madam / Sir,

**i. Annual General Meeting of the Members of the Company**

The 5<sup>th</sup> **Annual General Meeting (“AGM”)** of the Members of the Company will be held on **Tuesday, 14<sup>th</sup> July, 2026 at 11:30 AM (IST)** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI). Notice calling AGM and Annual Report have been emailed to the Members on 20<sup>th</sup> June, 2026. Copies enclosed herewith.

The Company has fixed **Wednesday, 1<sup>st</sup> July, 2026** as the **“Cut-off Date”** for the purpose of determining the Members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

**ii. Remote E-voting**

The remote e-voting period for the AGM would begin on **Thursday, 9<sup>th</sup> July, 2026 at 9:00 A.M. (IST)** and end on **Monday, 13<sup>th</sup> July, 2026 at 5:00 P.M. (IST)**.

**iii. Date of closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from **Friday 3<sup>rd</sup> July, 2026 to Tuesday, 14<sup>th</sup> July, 2026** (both days inclusive).

**iv. Record Date and Dividend Payment**

The Company has fixed **Wednesday, 1<sup>st</sup> July, 2026** as the **“Record Date”** for the purpose of determining the Members entitled to receive dividend for the financial year 2025 - 26. The dividend, if declared at the AGM, will be paid within 30 days from the conclusion of the AGM.

## Factories:

DAURALA ORGANICS, DAURALA CHEMICALS, Sardhana Road, Daurala, Meerut, UP - 250221

DO: Tel.: +91-1237-230086, E-mail: [dauralaorganics\\_drla@dsfc.com](mailto:dauralaorganics_drla@dsfc.com) | DC: Tel.: +91-1237-230173, E-mail: [dauralachemicals\\_drla@dsfc.com](mailto:dauralachemicals_drla@dsfc.com)

GSTIN: 09AAICD7874Q1ZK



**DCM SHRIRAM**

**FINE CHEMICALS LTD.**

Quality • Integrity • Pioneering Spirit

REGISTERED & CORPORATE OFFICE:

6th Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi -110001, India

Tel.: +91-11-43207700, Website: <http://www.dsfc.com>, E-mail: [chemicals@dsfc.com](mailto:chemicals@dsfc.com)

CIN: U24296DL2021PLC387429, GSTIN: 07AAICD7874Q1Z0

The Annual Report for FY 2025-26 containing the Notice is available on the website of the Company at <https://dsfcl.com/>.

This information is for your records.

Thanking you,

Yours faithfully,

**(Akshay Dhar)**  
**Managing Director & CEO**  
**DIN: 01078392**

Encl: A/a

Copy To:

**1. National Securities Depository Limited**

Trade World, A wing, 4<sup>th</sup> Floor,  
Kamala Mills Compound, Lower Parel,  
Mumbai - 400013.

**2. Central Depository Services (India) Limited**

Marathon Futurex, A -Wing, 25<sup>th</sup> floor,  
NM Joshi Marg, Lower Parel (East),  
Mumbai - 400013.

**3. KFIN Technologies Limited**

Selenium Tower B, Plot 31 – 32  
Financial District, Nanakramguda,  
Serilingampally Mandal  
Hyderabad, Telangana – 500 032

Factories:

DAURALA ORGANICS, DAURALA CHEMICALS, Sardhana Road, Daurala, Meerut, UP - 250221

DO: Tel.: +91-1237-230086, E-mail: [dauralaorganics\\_drla@dsfcl.com](mailto:dauralaorganics_drla@dsfcl.com) | DC: Tel.: +91-1237-230173, E-mail: [dauralachemicals\\_drla@dsfcl.com](mailto:dauralachemicals_drla@dsfcl.com)

GSTIN: 09AAICD7874Q1ZK



**DCM SHRIRAM**

**FINE CHEMICALS LTD.**

Quality · Integrity · Pioneering Spirit



**ANNUAL  
REPORT 2025-26**

<b>Board of Directors</b>	Mrs. Urvashi Tilakdhar Mr. Akshay Dhar Ms. Aditi Dhar Mr. Alok Bansidhar Shriram Ms. Rama Sanjay Kirloskar Mr. Rohit Bhandari Dr. Sandeep Bajaj Mr. Siddhartha Mukherjee Mr. Sunil Behari Mathur Mr. Venkata Rama Subbu Behara Mr. Vijay Anand	Sr. Managing Director Managing Director & CEO Non - Executive Director Non - Executive Director Independent Director Independent Director Director - Business Development Independent Director Non - Executive Director Independent Director Independent Director
---------------------------	--	---

<b>Principal Executives</b>	Mr. Naresh Handa	Chief Financial Officer
-----------------------------	------------------	-------------------------

<b>Company Secretary &amp; Compliance Officer</b>	Ms. Kokila Arora
---	------------------

<b>Bankers</b>	State Bank of India Axis Bank Ltd.
----------------	---------------------------------------

<b>Auditors</b>	M/s. Kirtane & Pandit LLP Chartered Accountants, New Delhi
-----------------	---

<b>Registered Office</b>	6 <sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110 001	CIN : U24296DL2021PLC387429 Tel. No. : (011) 43207700 E-mail : <a href="mailto:compliance@dsfcl.com">compliance@dsfcl.com</a> Website: <a href="https://dsfcl.com/">https://dsfcl.com/</a>
--------------------------	--	---

<b>Stock Exchanges where the Securities of the Company are Listed</b>	<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
---	--	---

# DCM SHRIRAM FINE CHEMICALS LIMITED

---

Regd.Office: 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi-110001  
CIN: U24296DL2021PLC387429, Tel: (011) 43207700  
Email: [compliance@dsfcl.com](mailto:compliance@dsfcl.com) Website : <https://www.dsfcl.com>

## NOTICE

NOTICE is hereby given that the 5<sup>th</sup> Annual General Meeting of DCM Shriram Fine Chemicals Limited (the 'Company') will be held on **Tuesday, the 14<sup>th</sup> July, 2026 at 11:30 A.M. (IST)** through Video Conference (VC) / Other Audio Visual Means (OAVM), to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at 6<sup>th</sup> Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001.

### ORDINARY BUSINESS

#### 1. To consider and adopt:

- a) The Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2026 together with the Reports of the Board of Directors and Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2026 together with the Report of the Auditors thereon.

#### 2. Declaration of Dividend on Equity Shares

To declare a Dividend of ₹ 0.40 per equity share of the face value ₹ 2 each for the financial year 2025-26.

#### 3. Appointment of Director liable to retire by rotation

To appoint a Director in place of Mrs. Urvashi Tilakdhar (DIN: 00294265), who retires by rotation and being eligible, offers herself for re-appointment.

#### 4. Appointment of Director liable to retire by rotation

To appoint a Director in place of Mr. Akshay Dhar (DIN: 01078392), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 5. Cost Auditors - Ratification of Remuneration

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) of the Companies Act, 2013, read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 1 lakh plus GST and out of pocket expenses, if any, fixed by the Board of Directors, on recommendation of the Audit Committee, for audit of the cost records of the Company by M/s. Ramanath Iyer & Co., (Firm Regn. No. 000019) for the year 2026-27, be and is hereby ratified and confirmed."

#### 6. Payment of Commission to Non-Executive Directors

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

"RESOLVED THAT pursuant to the provisions of Sections 197, 198, and other applicable provisions of the Companies Act, 2013, if any, read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for payment of commission to the "Non-Executive Directors", in addition to the sitting fee, which shall not exceed **1% (one percent)** of the Net Profits of the Company for that financial year, as computed in the manner referred to in Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to pay commission to the Non-Executive Directors within the limit set out above, in such manner and proportion as the Board may decide, for each financial year commencing from 2026-27."

## 7. Alteration of the Articles of Association

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, if any, read with the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to the alteration of the Articles of Association of the Company, in the following manner:

**1. Existing Article 74(ii) be substituted with the following:**

*"74(ii) - A director may be appointed as managing director, chief executive officer, manager, company secretary or chief financial officer."*

**2. New sub-clauses 74(iii) and 74(iv) be inserted after Article 74(ii):**

*"74(iii) - Subject to the provisions of Section 203 and provision of the Listing Regulations, the Board may appoint the managing director and / or chief executive officer as the chairperson of the Company."*

*"74(iv) - Subject to the provisions of Section 152 of the Act, the managing director appointed by the Board of Directors shall not be liable to retire by rotation."*

RESOLVED FURTHER THAT the Board of Directors or any officer authorized by it be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary, relevant, or incidental to give effect to this resolution, including filing of necessary forms with the Registrar of Companies."

By order of the Board  
For DCM Shriram Fine Chemicals Limited

Sd/-  
(Kokila Arora)

Company Secretary & Compliance Officer  
Membership No: A21670

Place: New Delhi  
Date: 19<sup>th</sup> May, 2026

# DCM SHRIRAM FINE CHEMICALS LIMITED

---

## NOTES:

1. Explanatory Statement, as required under Section 102 of the Companies Act, 2013 is annexed.
2. Pursuant to the provisions of Section 91 of the Act, the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 03<sup>rd</sup> July, 2026 to Tuesday, the 14<sup>th</sup> July, 2026** (both days inclusive) for the purpose of the ensuing Annual General Meeting (AGM).
3. A dividend of ₹ 0.40 per equity share of face value ₹ 2 each has been recommended by the Board of Directors for the year ended 31<sup>st</sup> March, 2026, subject to the approval of the Members at the ensuing AGM. The dividend, if approved, will be paid on or before Thursday, 13<sup>th</sup> August, 2026 to those Members whose names appear in the Register of Members or the Register of Beneficial Owners as on the cut off date i.e. **Wednesday, 01<sup>st</sup> July, 2026**.
4. Pursuant to the Scheme of Arrangement for the demerger of the Chemical Undertaking of DCM Shriram Industries Limited (Demerged company) into DCM Shriram Fine Chemicals Limited, which was duly sanctioned by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench by Order dated 21<sup>st</sup> November 2025 the Company was required to allot equity shares to the Members of the Demerged company in the ratio of 1:1.

As on the Record Date i.e., 26<sup>th</sup> December 2025, 3.39% of the total equity shares of the Demerged company were held in the demat account of the IEPF Authority. In compliance with Rule 6(8) of the IEPF Rules, 2016, the Company allotted the proportionate shares to the IEPF Authority.

To claim shares credited to the IEPF Authority following the demerger, eligible Members must initiate the recovery process by filing an online application in **Form IEPF-5** on the portal of the Ministry of Corporate Affairs (MCA), as mandated by Sections 124 and 125 of the Companies Act, 2013. Upon submission, the claimant must provide the physical application along with a notarized indemnity bond, and KYC documents to the Nodal Officer of the Company for verification. This process must be conducted in strict compliance with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, and the transparency standards stipulated under SEBI (LODR) Regulations, 2015, ensuring that all entitlements are verified against the Company's records before the IEPF Authority approves the release of shares to the claimant's demat account.

5. Pursuant to the approval of the Composite Scheme of Arrangement, Members of the Demerged company as of the Record Date, 26<sup>th</sup> December 2025, were allotted equity shares in the Company in a ratio of 1:1. In compliance with SEBI Regulations, the Company has not issued any physical share certificates for this allotment. Consequently, shares belonging to Members who held their original holdings in physical form have been credited to a separate Suspense Account maintained by the Company. To claim these shares in dematerialized form, Members must submit a formal request to the Registrar, KFin Technologies Limited, along with self-attested copies of their PAN Card, Aadhaar Card, and a valid Client Master List (CML).
6. The 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 the PAN, if not already submitted, to their Depository Participants with whom they are maintaining their demat accounts.

7. The information with regard to Mrs. Urvashi Tilakdhar (DIN: 00294265) and Mr. Akshay Dhar (DIN: 01078392), whose re-appointments as Directors are liable to retire by rotation, is given in Note - 3 & 4 hereunder and forms an integral part of this Notice.
8. The MCA by General Circular No. 03/2025 dated 22<sup>nd</sup> September, 2025 has allowed general meetings to be held through Video Conference/ Other Audio-Visual Means (VC/OAVM) by following procedures laid down in the circulars, Circular No.14/2020 dated 08<sup>th</sup> April, 2020, Circular No.17/2020 dated 13<sup>th</sup> April, 2020 read with Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 (collectively referred to as "MCA Circulars"). Accordingly, this meeting is convened as an e-AGM to be held through VC/OAVM.
9. **E-AGM: The company has appointed Kfin Technologies Limited ("KFIN"), Registrar and Transfer Agents of the Company, to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.**
10. Pursuant to the provisions of the MCA Circulars regarding holding AGM through VC/ OAVM:
  - a. Members can attend the meeting through login credentials provided to them to connect to Video Conference. Physical attendance of the Members at the Meeting venue is not required.
  - b. Since the AGM is being held through VC, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members is not available and as such the Proxy Form and Attendance Slip are not annexed to this Notice.
  - c. Pursuant to the provisions of Sections 112 and 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-voting or for participation and e-voting through Instapoll during the AGM. Corporate Members intending to authorize their representatives to attend the AGM are requested to email the same to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [compliance@dsfcl.com](mailto:compliance@dsfcl.com), along with certified true copy of the latest Board Resolution or Power of Attorney, authorizing their representative to participate and vote at the AGM, on their behalf.
11. The Members can join the AGM 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
12. Up to 2500 Members will be able to join the AGM on FIFO basis.
13. No restrictions on account of FIFO entry into AGM will be there for large Members (Members 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.
14. The attendance of the Members (members login) attending the AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

## DCM SHRIRAM FINE CHEMICALS LIMITED

---

15. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (LODR) Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency, KFin Technologies Limited.
16. **Voting at the AGM:** Members who could not vote through remote e-voting may avail the e-voting system through 'instapoll' provided at the Video Conference by KFin Technologies Limited.
17. In line with the MCA Circulars, the Notice calling the AGM and the Annual Report for the financial year 2025-26 have been uploaded on the website of the Company at <https://dsfcl.com/>. The Notice can also be accessed from the websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and is also available on the website of e-voting agency KFin Technologies Limited at <https://evoting.kfintech.com/public/Downloads.aspx>.
18. **Procedure for obtaining the Annual Report, AGM notice and e-voting instructions by the Members whose email addresses are not registered with the depositories (in case of Members holding shares in Demat form) or with RTA (in case the Members holding shares in physical form):**

The Company has sent the Annual Report, Notice of AGM and e-Voting instructions only in electronic form to the registered email addresses of the Members.

Those Members who have registered / not registered their e-mail address and mobile nos. including address and bank details may please contact and validate/update their details with the Depository Participant in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Limited in case the shares are held in physical form.

Physical Members who have not registered their email address may download Form ISR-1 from link <https://ris.kfintech.com/clientservices/isc/isrforms.aspx> and send the physical forms along with the supporting documents to Company's Registrar and Share Transfer Agent, KFin Technologies Limited, for updation of their email and other KYC details.

Members may send an email request to [compliance@dsfcl.com](mailto:compliance@dsfcl.com) along with the scanned copy of their request letter duly signed by the 1st shareholder, providing the email address, mobile number, self- attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate(s) in case shares are held in physical form, for Notice of the AGM, the Board's Report of the Company for the financial year 2025-26 and the e-voting instructions for the ensuing AGM.

However, Members holding shares in electronic form, will have to once again register their email address and mobile number with their Depository Participants, to permanently update the said information.

In case of any queries, in this regard, Members are requested to write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com) or contact KFIN at toll free number: 1800 309 4001.

Members are also requested to visit the website of the Company <https://www.dsfcl.com> or the website of the Registrar and Transfer Agent

<https://evoting.kfintech.com/public/Downloads.aspx> for downloading the Annual Report and Notice of the AGM.

19. **Instructions for the Members for attending the AGM through Video Conference, speaker registration and posting of queries:**

a. Members holding shares as on the cut-off date i.e. **Wednesday, 01<sup>st</sup> July, 2026** can attend the AGM through VC, by following the instructions, mentioned below:

(i) Click on the URL: <https://emeetings.kfintech.com>.

(ii) For attending the AGM all the Members (including the individual Members holding shares in Demat Mode) need to use the remote e-voting login credentials as provided by KFIN/Company.

(iii) The remote e-voting credentials will either be received through email from the Company/ KFIN or can be retrieved by following the procedure as mentioned in Note No. 20 (II).

(iv) After logging in, click on "Video Conference" option.

(v) Then click on camera icon appearing against AGM event of Company to attend the AGM.

Members who have forgotten the Password are advised to use "Forgot Password" options available on the website.

b. **Speaker Registration:** Members may register themselves as a 'Speaker' by logging into <https://emeetings.kfintech.com/> and clicking on "Speaker Registration" by mentioning the demat account number / folio number, city, email address, mobile number and submit. The speaker registration shall commence from **Monday, 05<sup>th</sup> July, 2026 at 9.00 A.M. (IST)** and shall close on **Thursday, 09<sup>th</sup> July, 2026 at 5.00 P.M. (IST)**.

Only those Members who have registered themselves as a 'Speaker', as aforesaid, will be able to ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

c. **Questions prior to AGM:** Members who wish to post their queries may log into <https://emeetings.kfintech.com> and click on "Post your Questions" and may post their queries/views/questions in the window provided by mentioning the name, demat account number/ folio number, email ID, mobile number. The posting of the questions by the Members shall commence from **Monday, 05<sup>th</sup> July, 2026 at 9.00 A.M. (IST)** and shall close on **Thursday, 09<sup>th</sup> July, 2026 at 5.00 P.M. (IST)**. These queries will be replied by the Company suitably by email.

d. Members can participate at the AGM through desktop/phone/laptop/tablet. However, for better experience and smooth participation, it is advisable to use Google Chrome, through Laptops connected through broadband, for the said purpose.

e. Further Members will be required to allow camera, if any, and hence use Internet with a good speed to avoid any disturbance during the meeting.

f. Please note that participants connecting from mobile devices or tablets or

## DCM SHRIRAM FINE CHEMICALS LIMITED

---

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.

- g. In case Members have any queries or need any assistance on e-voting/participation at the AGM/ Speaker Registration process or for posting queries, may please write to KFIN at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [compliance@dsfcl.com](mailto:compliance@dsfcl.com). They may contact KFIN at toll free number: 1800 309 4001.
- h. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM.

20. **The details of the process and manner for remote e-Voting and AGM are explained herein below:**

In compliance with the provisions of Section 108 of the Act and Rules made thereunder, Regulation 44 of the SEBI (LODR) Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), the Company is pleased to provide the Members, facility to exercise their right to vote through the e-Voting services provided by KFIN, on all the resolutions set forth in this Notice.

Pursuant to the SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09th December, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

**The voting through electronic means will commence on Thursday, 09<sup>th</sup> July, 2026 at 9.00 A.M. (IST) and will end on Monday, 13<sup>th</sup> July, 2026 at 5.00 P.M. (IST).**

The details of the process and manner for remote e-Voting are explained herein below:

**I. Individual Members holding shares of the Company in Demat mode:**

The procedure to login and access remote e-Voting as devised by Depositories / Depository Participants are given below:

**A. Individual Members holding shares in Demat mode with National Securities Depository Limited ("NSDL"):**

1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:
  - i. Type in the browser / Click on the e-Services link: <https://eservices.nsdl.com>.
  - ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.
  - iii. A new page will open. Enter your User ID and Password for accessing IDeAS.
  - iv. On successful authentication, you will enter your IDeAS service login. Click on "Access to e-Voting" under Value Added Services on the

panel available on the left hand side.

- v. Click on the e-Voting link available against Company name or select e-Voting service provider "KFIN" and you will be re-directed to the e-Voting page of KFIN to cast your vote without any further authentication.

Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:

- i. To register, type in the browser / Click on the following link: <https://eservices.nsdl.com>
  - ii. Select option "Register Online for IDeAS" available on the left hand side of the page.
  - iii. Proceed to complete registration using your DP ID, Client ID and Mobile Number etc.
  - iv. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.
2. Users may directly access the e-Voting module of NSDL as per the following procedure:
- i. Type in the browser/Click on the link: <https://www.evoting.nsdl.com>
  - ii. Click on the button "Login" available under "Shareholder/ Member" section.
  - iii. On the login page, enter User ID (that is, 16-character demat account number held with NSDL, starting with IN), Login Type, that is, through typing Password (in case you are registered on NSDL's e-voting platform)/ through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.
  - iv. On successful authentication, you will enter the e-Voting module of NSDL. Click on "Active E-voting Cycles / VC or OAVMs" option under e-Voting. Click on the e-Voting link available against Company name or select e-Voting service provider "KFIN" and you will be re-directed to the e-Voting page of "KFIN" to cast your vote without any further authentication.

**B. Individual Members holding shares in Demat mode with Central Depository Services (India) Limited ("CDSL"):**

1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:
  - i. Type in the browser / Click on any of the following links <https://web.cdslindia.com/myeasinew/home/login/> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi / Login to My Easi option under Quick Login.
  - ii. Enter your User ID and Password for accessing Easi / Easiest.
  - iii. You will see Company's name on the next screen.
  - iv. Click on the e-Voting link available against Company's name or select e-Voting service provider "KFIN or Karvy" and you will be re-

## DCM SHRIRAM FINE CHEMICALS LIMITED

---

directed to the e-Voting page of KFIN to cast your vote without any further authentication.

**Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:**

- i. To register, type in the browser / Click on the link <https://web.cdslindia.com/myeasinew/Registration/EasiRegistration>
- ii. Proceed to complete registration using your DP ID Client ID (BO ID), etc.
- iii. After successful registration, please follow steps given under Sr. No. 1 above to cast your vote.

2. Users may directly access the e-Voting module of CDSL as per the following procedure:

- i. Type in the browser / Click on the link <https://evoting.cdslindia.com/Evoting/EvotingLogin>.
- ii. Provide Demat Account Number and PAN.
- iii. System will authenticate user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account.
- iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against Company's name or select e-Voting service provider "KFIN or Karvy" and you will be re-directed to the e-Voting page of KFIN.

**C. Individual Members holding shares in Demat mode - Procedure to login through their demat accounts / Website of Depository Participants:**

- i. Individual Members holding shares of the Company in Demat mode can access e-Voting facility provided by the Company using login credentials of their demat accounts (online accounts) through their demat accounts / websites of Depository Participants registered with NSDL/CDSL.
- ii. An option for "e-Voting" will be available once they have successfully logged-in through their respective logins.
- iii. Click on the option "e-Voting" and they will be redirected to e-Voting modules of NSDL/ CDSL (as may be applicable). Click on the e-Voting link available against Company name or select e-Voting service provider "KFIN" and you will be redirected to the e-Voting page of KFIN to cast your vote without any further authentication.

Members who are unable to retrieve User ID / Password are advised to use "Forgot User ID" / "Forgot Password" options available on the websites of Depositories / Depository Participants.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000

Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact 022-23058738 or 022- 23058542 or at toll free no. 1800 22 55 33.
---------------------------	---

**II. Information and instructions for remote e-Voting by Members other than individuals holding shares of the Company in demat mode and all Members holding shares in physical mode:**

A. In case a Member receives an e-mail from the Company / KFIN [for Members whose e-mail address is registered with the Company / Depository Participant(s)] which include the details of E-Voting Event Number ("EVEN"), USER ID and Password. Kindly follow the following steps:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
- ii. Enter the login credentials (i.e., User ID and Password) as mentioned in the email. However, if you are already registered with KFIN for e-Voting, you must use the existing User ID and password for logging-in.
- iii. In case of physical folio, User ID will be EVEN followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.

If required, please visit <https://evoting.kfintech.com> or contact toll-free number 1800-309-4001 (from 9:00 A.M. (IST) to 6:00 P.M. (IST) on all working days) for assistance on your existing password. Members who have forgotten the password are advised to use "Forgot Password" options available on the website.

- iv. After entering these details appropriately, click on "LOGIN".
- v. You will now reach 'Password Change Menu' wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for DCM Shriram Fine Chemicals Limited.
- viii. On the voting page, enter the number of shares as on the Cut-off Date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total

## DCM SHRIRAM FINE CHEMICALS LIMITED

---

number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the Cut-off Date. You may also choose to "ABSTAIN" and vote will not be counted under either head.

- ix. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
  - x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
  - xi. You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
  - xii. A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
  - xiii. Once you confirm, you will not be allowed to modify your vote.
  - xiv. Corporate / Institutional Members (i.e., other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc. as mentioned in the notes of this Notice.
- B. In case whose email address is not registered with the Company / Depository Participants, kindly follow the instructions in Note No. 18.

**Any Member who has forgotten the User ID and Password, may obtain/generate/retrieve the same from KFIN in the manner as mentioned below:**

- i. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS:  
MYEPWD<Space> E-Voting Event Number + Folio No. or DP ID Client ID to 9212993399.
  - 1. Example for NSDL: MYEPWD<SPACE> XXXXIN12345612345678
  - 2. Example for CDSL: MYEPWD<SPACE> XXXX1402345612345678
  - 3. Example for Physical: MYEPWD<SPACE> XXXX1234567890
- ii. If e-mail address and mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call on KFIN's toll-free number 1800-309-4001 [from 9:00 A.M. (IST) to 6:00 P.M. (IST) on all working days].
- iv. Member may send an e-mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com) after due verification of the request, User ID and password will be sent to the Member.
- v. If the Member is already registered with KFIN e-voting platform, then he/she/it can use his/her/its existing password for logging-in.

The remote e-voting facility shall be available during the following period:

Commencement of remote e-voting : Thursday, 09th July, 2026, 9:00 A.M. (IST)

End of remote e-voting : Monday, 13th July, 2026, 5:00 P.M. (IST)

During this period, only those persons whose names appears in the Register of Members or in the Register of beneficial owners maintained by the Depositories, as on the cut-off date i.e. **Wednesday, 01<sup>st</sup> July, 2026**, shall be entitled to cast their vote through remote e-voting. The remote e-voting facility shall be forthwith disabled by KFIN after expiry of the said period.

In case of any query on e-voting, Members may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFIN's website for e-voting: <https://evoting.kfintech.com> or contact KFIN as per the details given below

Members are requested to note the following contact details for addressing e-voting related grievances:

Mr. S.R. Ramesh, Corporate Registry  
KFin Technologies Limited  
"Selenium Tower-B", Plot No. 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally Mandal, Hyderabad - 500032, Telangana  
Toll-free No.: 1800 309 4001  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

#### **Voting at the AGM:**

- i. Members who could not vote through remote e-Voting may avail the e-Voting system provided at the AGM ("Insta Poll") by KFin Technologies Limited.
  - ii. Only those Members who will be present in the AGM through Video Conferencing facility and who have not cast their vote through remote e-Voting are eligible to vote through Insta Poll.
  - iii. Members who have voted through remote e-Voting will be eligible to attend the AGM, however, will not be eligible to vote at the meeting.
  - iv. **Insta Poll Instructions:** The e-Voting "Thumb sign" on the left hand corner of the video screen shall be activated upon instructions of the Chairman during the AGM proceedings. Members shall click on the same to take them to the "Insta Poll" page.
  - v. Members to click on the "Insta Poll" icon to reach the resolution page and follow the instructions to vote on the resolutions.
  - vi. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.
21. Mr. Kamaljit Singh (C.P. No. 16847), a Practicing Company Secretary, has been appointed as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc to the Scrutinizer through email to [cskamaljitsingh@gmail.com](mailto:cskamaljitsingh@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com), not

## DCM SHRIRAM FINE CHEMICALS LIMITED

---

later than Forty-eight (48) hours before the scheduled time of the commencement of the AGM.

22. The Scrutinizer shall immediately after conclusion of the AGM, unblock the votes cast through remote e-voting / e-voting through instapoll during the AGM in the presence of at least two (2) witnesses, not in the employment of the Company and make, not later than two (2) days of conclusion of the meeting, the Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the Report to the Chairperson or a person authorized by him/her in writing, who shall counter-sign the report and declare the results forthwith.
23. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.dsfccl.com> and on the website of KFin Technologies Limited <https://evoting.kfintech.com> within two (2) working days of the conclusion of the meeting. The said Results will also be displayed at the Registered Office of the Company, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.
24. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. We propose to send all future communications in electronic mode to the email address provided by you. Members who have not registered their email IDs are requested to intimate their email ID to the Company's Registrars, viz. KFin Technologies Ltd. (Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)) or their Depository Participants.

25. **KPRISM – Mobile Service application by KFin Technologies Limited:**

Members are requested to note that, the Registrar and Share Transfer Agents, KFin Technologies Limited have launched a new mobile application – KPRISM and website <https://kprism.kfintech.com/> for online service to Members.

Members can download the mobile application, register yourself (onetime) for availing host services viz., consolidated portfolio view serviced by KFin Technologies, status of dividends and send requests for change of address, change/ update Bank Mandate. Through the mobile app, Members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store. Alternatively visit the link <https://kprism.kfintech.com/> to download the mobile application.

26. **Profiles of the Directors retiring by rotation (Item nos. 3 & 4 of AGM Notice):**

**Item No. 3**

Mrs. Urvashi Tilakdhar (DIN: 00294265) is the Senior Managing Director of the Company. Prior to the effectuation of the Scheme of Arrangement, she has been heading the Chemical Division as Whole-time Director of DCM Shriram Industries Limited (DCMSR). During her tenure as in charge of the Chemical business, the Daurala Organics segment of DCMSR performed well and posted exemplary results despite geo-political problems.

Mrs. Urvashi Tilakdhar combines academic understanding with an intuitive grasp of human behaviour and organizational growth. Beyond her corporate responsibilities, she has been deeply involved in the Company's cultural and social initiatives, actively supporting education, community engagement, and women's empowerment. Her early experience in market research continues to shape her thoughtful approach to decision-making and stakeholder relations.

Known for her empathy, balanced perspective, and steady leadership, Mrs. Urvashi Tilakdhar's role has been critical during the recent corporate restructuring, culminating in the successful transfer of the Chemical business Undertaking, retrospectively from 01<sup>st</sup> April, 2023, effective on 17<sup>th</sup> December, 2025 pursuant to the approval of the Hon'ble NCLT, New Delhi bench.

Brief particulars of Mrs. Urvashi Tilakdhar are as follows:

Age	69 years
Qualification	Post-graduate in Sociology from Jawaharlal Nehru University of Delhi
Experience (in DCM Shriram)	8 years
Other Directorships	Breinworks Services Private Limited
Committee Membership/Chairmanship	CSR Committee - Member
Shareholding in the Company (Equity/₹ 2 each)	58,89,611 (6.77%) (She is one of the Promoters)
Original Date of Appointment	06 <sup>th</sup> December, 2022 in DCMSR
Board Meetings attended in 2025-26	Attended all the nine meetings held during FY 2025-26.

Approval of the Members was sought to her appointment by way of a Special Resolution and required under Section 196 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 through postal ballot, the last date of voting is 29<sup>th</sup> May, 2026.

Mrs. Urvashi Tilakdhar, being eligible, offers herself for re-appointment as Directors liable to retire by rotation in terms of Section 152(6)(e) of the Companies Act, 2013. She confirmed that she was not disqualified u/s 164(2) of the Companies Act, 2013, to be appointed or to hold an office of director in a company. As required under the SEBI (LODR) Regulations, she has further confirmed that she is not debarred or disqualified from being appointed or from continuing to act as Directors of a company by any statutory authority(ies).

Mrs. Urvashi Tilakdhar is one of the Promoters of the Company. Considering her contribution and experience, the Directors recommend the resolution No. 3 for approval.

Except Mrs. Urvashi Tilakdhar, Mr. Akshay Dhar and Ms. Aditi Dhar, being related to each other, none of the other Directors or Key Managerial Personnel of the Company or their relative(s), are interested financially or otherwise in the resolution set out at Item No. 3.

***For remuneration last drawn in FY 2025-26, refer the Corporate Governance Report which forms part of this Board's Report.***

## DCM SHRIRAM FINE CHEMICALS LIMITED

### Item No. 4

Mr. Akshay Dhar (DIN: 01078392) is the Managing Director & CEO of the Company. He started his journey with DCM Shriram Industries Limited (DCMSR) in the year 2008 as a Management Trainee, progressing through multiple roles within the Organics, Fine Chemicals and Sugar Operations divisions and he was elevated as President (Business Group Chemicals) in DCMSR's expansion into new product lines and in establishing strategic partnerships for dedicated contract manufacturing. As President (Business Group Chemicals), he made a successful revival of the retail sugar segment, drove a complete brand transformation across consumer products, and oversaw the launch of the Company's sanitiser business in 2019, serving both institutional and retail markets. Since 2023, he has been leading Chemical businesses exploring and establishing new avenues and processes.

With the coming into effect of the Scheme, his services have been vested in the Company. He was a Director of the Company before the Scheme of Arrangement.

Brief particulars of Mr. Akshay Dhar are as follows:

Age	42 years
Qualification	A Business Administration Graduate with Honours in Marketing and a Minor in Human Resources from Bradford University (UK)
Experience (in DCMSR)	18 years
Other Directorships	a. Kirloskar Ebara Pumps Limited b. Breinworks Services Private Limited c. Daurala Foods and Beverages Private Limited
Committee Membership/Chairmanship	a. CSR Committee - Chairman b. Stakeholders' Relationship Committee-Member
Shareholding in the Company (Equity/₹ 2 each)	15,26,766 (1.76%) (He is one of the Promoters)
Original Date of Appointment	06th December, 2022 in DCMSR
Board Meetings attended in 2025-26	Attended all the nine meetings held during FY 2025-26.

Approval of the Members was sought to his appointment by way of a Special Resolution and required under Section 196 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 through postal ballot, the last date of voting is 29<sup>th</sup> May, 2026.

Mr. Akshay Dhar, being eligible, offers himself for re-appointment as Directors liable to retire by rotation in terms of Section 152(6)(e) of the Companies Act, 2013. He confirmed that he was not disqualified u/s 164(2) of the Companies Act, 2013, to be appointed or to hold an office of director in a company. He further confirmed that he is not debarred or disqualified from being appointed or from continuing to act as Directors of a company by any statutory authority(ies).

Considering his contribution to the growth of the Chemical Business, the Directors recommend the resolution No. 4 for approval.

Except Mr. Akshay Dhar, Mrs. Urvashi Tilakdhar and Ms. Aditi Dhar, being related to each other, none of the other Directors or Key Managerial Personnel of the Company or their relative(s), are interested financially or otherwise in the resolution set out at Item No. 4.

***For remuneration last drawn in FY 2025-26, refer the Corporate Governance Report forms part of this Board's Report.***

27. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant document referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection. 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 [compliance@dsfcl.com](mailto:compliance@dsfcl.com).
28. Since the AGM is being held through VC, the route map for the AGM venue is not attached.
29. Members may contact the Company or KFIN for conveying grievances, if any, relating to the conduct of the AGM, at the following address:

**DCM Shriram Fine Chemicals Limited**  
 'Investor Service Section'  
 6<sup>th</sup> Floor, Kanchenjunga Building,  
 18 Barakhamba Road, New Delhi - 110001  
 E-mail ID - [compliance@dsfcl.com](mailto:compliance@dsfcl.com)  
 Tel: 011-43207700

**KFIN Technologies Limited**  
 Unit: DCM Shriram Fine Chemicals  
 Limited  
 Selenium Tower B, Plot 31-32  
 Financial District, Nanakramguda,  
 Serilingampally Mandal,  
 Hyderabad, Telangana - 500 032.  
 Toll Free No.- 1800 309 4001  
 Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
 WhatsApp No.: (91) 910 009 4099

**Contact Person:**  
 Ms. Kokila Arora  
 Company Secretary &  
 Compliance Officer

**Contact Person:**  
 Mr. S.R. Ramesh,  
 Deputy Vice President - Corporate  
 Registry

Investor Support Centre

<https://kprism.kfintech.com/>

KFINTECH Corporate Website

<https://www.kfintech.com>

RTA's Website

<https://ris.kfintech.com>

KPRISM (Mobile Application)

<https://kprism.kfintech.com/signup>

### 30. Senior Citizens - Investor Support

As part of the initiative, KFIN, in order to enhance the investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

Senior Citizens wishing to avail this service can send the communication with the below details to the email ID [senior.citizen@kfintech.com](mailto:senior.citizen@kfintech.com). Senior Citizens (above 60 years of age) are requested to furnish the following details:

1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

A dedicated Toll-free number for Senior Citizens can also be accessed at 1800-309-4006 for any queries or information.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### **Item No. 5**

The Board of Directors in its meeting held on 19<sup>th</sup> May, 2026 appointed M/s. Ramanath Iyer & Co., Cost Auditors (Regn.No.000019), 808, Pearls Business Park, Netaji Subhash Place, Delhi - 110034 as the Cost Auditors of the Company for the year 2026-27 at a remuneration of ₹ 1 lakh plus GST and out-of-pocket expenses as may be applicable, on the recommendation of the Audit Committee, pursuant to Section 148 of the Companies Act, 2013.

The above remuneration of the Cost Auditors, fixed by the Board for the financial year 2026-27 on the recommendation of the Audit Committee, is for ratification and confirmation by the Members as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relative(s) are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 for the approval of the Members, except to the extent of their shareholding, if any, in the Company.

### **Item No. 6**

The Non-Executive Directors (including Independent Directors) of the Company bring valuable, wide-ranging experience and independent judgment to the Board's deliberations. They devote considerable time and effort to the business of the Company, actively participating in the Board and Committee meetings, providing strategic guidance, and ensuring strong corporate governance practices.

In view of their enhanced role, responsibilities, and the time commitment required from them, the Board of Directors considers it appropriate that the Non-Executive Directors be suitably rewarded by way of commission on the Net Profits of the Company.

Section 197 of the Companies Act, 2013 permits the payment of remuneration to Non-Executive Directors by way of commission, not exceeding 1% (one percent) of the Net Profits of the Company, if the Company has a Managing Director or Whole-Time Director or Manager, subject to the approval of the Members.

Accordingly, approval of the Members is sought to authorize the Board of Directors to pay commission to the Non-Executive Directors up to a maximum of 1% of the Net Profits of the Company per annum, calculated in accordance with Section 198 of the Act, commencing from FY 2026-27. The distribution of the commission amongst the Non-Executive Directors, including proportion, will be decided by the Board of Directors.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

All Non-Executive Directors and Independent Directors of the Company, and their relatives, are deemed to be concerned or interested in this resolution to the extent of the commission that they may receive.

## **DCM SHRIRAM FINE CHEMICALS LIMITED**

---

Except Non - Executive Directors, none of the other Directors and Key Managerial Personnel of the Company and their relative(s) are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 for the approval of the Members, except to the extent of their shareholding, if any, in the Company.

### **Item No. 7**

The Board of Directors at its meeting held on 24<sup>th</sup> December, 2025, approved a proposal to seek approval of Members to amend the Articles of Association (AoA) to align with changing corporate philosophies.

As per Section 203 of the Companies Act, 2013, a person cannot hold the position of Chairperson and Managing Director/CEO unless the Articles of the Company provides otherwise. The Company's current AoA does not contain this enabling provision. To provide flexibility in leadership and considering the size of the Company, the Board proposes to amend the existing Article 74(ii) and insert a new Article 74(iii) to allow this dual role.

Additionally, the insertion of Article 74(iv) will ensure that the Managing Director is not liable to retire by rotation, providing stability at the top-level management hierarchy. This change is being proposed with due compliance of Section 152.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

None of the Directors, other than Mrs. Urvashi Tilakdhar and Mr. Akshay Dhar, and KMPs and their relative(s), are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 for the approval of the Members, except to the extent of their shareholding if any, in the Company.

Your Directors are pleased to present the 5<sup>th</sup> Annual Report and the Audited Financial Statements of your Company for the year ended 31<sup>st</sup> March 2026 together with the Reports of the Auditors and the Board of Directors thereon.

## Overview

DCM Shriram Fine Chemicals Limited (the 'Company') is engaged in the manufacturing and sales of intermediates for Pharmaceuticals, Agro-chemicals, Optical Brighteners, Dyes and Perfumery and Paint industries. In addition, the Company is engaged in Contract Manufacturing for a leading MNC, making Statin Intermediates. The Company's main customers are API intermediates and Agrochemical manufacturers both in India and abroad.

## Economic scenario

The global socio-economic environment remained in turmoil throughout 2026 and continues. These structural fragilities have contributed to sustained global supply chain disruptions and weakened investor and consumer confidence globally.

Recent macroeconomic reports for 2026 indicate a cautious landscape characterized by trade fragmentation. Protectionist measures have increased, exemplified by the Mexican government's imposition of an additional 25% tariff on imports from ASEAN countries, including India, China, and Vietnam. Furthermore, global commodity markets remain pressured by elevated energy costs—with crude oil hovering around \$100 per barrel—which continues to weigh on global industrial output and inflation.

Against this global backdrop, the Indian economy has demonstrated relative resilience, though it is not immune to external shocks. While the country remains one of the fastest-growing major economies globally, recent forecasts by global financial institutions have moderated India's GDP growth outlook for FY27 to approximately 6.4%. This adjustment reflects the dual pressures of rising crude oil prices and a slight softening in domestic consumption. There is a need to take precautionary measures by every citizen.

Currency markets have also seen notable fluctuations. During the second half of 2025, the Indian Rupee depreciated significantly by 4.98% against the US Dollar, peaking at a 6.46% depreciation in December before staging a minor recovery. While currency volatility poses a risk, the Company's annual fixation of export product prices and imported pulp costs provides a natural hedge, mitigating foreign exchange risks to a large extent.

Near-term demand is expected to remain measured and the Company is proactively managing these macroeconomic and sectoral challenges by optimizing cost structures through alternative sourcing, engaging closely with global customers, and maintaining operational efficiencies, the Company is strategically positioned to benefit from a gradual recovery in end-market demand as macroeconomic conditions eventually stabilize.

## Financial Summary

### Standalone

The Company reported revenue from operations of ₹ 385.55 crore, compared to ₹ 429.37\* crore in the previous year. The Company incurred a net loss of ₹ 4.30 crore compared to net profit of ₹ 18.46\* crore in the previous year.

*\*figures from Restated Standalone Financials Statements of the Company for the year ended 31<sup>st</sup> March, 2025.*

## BOARD'S REPORT (continued)

---

### Consolidated

On Consolidated basis, the Company reported revenue from operations of ₹ 385.55 crore, compared to ₹ 429.37\* crore in the previous year. The net loss was ₹ 3.54 crore compared to net profit of ₹ 19.19\* crore in the previous year.

*\*figures from Restated Consolidated Financials Statements of the Company for the year ended 31<sup>st</sup> March, 2025.*

The decline in financial performance subsequent to the Scheme of Arrangement was due to the geopolitical situations which adversely impacted the Company's performance.

PBT was also adversely impacted on account of:

- One time payment of arrears of power due to increase in rates by Uttar Pradesh Power Corporation Limited retrospectively w.e.f. 01st April, 2024 resulting in an additional cost of ₹4.55 crore; and
- Loss of ₹ 3.10 crore on account of transfer of land at Dahej and consequent reversal of GST input credit amounting to ₹ 2.29 crore.

### Appropriation and Dividend

Considering the need to preserve resources to meet unexpected situations, the Board of Directors has recommended a modest maiden dividend @ 20% (i.e. ₹ 0.40 per share) on 8,69,92,185 fully paid-up Equity Shares of ₹ 2 each in the Company for the financial year ended 31<sup>st</sup> March, 2026.

The closing balance of the retained earnings of the Company, after accounting for the proposed dividend will be ₹179.49 crore. The payment of dividend for the year under review is ₹ 3.48 crore.

The Dividend Distribution Policy of the Company, as approved by the Board, is available on the Company's website at the web link:

<https://dsfcl.com/wp-content/uploads/2026/02/16.-Dividend-Distribution-Policy.pdf>.

### Auditors' Reports

There are no qualifications, reservations, adverse remarks or disclaimer in the Auditors' Reports to the Members on the Annual Financial Statements for the year ended on 31<sup>st</sup> March, 2026.

The Auditors have not reported any fraud pursuant to Section 143(12) of the Companies Act, 2013.

### Secretarial Audit Report

The Board of Directors in its meeting held on 24<sup>th</sup> December, 2026 had appointed M/s. Chandrasekaran Associates, Company Secretaries as Secretarial Auditor of the Company for a term of 5 years from FY 2025-2026. This appointment is subject to approval of Members in the ongoing postal ballot process. The last date of voting is 29<sup>th</sup> May, 2026.

Accordingly, M/s. Chandrasekaran Associates, Company Secretaries, carried out the Secretarial Audit for the year 2025-26 pursuant to Section 204 of the Companies Act, 2013. A copy of their Report in Form MR-3, as per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure - I**. There are no qualifications, reservations, or adverse remarks in the Report.

### Material Changes and Commitments

The Hon'ble National Company Law Tribunal, Delhi Bench on 21<sup>st</sup> November, 2025 has approved the Scheme of Arrangement with the Appointed Date 1<sup>st</sup> April, 2023 which provided for amalgamation of Lily Commercial Private Limited (Transferor Company) with DCM Shriram Industries Limited (Transferee Company) to be followed by de-merger of the Chemical Undertaking and Rayon Undertaking of

the Transferee Company into DCM Shriram Fine Chemicals Limited (the Resulting Company No. 1) and DCM Shriram International Limited (the Resulting Company No. 2) and issue of shares of DCM Shriram Fine Chemicals Limited and of DCM Shriram International Limited, to the Members of the Transferee Company in consideration of the said de-merger as on the Record Date i.e., 26<sup>th</sup> December, 2025.

Pursuant to the NCLT-sanctioned Scheme, the Chemical Undertaking *inter alia* consisting of 'Daurala Organics' and 'Daurala Chemical Industries' has been demerged and vested in the Company. Consequently, the Company has emerged as an independent corporate entity specifically focused on the growth and expansion of Chemical business effective from 17<sup>th</sup> December, 2025. The Company is now strategically positioned to pursue independent growth strategies, attract specialized collaborations, and maximize members' value within its specific sectors as envisaged in the Scheme. The Shares of the Company were admitted for listing on BSE Limited and National Stock Exchange of India Limited on 17<sup>th</sup> February, 2026.

Except for the implementation of the Scheme of Amalgamation and disposal of Dahej Land and financial effects of the same, no other material changes or commitments have occurred between the end of the financial year to which the Financial Statements relate and the date of this Report, affecting the financial position of the Company.

### **Subsidiary/ Associate Companies**

Pursuant to the Scheme of Arrangement, Daurala Foods & Beverages Private Limited, which was formerly a wholly - owned subsidiary of DCM Shriram Industries Limited, became a non-material wholly - owned subsidiary of the Company during the year under review.

The required information regarding the performance and financial position of the subsidiary company is given in Form AOC - 1 as an annexure to the Annual Financial Statements for the year ended 31<sup>st</sup> March, 2026.

The Company does not have any associate company

### **Annual Return**

A copy of Annual Return for the year 2024-25, is available on the Company's website at this weblink:

<https://dsfcl.com/wp-content/uploads/Annual-Return-2025-DSFCL.pdf> .

The Annual Return for the year 2025-26 will be uploaded after filing with the Registrar of Companies in due course.

### **Meetings of the Board**

During the year 2025-26, nine (9) Board meetings were held. The dates of the meetings and their attendance, etc., are given in the Corporate Governance Report annexed as **Annexure VI**.

### **Declaration by Independent Directors**

All the Independent Directors (IDs) have given formal declarations under the Companies Act, 2013 and SEBI (LODR) Regulations, confirming that (a) they meet the criteria of independence as laid down under the said Section/ Regulation (b) they have complied with the code of Independent Directors as outlined in Schedule IV of the Act.

## **BOARD'S REPORT (continued)**

---

All the Directors of the Company have also confirmed that they were not disqualified to be appointed as Directors as per Section 164(2) of the Companies Act, 2013 and that they have not been debarred by SEBI or any other statutory authority to hold an office of director in a company.

### **Policy on Board Diversity**

The Board of Directors in its meeting held on 24<sup>th</sup> December, 2025 had approved a Policy on Board Diversity, recommended by the Nomination & Remuneration Committee (NRC) as required under the SEBI (LODR) Regulations. A copy of the same has been placed on the Company's website at this weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/01.-Board-Diversity-Policy.pdf>.

### **Directors Appointment and Remuneration**

Appointment of Directors on the Board of the Company, is based on the recommendations of the Nomination & Remuneration Committee (NRC). The NRC identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. The NRC also considers positive attributes like integrity, maturity, judgement, leadership position, time and willingness, financial acumen, management experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, etc.

In compliance with the provisions of Section 150(1) of the Companies Act, 2013, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Board confirms that all the newly appointed Independent Directors are validly registered with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs (IICA). The Board further confirms that the said Independent Directors have either successfully cleared the online proficiency self-assessment test conducted by the IICA or are statutorily exempt from undertaking the said test.

The Directors of the Company are paid remuneration as per the Remuneration Policy of the Company, the gist of which is given under the heading 'Remuneration Policy' as part of this Report. The details of remuneration paid to the Directors during the year 2025-26 are given in the Corporate Governance Report forming part of this Report.

### **Changes in Directors and KMPs**

The Company was incorporated in September 2021, with its founding Board of Directors comprising of Mr. Alok Bansidhar Shriram, Mr. Madhav Bansidhar Shriram and Mr. Vineet Manaktala. The Board was subsequently reconstituted with Mrs. Urvashi Tilakdhar and Mr. Akshay Dhar.

As a prelude to listing of the Company's Equity shares and to align with robust corporate governance standards, the Board was comprehensively reconstituted in a phased manner during the year under review as under:

- **Appointment of Company Secretary & Compliance Officer:** Due to resignation of Mr. Pawan Kumar Lakhota, Company Secretary, w.e.f. 24<sup>th</sup> April, 2025, a casual vacancy arose in the office of Company Secretary. Consequently, at the Board meeting held on 28<sup>th</sup> May, 2025, the Board appointed Ms. Kokila Arora as Company Secretary and Compliance Officer with effect from 19<sup>th</sup> May, 2025.

- **Appointment of Independent Directors:** At the Board meeting held on 01<sup>st</sup> December, 2025, the Board inducted five (5) Independent Directors. The appointed Independent Directors are (1) Ms. Rama Sanjay Kirloskar (2) Mr. Rohit Bhandari (3) Mr. Siddhartha Mukherjee (4) Mr. Venkata Rama Subbu Behara and (5) Mr. Vijay Anand.

The Board has assessed the profiles, backgrounds, and track records of the newly appointed Independent Directors. The Board is of the firm opinion that all the aforementioned Independent Directors are individuals of high moral integrity and possess the requisite expertise, vast experience, and specialized skills in their respective domains including corporate leadership, finance, law, and strategic management, which are highly beneficial for the Company's independent oversight and long-term strategic growth.

- **Appointment / Resignation of Executive Directors and KMPs:** On 24<sup>th</sup> December, 2025, Mr. Vineet Manaktala resigned from the position of Whole Time Director & Chief Financial Officer. Further, on the same date, the Company appointed Executive Directors and Key Managerial Personnel ("KMPs"), i.e. Mrs. Urvashi Tilakdhar as Senior Managing Director, Mr. Akshay Dhar as Managing Director, Dr. Sandeep Bajaj as Director - Business Development and Mr. Naresh Handa as Chief Financial Officer.
- **Appointment of Non- Executive Directors:** To further strengthen the Board, Mr. Sunil Behari Mathur who is Non-Executive Chairman of DCM Shriram Industries Limited and Mr. Alok Bansidhar Shriram who is Managing Director & CEO of DCM Shriram International Limited were appointed as Non-Executive Non-Independent Directors, with effect from 03<sup>rd</sup> March, 2026. This was to also augment the concept of common control and to benefit from their long experience with the Company's operations.

In compliance with the provisions of the Companies Act, 2013, and the SEBI (LODR) Regulations, the Company subsequently sought the approval of its members for the appointments/ re-designations of all the eleven (11) Directors through Postal Ballot process. The last date of e-voting is 29<sup>th</sup> May, 2026.

### Annual Evaluation of Board and Directors

Pursuant to the provisions of Section 134(3)(p) and 178 of the Companies Act, 2013, read with Regulations 17(10) and 25(3) of the SEBI (LODR) Regulations, the Board is required to conduct an annual performance evaluation of the Board, its Committees, and individual Directors, and also in a separate meeting, the Independent Directors are required to review the performance of the Non-Independent Directors and the Chairperson.

As the Company became independently operational only towards the end of December 2025 and there was not enough period of operations for an objective evaluation, such evaluations will be undertaken during the Financial Year 2026-27.

### Directors' Responsibility Statement

As required under Section 134(3)(c) of the Act, your Directors state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

## **BOARD'S REPORT (continued)**

---

- b) the Directors 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 and of the profit or loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors 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
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Internal Financial Controls**

The Board of Directors ensured that during the year under review, the internal financial controls, with reference to the financial statements of the Company continue to be robust and system driven. The Company inherited robust financial controls from erstwhile parent Company. These controls are designed to provide reasonable assurance regarding the reliability of financial reporting, preparation of financial statements in accordance with applicable accounting standards, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Considering the nature of operations of the Company, being engaged in the manufacture and sale of chemical products and intermediates for APIs, the Company has implemented comprehensive and effective internal financial controls across Sales, Procurement, Inventory Management, HR & Payroll, Fixed Assets, Treasury and Financial Reporting processes.

The Company has documented policies, Risk Control Matrices, authority matrices and automated controls through ERP systems to ensure effective monitoring and control over operations and financial reporting.

The internal financial controls are commensurate with the size, scale and complexity of the Company's operations and are periodically tested through internal audits, management reviews and independent evaluations. Services for internal audit are outsourced. The schedule for the internal audit is pre-approved by the Audit Committee. Significant audit observations and follow-up actions thereon are reviewed by the Audit Committee on a periodic basis.

Apart from the above, an effective budgeting and monitoring system is also in place. Budgets are reviewed by the Audit Committee and approved by the Board. Operating results are compared and monitored with the approved budgets periodically. Senior management team meets every month in Business Review and Development meeting. Monthly operations review reports comparing budgets with actual performance are placed before the meeting for internal assessment. It reviews all aspects of operations and chalks out remedial measures and strategies, regularly.

During the year under review, no material weakness was observed in the design or operation of internal financial controls with reference to financial statements. The Board is of the opinion that the Company's internal financial controls are adequate.

### **Loans, Guarantees and Investments**

Particulars of loans given by the Company are given in Note no. 10 of the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2026.

The Company has not made any investment or provided any guarantee covered u/s 186 of the Companies Act, 2013, during the year.

### **Related Party Transactions**

There has been no materially significant related party transactions between the Company and the Directors, Key Management Personnel, the subsidiary, or their relatives except for those disclosed in the financial statements - Note No. 39 of Notes to Accounts, which are at arm's length basis and not material. Accordingly, Form AOC -2 does not form part of this Report.

The Board had framed a Policy on Related Party Transactions which is revised in line with the legal requirements. A copy of the same is placed on the Company's website at weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/03.-Policy-on-Related-Party-Transactions.pdf>.

### **CSR Activities**

Corporate Social Responsibility (CSR) is integral to our commitment to conducting business in a way that visibly contributes to the social good. We demonstrate this commitment by giving back to society for the resources used and by evolving our relationship with the community for the common good. We have always remained responsive to the needs of society and stakeholders, particularly those who are socially and economically disadvantaged.

Pursuant to Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, an Annual Report on CSR activities in the prescribed proforma is annexed as **Annexure - II**. During the year under review, Company was required to spent ₹ 36.52 lakhs, being 2% of the average Net Profits of the preceding 3 years. The Company has spent the mandated amount during the Financial year 2025-26.

The CFO has confirmed to the Board that funds mandated were spent as per approval of the CSR Committee and the Board.

### **Risk Management**

The Board of Directors in its meeting held on 02<sup>nd</sup> March, 2026 undertook a comprehensive review of the risk assessment and minimization procedures/policies followed by the Company at its operations. While taking note of the same, the Board laid down that a half yearly status report of the risk assessment and steps taken to minimize the risks be placed before the Board.

As per the nature of Company's business, there are no significant elements of risk, which in the opinion of the Board may threaten the existence of the Company.

## **BOARD'S REPORT (continued)**

---

### **Public Deposits**

The Company has not accepted any public deposits during the year.

### **Significant Material Orders Passed by Regulators or Courts or Tribunals**

No significant Orders have been passed by Regulators or Courts or Tribunals affecting the going concern status of the Company.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

In accordance with Section 134 of the Act, read with the Rules made thereunder, the relevant disclosures regarding energy conservation, technology absorption and foreign exchange earnings & outgo are provided in **Annexure - III**.

### **Remuneration Policy**

The Board of Directors in its meeting held on 24<sup>th</sup> December, 2025 had laid down a Remuneration Policy relating to remuneration of the Directors, Key Managerial Personnel (KMPs), Sr. Management Personnel (SMP) and other employees of the Company. The Remuneration Policy is in accordance with Section 178 of the Companies Act, 2013 and the Rules made there under.

The Remuneration Policy is placed on the Company's website on weblink: <https://dsfcl.com/wp-content/uploads/2026/02/02.-Remuneration-Policy.pdf> .

The salient features of the Policy are given below:

**i. Guiding principle**

The guiding principle of the Policy is that the remuneration and other terms of employment should effectively help in attracting and retaining committed and competent personnel. The remuneration packages are designed keeping in view industry practices and cost of living.

**ii. Directors**

Non-executive Directors are paid remuneration in the form of sitting fees for attending Board/ Committee meetings as fixed by the Board from time to time subject to statutory provisions. Presently sitting fee is ₹ 50,000 (Rupees Fifty Thousand only) per Board meeting and ₹ 25,000 (Rupees Twenty-Five Thousand only) per Committee meeting. To adequately compensate the Non-Executive Directors for their sustained contributions, the Board of Directors, thus proposed the payment of remuneration by way of commission to the Non-Executive Directors, subject to a maximum aggregate limit of one percent (1%) of the net profits of the Company per annum, calculated in accordance with section 198 of the Companies Act, 2013.

Accordingly, the Company is seeking the approval of the Members for the payment of this 1% commission to the Non-Executive Directors by way of an ordinary resolution at the ensuing Annual General Meeting.

Remuneration of Executive Directors (Whole-time Directors) including Managing Director is fixed by the Board of Directors on the recommendation of the NRC, subject to the approval of the Members, The NRC, while recommending the remuneration, considers pay and employment conditions in the industry, merit and seniority of the person and paying capacity of the Company. The remuneration, which comprises of salary, perquisites, performance-based reward/profit-based commission and retirement benefits as per Company Rules, is subject to the limits laid down under the Companies Act, 2013.

**iii. Key Managerial Personnel and Sr. Management Personnel**

Appointment, remuneration and cessation of service of Key Managerial Personnel are subject to the approval of the NRC and Board of Directors. Appointment, remuneration and cessation of service of Sr. Management Personnel one level below the Board other than KMPs, are approved by the Sr. Managing Director, keeping in view the Remuneration Policy.

**iv. Other employees**

The remuneration of other employees is fixed from time to time by the Management as per the guiding principle laid down in the Remuneration Policy and considering industry standards and cost of living. In addition to salary, they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.

### **Managerial Remuneration**

The information required as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to remuneration of Directors, KMP and comparisons are annexed as **Annexure - IV**. It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

Statement of particulars of the top ten employees in terms of remuneration including employees who were in receipt of remuneration which was not less than ₹102 lakh or more per annum in aggregate during the year 2025-26 is annexed as **Annexure - V**.

### **Audit Committee**

The Audit Committee presently comprises of three members, Mr. Siddhartha Mukherjee, is the Chairman and Mr. Vijay Anand, Mr. Venkata Rama Subbu Behara are Members During the year under review, there was no instance of the Board not accepting the recommendation of the Audit Committee.

### **Vigil Mechanism**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, the Board of Directors, on the recommendation of the Audit Committee, adopted a Vigil Mechanism (Whistle Blower Policy). The Policy has been circulated among the employees and also has been placed on Company's website on weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/08.-Whistle-Blower-Policy.pdf>.

The Policy provides a channel to the employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or policies. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

### **Share Capital**

Pursuant to approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal, Delhi Bench, by order dated 21<sup>st</sup> November, 2025, the Authorized Share Capital of the Company was increased from ₹ 25,00,00,000 (Rupees Twenty Five Crore only) to ₹ 40,52,50,000 (Rupees Forty Crore Fifty Two Lakh and Fifty Thousand only) divided into 20,26,25,000 (Twenty Crore Twenty Six Lakh Twenty Five Thousand) equity shares having face value of ₹ 2

## **BOARD'S REPORT (continued)**

---

(Rupees Two only) each. Accordingly, Clause V of the Memorandum of Association stood amended to reflect the increase in Authorized Share Capital.

The Board Committee for implementation of the Scheme of Arrangement, in exercise of the authority conferred by the Board, had approved extinguishment of the 10,00,00,000 (Ten Crore) Equity Shares of Face Value of ₹ 2 (Rupees Two only) each, in terms of the Scheme of Arrangement.

The Committee also allotted of 8,69,92,185 Equity Shares of ₹ 2 (Rupees Two only) each in the Company to the Equity shareholders of the DCM Shriram Industries Limited, as on 26<sup>th</sup> December, 2025 "the Record Date" in the ratio of 1:1 pursuant to the Scheme of Arrangement. The listing approvals for the shares were received from BSE Limited and National Stock Exchange of India Limited on 21<sup>st</sup> January, 2026. Trading approvals for the said number of shares were received from NSE and BSE both on 13<sup>th</sup> February, 2026 and trading started on 17<sup>th</sup> February, 2026.

During the year, the Company has not issued any share capital with differential voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

The Company has not made any public offer of shares during the year.

### **Statutory Auditors**

As per Section 139 of the Companies Act, 2013, the Members in their meeting held on 11th July, 2025 had appointed M/s. Kirtane & Pandit, LLP Chartered Accountants, New Delhi (FRN 105215W/W100057), for a term of five (5) years i.e., to hold office till the conclusion of the AGM in the year 2030.

### **Cost Auditors**

M/s Ramanath Iyer & Co., Cost Accountants, (Regn No.000019), 808, Pearls Business Park, Netaji Subhash Place, Pitampura, Delhi - 110034, who were appointed as Cost Auditors of the Company for the year 2025-26, will submit the cost Audit report within a period of one hundred and eight days (180 days) from the closure of the financial year. They have been re-appointed as Cost Auditors for the year 2026-27. A resolution for ratification of their remuneration for the year 2026-27, as required under the Companies Act, 2013, forms part of the Notice convening the ensuing AGM.

The Company maintains cost records as specified by the Central Govt. under sub-section (1) of Section 148 of the Companies Act, 2013.

### **Succession Plan**

The Board in its meeting held on 24<sup>th</sup> December, 2025 had laid down a policy on Orderly Succession for Appointments to the Board and Senior Management. The policy can be accessed on the Company's website on the weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/15.-Succession-Policy.pdf>.

### **Corporate Governance**

Reports on Corporate Governance and Management Discussion & Analysis are annexed as **Annexure - VI**.

### **Anti-Sexual Harassment Policy**

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal

Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees during the year under review. The Committees were reconstituted effective from 02<sup>nd</sup> January, 2026 for 3 years.

The Company periodically review the policy and submit a status report annually to the Competent Authority under Section 22 of the said Act.

### **Applicability of Insolvency and Bankruptcy Code**

Neither any application was made, nor any proceedings were pending under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year.

### **One Time Settlements**

The Company has not entered into any one-time settlement of debt during the year under review.

### **Disclosure Under Secretarial Standards**

Applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meeting of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **Compliance with the Maternity Benefit Act, 1961**

The Company has strictly adhered to and complied with all the applicable provisions relating to the Maternity Benefit Act, 1961, during the financial year under review.

### **Acknowledgment**

The Board of Directors expresses its sincere gratitude to the Central and State Government authorities, regulatory bodies, business partners for their remarkable support.

We thank our shareholders, financial institutions, banks, customers, vendors and other stakeholders for their trust and confidence in the Company's leadership and strategic direction.

The Board also places on record its appreciation for the contribution made by employees at all levels. Their conduct and support are of utmost importance in achieving the Company's objectives targets.

For and on behalf of the Board

Sd/-  
(Urvashi Tilakdhar)  
Sr. Managing Director  
DIN: 00294265

Sd/-  
(Akshay Dhar)  
Managing Director & CEO  
DIN: 01078392

Place: New Delhi  
Date: 19<sup>th</sup> May, 2026

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**DCM Shriram Fine Chemicals Limited**  
6th Floor, Kanchenjunga Building,  
18 Barakhamba Road,  
Delhi, India, 110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by DCM Shriram Fine Chemicals Limited (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period from the date of listing of its Equity Shares on February 17, 2026 till March 31, 2026 ("**Audit Period**" / "**period under review**") 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 March 31, 2026 according to the provisions of:

- (i) The Companies Act, 2013 ('**the Act**') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable to the Company during the Audit Period**
  - (e) 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 to the extent of securities issued;
  - (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 (Buy-back of Securities) Regulations, 2018; **Not applicable to the Company during the Audit Period**
- (vi) The other laws, as informed and certified by the management of the company which are specifically applicable to the Company based on their sector/ industry are:
- a) Industrial (Development & Regulation) Act, 1951.
  - b) Essential Commodities Act, 1955.
  - c) Food Safety and Standards Act 2006.
  - d) The Drugs and Cosmetics Act 1940.
  - e) The Legal Metrology Act 2009 and Rule 2011.
  - f) The Narcotic Drugs and Psychotropic Substances Act, 1985.
  - g) Poison Act, 1919.
  - h) The Petroleum Act 1934.

We have also examined compliance with the applicable clauses/Regulations of the following

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs;
- (ii) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

## BOARD'S REPORT (continued)

---

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with applicable provisions/regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

Adequate notice is given to all Directors to schedule the Board/Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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

We further report that during the audit period, following events have occurred having major bearing on company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. The Hon'ble National Company Law Tribunal, Delhi Bench on November 21, 2025 has approved the Scheme of Arrangement with the appointed date April 1, 2023 which provides for Amalgamation of Lily Commercial Private Limited (Transferor Company), with DCM Shriram Industries Limited (Transferee Company) to be followed by De-merger of Chemical undertaking and Rayon Undertaking (the Demerged Business) of DCM Shriram Industries Limited (the Transferee Company) into DCM Shriram Fine Chemicals Limited (the Resulting Company No 1) and DCM Shriram International Limited (the Resulting Company No. 2) and issue of shares of DCM Shriram International Limited and DCM Shriram Fine Chemicals Limited, to the shareholder of DCM Shriram Industries Limited in consideration of the said de-merger.
2. Pursuant to approval of the Scheme of Arrangement by the Hon'ble National Company Law Tribunal, Delhi Bench, by order dated November 21, 2025, the authorized capital of the Company is stood increased from Rs. 25,00,00,000 (Rupees Twenty-Five crore) divided into 12,50,00,000 (Twelve crore fifty lakh) equity shares having face value of Rs. 2 (Two) each to Rs. 40,52,50,000 (Rupees Forty crore fifty-two lakh fifty thousand) divided into 20,26,25,000 (Twenty crore twenty-six lakh twenty-five thousand) equity shares having face value of Rs. 2 (Two) each. Accordingly, Clause V of the Memorandum of Association stood amended to reflect the increase in authorized capital.
3. The Board of Directors, at their meeting held on December 24, 2025, considered and approved the proposal for amendment of the Articles of Association of the Company pursuant to the provisions of Sections 5 and 14

and other applicable provisions of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, by inserting new Clause Nos. 74(ii), 74(iii) and 74(iv). The proposed amendment is in conformity with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including Regulation 30 and other relevant regulations, and the Securities Contracts (Regulation) Act, 1956, read with the rules made thereunder. The Board accordingly recommended the said amendment for approval of the shareholders by way of a special resolution.”

4. The **Committee for Implementation of Scheme of Arrangement** in its meeting held on December 31, 2025 had approved extinguishment of the 10,00,00,000 Equity Shares of Face Value of Rs. 2/- each aggregating to Rs. 20,00,00,000, in terms of the Scheme of Arrangement in exercise of the authorisations accorded by the Board of directors.
5. The **Committee for Implementation of Scheme of Arrangement** in its meeting held on December 31, 2025 had approved the allotment of 8,69,92,185 Equity Shares of Rs. 2 each of DCM Shriram Fine Chemicals Limited to the Equity Shareholders of the DCM Shriram Industries Limited, as on December 26, 2025 “the record date” in the ratio of 1:1 Equity Shares of Rs. 2 each for every 1 (One) Equity Share of Rs. 2 each held in DCM Shriram Industries Limited pursuant to Scheme of Arrangement and for the same the listing approval was received from BSE Limited and from National Stock Exchange of India Limited on January 21, 2026 and trading approval for the said number of shares was received from NSE and BSE on February 13, 2026 and trading in shares started from February 17, 2026.

**For Chandrasekaran Associates**  
**Company Secretaries**  
**FRN: P1988DE002500**  
**Peer Review Certificate No.: 6689/2025**

Sd/-  
**Shashikant Tiwari**  
**Partner**  
Membership No. F11919  
Certificate of Practice No. 13050  
UDIN: **F011919H000368308**

Place: Delhi  
Date: 15.05.2026

**Note:** *This report is to be read with our letter of even date which is annexed as Annexure-A to this Report and forms an integral part of this report.*

---

## **Annexure-A**

To,  
The Members  
**DCM Shriram Fine Chemicals Limited**  
6th Floor, Kanchenjunga Building,  
18 Barakhamba Road,  
Delhi, India, 110001

## **BOARD'S REPORT (continued)**

---

### **Auditor's responsibility**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. 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 the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of statutory auditor.
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 procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Chandrasekaran Associates**  
**Company Secretaries**  
**FRN: P1988DE002500**  
**Peer Review Certificate No.: 6689/2025**

Sd/-  
**Shashikant Tiwari**  
**Partner**  
Membership No. F11919  
Certificate of Practice No. 13050  
UDIN: **F011919H000368308**

Place: Delhi  
Date: 15.05.2026

## Annexure – II

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programs are provided at Point No. 3 below.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Akshay Dhar - Chairman	Managing Director & CEO	1	1
2.	Mrs. Urvashi Tilakdhar	Sr. Managing Director		1
3.	Ms. Rama Sanjay Kirloskar	Independent Director		None
4.	Mr. Siddhartha Mukherjee	Independent Director		1
5.	Mr. Venkata Rama Subbu Behara	Independent Director		1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

CSR Committee	<a href="https://dsfcl.com/wp-content/uploads/list-of-committees-DSFCL-03.03.2026.pdf">https://dsfcl.com/wp-content/uploads/list-of-committees-DSFCL-03.03.2026.pdf</a>
CSR Policy	<a href="https://dsfcl.com/wp-content/uploads/2026/02/05.-Corporate-Social-Responsibility-Policy.pdf">https://dsfcl.com/wp-content/uploads/2026/02/05.-Corporate-Social-Responsibility-Policy.pdf</a>
CSR Projects	NA

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility) Rules 2014, if applicable - Not Applicable

5.
 

Sr. No.	Particulars	Amount (₹)
(a)	Average net profit of the Company as per Section 135(5)	18,25,99,643

## BOARD'S REPORT (continued)

(b)	Two percent of average net profit of the Company as per Section 135(5)	36,51,992
(c)	Surplus arising out of the CSR Projects or Programmes or activities of the previous financial years.	-
(d)	Amount required to be set off for the financial year, if any	-
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	36,51,992

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 34.8 lakhs

(b) Amount spent in Administrative Overheads: ₹ 1.83 lakhs

(c) Amount spent on Impact Assessment, if applicable: Not Applicable.

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 36.63 lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 36.63 lakhs	NA				

(f) Excess amount for set off, if any:

Sr. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	36,51,992
(ii)	Total amount spent for the Financial Year	36,62,640
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,648
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,648

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount remaining to be spent in succeeding financial years (in ₹)		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
NA								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered addresses
(1)	(2)	(3)	(4)	(5)	(6)		
NA							

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): Not Applicable

For and on behalf of the Board

Sd/-  
 (Urvashi Tilakdhar)  
 Sr. Managing Director  
 DIN: 00294265

Sd/-  
 (Akshay Dhar)  
 Managing Director & CEO  
 DIN: 01078392

Place: New Delhi  
 Date: 19<sup>th</sup> May, 2026

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy****i. The steps taken or impact on conservation of energy**

- Installation of a water softening system.
- Installation of Variable Frequency Drives (VFDs).
- Replacement of existing lighting with energy-efficient lighting systems.
- Replacement of contact-type steam ejectors with non-contact type steam ejectors.
- Installation of a radar-based level measurement system for better process optimization.
- Replacement of thermodynamic steam traps with ball float type steam traps.
- Installation of high-efficiency pumps.
- Chilled water bypass system line modification to eliminate undesired power consumption during bypass.

**ii. The steps taken by the company for utilizing alternate sources of energy**

- Trial of solar streetlight for efficient design and saving thereby through installation of additional lights after debottlenecking.

**iii. The capital investment on energy conservation equipment: Nil.****B. Technology Absorption****i. The efforts made towards technology absorption**

To increase recycling of wastewater and subsequently reduce groundwater extraction to make our business more sustainable, technology was taken from one of the india's prominent wastewater treatment R&D companies. Pilot trials were conducted at technology providers site and results were very encouraging. Treatment technology is based on Advanced Oxidation Process (AOP), membrane systems, UV treatment, and (Total Reduction/Oxidation (TEDOX).

Based on successful pilot trials, commissioning of commercial treatment plant is started at our site & shall be completed latest by the end of Q-1, 2026-27.

**ii. The benefits derived like product improvement, cost reduction, product development or import substitution**

D-Phenylglycine Methyl Ester Hydrochloride (D-PGME.HCl) is a key chiral intermediate widely used as the active side chain in the synthesis of semi-synthetic Cephalosporin antibiotics such as Cefaclor and Cephalexin.

In line with market demand and to ensure the sustainability of the Phenylglycine (PG) active side chain business, the technology for the key intermediate PGME.HCl has been developed in-house. The process feasibility was successfully established at the laboratory scale, followed by

process validation, optimization of process parameters, stability studies, process safety risk assessment, and preparation of comprehensive quality documentation. Product samples were also evaluated and approved through market validation.

Based on the positive response received from the market, Daurala plans to establish a new commercial manufacturing plant for PGME.HCl.

iii. Particulars of the technologies imported during last 3 years: None

iv. Expenditure incurred on Research and Development: ₹ 0.48 Cr.

**C. Foreign Exchange Earning and Outgo FY 2025-26:**

Particulars	(₹ in Cr.)	
	2025-26	2024-25
Foreign Exchange Outgo in terms of actual outflows	43.15	45.67
Foreign Exchange earned in terms of actual inflows	29.96	45.10

For and on behalf of the Board

Sd/-  
 (Urvashi Tilakdhar)  
 Sr. Managing Director  
 DIN: 00294265

Sd/-  
 (Akshay Dhar)  
 Managing Director & CEO  
 DIN: 01078392

Place: New Delhi  
 Date: 19<sup>th</sup> May, 2026

**Annexure - IV**

**Information as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

As on 31<sup>st</sup> March, 2026, there were 589 permanent employees on the rolls of the Company.

Pursuant to the approval of the Scheme of Arrangement, the Company became operational effective from 17<sup>th</sup> December, 2025. Given that FY 2025-26 is the first year of the Company's commercial operations as per the said Scheme, comparative figures for the previous financial year (FY 2024-25) are not available. Accordingly, the information under the said Rule is not available for the year 2025-26.

For and on behalf of the Board

Sd/-  
 (Urvashi Tilakdhar)  
 Sr. Managing Director  
 DIN: 00294265

Sd/-  
 (Akshay Dhar)  
 Managing Director & CEO  
 DIN: 01078392

Place: New Delhi  
 Date: 19<sup>th</sup> May, 2026

## BOARD'S REPORT (continued)

Annexure - V

Statement of Particulars under Section 197(2) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the year ended 31<sup>st</sup> March, 2026.

A) Name of top ten employees and the name of every employee who if employed throughout the year under review and were in receipt of remuneration for the year in aggregate of not less than ₹ 1,02,00,000.

Sr. No	Name	Designation and nature of Duties	Remuneration Received (₹)	Qualification	Experience (years)	Date of commencement	Age (years)	Particulars of last employment
1	Mrs. Urvashi Tilakdhar*	Sr. Managing Director	1,25,10,543	P.G. (Sociology)	8	24.12.2025	70	DCM Shriram Industries Limited
2	Mr. Akshay Dhar*	Managing Director & CEO	55,65,181	Business Administration Hons. (Marketing)	18	21.08.2008	42	DCM Shriram Industries Limited
3	Dr. Sandeep Bajaj	Director - Business Development	44,53,983	PhD	36	07.10.1994	56	DCM Shriram Industries Limited
4	Mr. Jaideep Dan	General Manager (Sales)	42,28,896	B. Sc. (Chemistry Hons.), P.G.D.B.A	34	09.12.1996	57	DCM Shriram Industries Limited
5	Mr. Naresh Handa	Chief Financial Officer	40,89,693	CA	24	12.03.2024	48	DCM Shriram Industries Limited
6	Mr. Piyush Agarwal	General Manager (TECH.)	39,67,982	B.E. (Electrical)	37	16.05.2007	59	DCM Shriram Industries Limited
7	Mr. Prasanna S. Vaidya	General Manager (TECH.)	35,82,927	B.E. (Mechanical)	35	05.04.2004	58	DCM Shriram Industries Limited
8	Mr. Arvind Kumar Agarwal	Deputy General Manager (TECH.)	30,36,235	MBA	29	12.04.2001	51	DCM Shriram Industries Limited
9	Mr. Krishna Chandra Jha	General Manager -HR	30,30,709	MBA	22	22.11.2019	48	DCM Shriram Industries Limited
10	Mr. Praveen Kumar	Deputy General Manager (TECH.)	29,37,818	B. Tech (Mechanical)	35	23.06.2022	29	DCM Shriram Industries Limited

\*Mr. Akshay Dhar and Mrs. Urvashi Dhar are related to each other.

B) Employed for part of the year under review and were in receipt of remuneration for part of the year in aggregate of not less than ₹ 8,50,000/- per month - None.

For and on behalf of the Board

Sd/-  
(Urvashi Tilakdhar)  
Sr. Managing Director  
DIN: 00294265

Sd/-  
(Akshay Dhar)  
Managing Director & CEO  
DIN: 01078392

Place: New Delhi  
Date: 19<sup>th</sup> May, 2026

## CORPORATE GOVERNANCE REPORT

### **(A) Corporate Governance Philosophy**

At DCM Shriram Fine Chemicals Limited (the 'Company'), we firmly believe that robust corporate governance is the bedrock upon which sustainable, successful, and trusted enterprises are built. As a newly listed entity carrying forward over a century-old legacy of the DCM Group, corporate governance is deeply embedded in our culture and values, we recognize that our purpose extends far beyond mere profit generation but include a profound commitment to the society that sustains us. True corporate governance transcends basic regulatory compliance; it necessitates the cultivation of deep-rooted trust and confidence among our shareholders, customers, and the wider community through ethical conduct, prudent management, and comprehensive transparency. We are dedicated to ensuring that our business operations are conducted with unwavering integrity, safeguarding investor confidence against any potentially damaging actions while establishing clear benchmarks for accountability.

In essence, our Company's corporate governance philosophy centers on five key pillars: equitable treatment and protection of shareholder rights, safeguarding the interests of all stakeholders, clearly defined roles and responsibilities for the Board, unwavering integrity and ethical conduct at every level, and timely disclosure, transparency, coupled with environmental protection. In our inaugural year as a listed company, the Board of Directors is steadfastly committed to upholding the highest standards of governance and strictly adhering to the requirements outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Recognizing our broader societal and environmental responsibilities, we are also actively integrating sustainable practices to reduce emissions in line with our long-term targets, ensuring we maintain the trust of all stakeholders while driving sustainable growth.

This report outlines our governance practices and how they align with our long-term vision & responsible growth and stakeholder value enhancement.

### **(B) Governance Structure**

#### **(i) Board Composition**

As on 31<sup>st</sup> March, 2026, the Company's Board comprised of an ideal combination of Executive and Non-Executive Directors. Of the eleven (11) Directors, three (3) were Executive Directors. Two (2) Executive Directors represented the promoters. Of the eight (8) Non-Executive Directors, five (5) were Independent Directors, three (3) were Non-Independent Directors. All were persons of eminence with long experience in the fields of finance, law, trade or industry.

The Board's composition is in consonance with the CG requirements under Regulation 17 of the SEBI (LODR) Regulations and Section 149(4) of the Companies Act, 2013.

## BOARD'S REPORT (continued)

### (ii) Board Meetings, attendance and other directorships

During the year, Nine (9) Board meetings were held on 28<sup>th</sup> May, 2025, 30<sup>th</sup> May, 2025, 08<sup>th</sup> August, 2025, 13<sup>th</sup> August, 2025, 30<sup>th</sup> October, 2025, 06<sup>th</sup> November, 2025, 01<sup>st</sup> December, 2025, 24<sup>th</sup> December, 2025 and 02<sup>nd</sup> March, 2026. Attendance and other details are given below:

Sr. No	Name of Director	DIN	Designation & Category	No. of Board Meetings Attended and Held	Attendance at last AGM	Other Directorships*	No. of Committee Memberships ** (other companies)	
							Member	Chairperson
1	Mrs. Urvashi Tilakdhar	00294265	Sr. MD (Promoter & Executive Director)	9 of 9	Yes	None	None	None
2	Mr. Akshay Dhar	01078392	MD & CEO (Promoter & Executive Director)	9 of 9	Yes	None	None	None
3	Ms. Aditi Dhar (Appointed on 24 <sup>th</sup> December, 2025)	10844764	Promoter & Non-Executive Non - Independent Director	1 of 1	NA	None	None	None
4	Mr. Alok Bansidhar Shriram (Appointed on 02 <sup>nd</sup> March, 2026 w.e.f. 03 <sup>rd</sup> March, 2026)	00203808	Non-Executive Non - Independent Director	-	NA	3	1	None
5	Ms. Rama Sanjay Kirloskar (Appointed on 01 <sup>st</sup> December, 2025)	07474724	Non-Executive Independent Director	1 of 2	NA	4	None	None
6	Mr. Rohit Bhandari (Appointed on 01 <sup>st</sup> December, 2025)	11389548	Non-Executive Independent Director	2 of 2	NA	None	None	None
7	Dr. Sandeep Bajaj (Appointed on 24 <sup>th</sup> December, 2025)	11362256	Director Business Development (Executive Director)	2 of 2	NA	None	None	None

8	Mr. Siddhartha Mukherjee (Appointed on 01 <sup>st</sup> December, 2025)	11385631	Non-Executive Independent Director	2 of 2	NA	None	None	None
9	Mr. Sunil Behari Mathur (Appointed on 02 <sup>nd</sup> March, 2026 w.e.f. 03 <sup>rd</sup> March, 2026)	00013239	Non-Executive Non-Independent Director	-	NA	3	2	1
10	Mr. Venkata Rama Subbu Behara (Appointed on 01 <sup>st</sup> December, 2025)	00289721	Non-Executive Independent Director	2 of 2	NA	2	2	1
11	Mr. Vijay Anand (Appointed on 01 <sup>st</sup> December, 2025)	06431219	Non-Executive Independent Director	2 of 2	NA	2	None	3
12	Mr. Vineet Manaktala (Resigned on 24 <sup>th</sup> December, 2025)	09145644	Whole Time Director & CFO	7 of 8	Yes	None	None	None

\* Excluded directorships in private limited companies/ foreign companies/ companies registered u/s 8 of the Companies Act, 2013

\*\* Only Audit and Stakeholders' Relationship Committees are considered in all public Limited Companies (Listed or unlisted).

Mr. Vineet Manaktala who was Director Finance & CFO of the holding company DCM Shriram Industries Limited, was appointed as a Director on the Board of the Company and designated as Whole Time Director & CFO w.e.f. 29<sup>th</sup> September, 2021. As per Section 203 of the Companies Act, 2013 same person could be CFO of a 100% subsidiary and the holding company at the same time. On approval of the Scheme of Arrangement, DCM Shriram Fine Chemicals Limited has ceased to be a subsidiary of DCM Shriram Industries Limited. Accordingly, Mr. Vineet Manaktala resigned from the Board of DCM Shriram Fine Chemicals Limited and also as CFO w.e.f. 24<sup>th</sup> December, 2025.

Mrs. Urvashi Tilakdhar, Mr. Akshay Dhar and Ms. Aditi Dhar are related to each other. None of the other Directors are related to any other Director on the Board.

## BOARD'S REPORT (continued)

### (iii) Details of Directorships in other listed entities:

Sr. No.	Name of Director	Other Directorship in Listed Entities	Category of Directorship
1	Mrs. Urvashi Tilakdhar	-----	-----
2	Mr. Akshay Dhar	-----	-----
3	Ms. Aditi Dhar	-----	-----
4	Mr. Alok Bansidhar Shriram	DCM Shriram International Limited	Managing Director & CEO
5	Ms. Rama Sanjay Kirloskar	Kirloskar Brothers Limited	Managing Director
		KPT Industries Limited	Independent Director
6	Mr. Rohit Bhandari	-----	-----
7	Dr. Sandeep Bajaj	-----	-----
8	Mr. Siddhartha Mukherjee	-----	-----
9	Mr. Sunil Behari Mathur	DCM Shriram International Limited	Non-Executive, Non Independent Director
		DCM Shriram Industries Limited	Chairman Non-Executive Non Independent Director
10	Mr. Venkata Rama Subbu Behara	Gabrial India Limited	Independent Director
		MTAR Technologies Limited	Independent Director
11	Mr. Vijay Anand	Pondy Oxides and Chemicals Limited	Independent Director

### (iv) Meeting of Independent Directors:

The Independent Directors of the Company were inducted onto the Board with effect from 01<sup>st</sup> December, 2025. Furthermore, the Company commenced its independent business operations only towards the end of December 2025, following the effective vesting of the Chemical Undertaking pursuant to the NCLT-sanctioned Composite Scheme of Arrangement, and subsequently achieved listed status on 17<sup>th</sup> February, 2026.

Given this short operational period within the financial year 2025-26, the Board and the Independent Directors recognized that a comprehensive, objective, and meaningful review of the performance of the Directors and the Board could not be effectively undertaken. Consequently, the separate meeting of the Independent Directors was not held during the year under review.

The Independent Directors will hold a separate meeting and undertake the requisite performance evaluation from the financial year 2026-27.

Number of Equity shares held by Non-Executive Directors in the Company are as under:

Sr. No.	Name of Non-Executive Director	No. of Shares held (Equity shares of face value of ₹ 2 each)
1	Ms. Aditi Dhar	15,26,765
2	Mr. Alok Bansidhar Shriram	89,42,540

No other Non- Executive Director holds any Equity shares in the Company  
 There are no convertible instruments in the Company, presently.

#### (v) The Familiarization programme for Independent Directors

The Board of Directors had laid down, in its meeting held on 24<sup>th</sup> December, 2025 a Familiarization Programme for Independent Directors, copy of which is placed on the Company's website on weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/12.-Familiarisation-Policy-for-IDs>.

A Familiarization Programme will be organized in the Current Financial Year.

#### (vi) Core Skills, expertise and competence of Board of Directors

The core skills/expertise/competencies required in the Board in the context of the Company's business to function effectively, as identified by the Nomination and Remuneration Committee and the Board of Directors of the Company, are tabulated below:

Name of Director	Core Skills / Expertise /Competencies				
	Leadership/Operational Experience	Strategic Planning	Sector/Industry Knowledge & Experience, R&D Innovation	Technology	Financial, Regulatory/Legal & Risk Mgmt.
Mrs. Urvashi Tilakdhar	•	•	•	•	•
Mr. Akshay Dhar	•	•	•	•	•
Ms. Aditi Dhar	•	•	•	•	•
Mr. Alok Bansidhar Shriram	•	•	•	•	•
Ms. Rama Sanjay Kirloskar	•	•	•	•	•

## BOARD'S REPORT (continued)

Mr. Rohit Bhandari	•	•	•	•	•
Dr. Sandeep Bajaj	•	•	•	•	•
Mr. Siddhartha Mukherjee	•	•	•	•	•
Mr. Sunil Behari Mathur	•	•	•	•	•
Mr. Venkata Rama Subbu Behara	•	•	•	•	•
Mr. Vijay Anand	•	•	•	•	•

### (vii) Independent Directors

The Board of Directors confirms that in its opinion the Independent Directors fulfil the conditions specified in Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and they are independent of the management.

None of the Independent Directors resigned before their tenure in the Company during the year under report.

### (C) Committees of the Board

#### (1) Audit Committee

##### (i) Terms of reference

The composition, terms of reference and role of the Audit Committee are as per requirements of Regulation 18 of SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be laid down by the Board of Directors, from time to time.

##### (ii) Composition, Meetings and Attendance

The Audit Committee, *inter alia*, ensures that an effective internal financial control system is in place. During the year, two (2) meetings of the Audit Committee were held on 24<sup>th</sup> December, 2025 and 02<sup>nd</sup> March, 2026.

The Audit Committee as on 31<sup>st</sup> March, 2026 comprised of three (3) members, all are Non - Executive Independent Directors. During the year, 2 (two) meeting of the Audit Committee were held. The attendance at these meetings during the year was as follows:

Name of the Member	Status	No. of Meetings attended and held
Mr. Siddhartha Mukherjee	Chairperson	2 of 2
Mr. Vijay Anand	Member	2 of 2
Mr. Venkata Rama Subbu Behara	Member	2 of 2

All the Members have extensive financial and accounting knowledge/background, and the Chairman is an expert in banking and financial management. Apart from the members, all the Executive Directors, CFO, and representative(s) of the Statutory Auditors attended the meetings of the Committee. All the members of the Audit Committee will strive to attend their inaugural AGM proposed to be held on **Tuesday, the 14<sup>th</sup> day of July, 2026.**

Ms. Kokila Arora, Company Secretary and Compliance Officer of the Company officiates as the Secretary to the Committee.

The Minutes of the meetings of the Committee are placed before the Board.

## (2) Nomination & Remuneration Committee

### (i) Terms of Reference

The Nomination & Remuneration Committee (NRC) carries out the functions as per Section 178 of the Companies Act, 2013 and Regulation 19 of LODR Regulations.

### (ii) Composition, Meetings and Attendance

The NRC as on 31<sup>st</sup> March, 2026 comprised of three (3) Non-Executive Independent Directors. During the year two (2) meetings of the NRC were held on 24<sup>th</sup> December, 2025 and 02<sup>nd</sup> March, 2026. The attendance at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended and held
Mr. Vijay Anand	Chairman	2 of 2
Mr. Rohit Bhandari	Member	2 of 2
Mr. Venkata Rama Subbu Behara	Member	2 of 2

The Nomination and Remuneration Committee ("NRC") was constituted on 01<sup>st</sup> December, 2025 and subsequently reconstituted with effect from 24<sup>th</sup> December, 2025 pursuant to the restructuring of the composition of the Board. All the members will strive to attend their inaugural AGM proposed to be held on **Tuesday, the 14<sup>th</sup> day of July, 2026.**

Ms. Kokila Arora, Company Secretary and Compliance Officer of the Company officiates as the Secretary to the Committee.

### (iii) Performance Evaluation Criteria

The NRC, *inter alia*, in its meeting held on 19<sup>th</sup> May, 2026 had laid down the criteria for evaluation of the Board, its Committees, Directors and the Chairperson based on Guidance note issued by SEBI on 05<sup>th</sup> January, 2017. The criteria will be followed by the Board and the Independent Directors in the evaluation process from 2026-27 onwards.

## BOARD'S REPORT (continued)

### (iv) Remuneration Policy

The Board on the recommendation of the NRC had laid down a Remuneration Policy for the Company in line with the requirements of Section 178 of the Companies Act, 2013. A gist of the policy has been given in the Directors' Report. A copy of the Policy has been placed on the website of the Company on weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/02.-Remuneration-Policy.pdf>.

### (3) Stakeholders' Relationship Committee

#### (i) Terms of Reference

The primary responsibility of the Stakeholders' Relationship Committee is to maintain cordial relations with investors, oversee the mechanism for redressal of investor grievances and related matters.

#### (ii) Composition, Meetings and Attendance

The SRC as on 31<sup>st</sup> March, 2026 comprised of one (1) Executive and three (3) Non-Executive Directors. During the year one (1) meeting of the Committee was held on 02<sup>nd</sup> March, 2026. The attendance at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended and held
Mr. Rohit Bhandari	Chairman	1 of 1
Mr. Akshay Dhar	Member	1 of 1
Ms. Rama Sanjay Kirloskar	Member	0 of 1
Mr. Siddhartha Mukherjee	Member	1 of 1

The Stakeholder Relationship Committee ("SRC") was constituted on 1<sup>st</sup> December, 2025, all the members will strive to attend their inaugural AGM proposed to be held **Tuesday, the 14<sup>th</sup> day of July, 2026**.

Ms. Kokila Arora, Company Secretary and Compliance Officer of the Company officiates as the Secretary to the Committee.

During the year 2025-2026, the Company had not received any complaints.

### (4) Corporate Social Responsibility Committee

#### (i) Terms of Reference

The role and terms of reference of Corporate Social Responsibility (CSR) Committee covers the scope prescribed under Section 135 of the Act and rules made thereunder, as amended from time to time, or may be delegated by the Board of Directors from time to time.

#### (ii) Composition, Meetings and Attendance

The CSR Committee as on 31<sup>st</sup> March, 2026 comprised of two (2) Executive and three (3) Non-Executive Director. During the year under review, one (1) meeting of the Committee was held on 02<sup>nd</sup> March, 2026. The attendance at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended and held
Mr. Akshay Dhar	Chairman	1 of 1
Mrs. Urvashi Tilakdhar	Member	1 of 1

Ms. Rama Sanjay Kirloskar	Member	0 of 1
Mr. Siddhartha Mukherjee	Member	1 of 1
Mr. Venkata Rama Subbu Behara	Member	1 of 1

The Corporate Social Responsibility Committee ("CSR") was constituted on 01<sup>st</sup> December, 2025, all the members will strive to attend their inaugural AGM proposed to be held **Tuesday, the 14<sup>th</sup> day of July, 2026.**

Ms. Kokila Arora, Company Secretary and Compliance Officer of the Company officiates as the Secretary to the Committee.

#### (5) Risk Management Committee (RMC)

The provisions relating to the constitution of Risk Management Committee (RMC) are not applicable to the Company.

#### (D) Particulars of Sr. Management

During FY 2025-26, the Company designated the following officers in the Sr. Management position (as defined in Regulation 16 of SEBI (LODR) Regulations, 2015):

Sr. No.	Name	Designation
1.	Mr. Anuj Kumar Parashar	Vice President - Operations
2.	Mr. Naresh Handa	General Manager
3.	Ms. Kokila Arora	Senior Manager

#### (E) Remuneration of Directors

(a) The criteria and details of pecuniary relationship and transactions of the Non-Executive Directors vis-à-vis the Company are given below:

Non-Executive Directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fee is ₹ 50,000 (Rupees Fifty Thousand only) per Board meeting and ₹ 25,000 (Rupees Twenty Five Thousand only) per Committee meeting. The Company is seeking the approval of the shareholders at the ensuing Annual General Meeting for the payment of commission to Non-Executive Directors of up to 1% of the Net Profit of the Company for the financial year 2026-27 onwards. The Profit for commission will be computed in the manner laid down under Section 198 of the Companies Act, 2013, and distributed in such amount and proportion as may be decided by the Board of Directors.

The details of the sitting fee and commission paid for the year 2025-26 to Non-Executive Directors are given below:

(Amount in ₹)

Name of Non-Executive Director	Sitting fees paid in 2025-26
Ms. Aditi Dhar	50,000
Ms. Rama Sanjay Kirloskar	50,000
Mr. Rohit Bhandari	1,75,000
Mr. Siddhartha Mukherjee	2,00,000
Mr. Vijay Anand	2,00,000

## BOARD'S REPORT (continued)

Mr. Venkata Rama Subbu Behra	3,25,000
------------------------------	----------

There have been no other pecuniary relationships with the Non-Executive Directors vis-a-vis the Company during the year.

### (b) Remuneration to Executive Directors

The details of remuneration of Executive Directors for the year ended 31<sup>st</sup> March, 2026 are given below:

(Amount in ₹)

Name of Executive Director	Salary	Commission/Reward	Perquisites	Retirement benefits
Mrs. Urvashi Tilakdhar (Sr. MD)	1,23,12,682	-	1,97,861	1,63,036
Mr. Akshay Dhar (MD & CEO)	54,28,286	-	1,36,895	29,20,000
Dr. Sandeep Bajaj (Director - BD) (w.e.f. 24 <sup>th</sup> December, 2025)	18,40,284	-	3,82,420	4,91,342

The appointments are contractual in nature and can be determined by either party by giving notice as per their terms of appointment or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the managerial personnel shall be entitled to compensation in accordance with the provisions of the Companies Act. No stock options were issued by the Company to its Directors/ Employees.

### (F) General Body Meetings

The last three Annual General Meetings (AGM) were held at New Delhi, as under:

Financial Year	Date of AGM	Time	Mode of meeting	Venue
2022-23	15 <sup>th</sup> July, 2023	12 noon (IST)	Physically	6th floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001
2023-24	06 <sup>th</sup> July, 2024	02.30 PM (IST)	Physically	6th floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001
2024-25	11 <sup>th</sup> July, 2025	02.30 PM (IST)	Physically	6th floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001

Details of Special Resolutions passed in the previous three (3) Annual General Meetings are as under:

#### AGM 2025

No Special Resolution was passed.

## AGM 2024

The following two Special Resolutions were passed in the AGM held on 06th July, 2024:

1. Authorisation u/s 180(1)(c) of the Companies Act, 2013
2. Authorisation u/s 180(1)(a) of the Companies Act, 2013

## AGM 2023

No Special Resolution was passed.

## Postal Ballot

No Postal Ballot was passed during the year 2025-26.

## **(G) Means of communication**

The Company publishes quarterly, half-yearly and annual results as required under the SEBI (LODR) Regulations, 2015 in the prescribed format. The results are published in one English and one Hindi daily newspaper. During the year under review, the results were published in the "Financial Express" (English) and the "Jansatta" (Hindi). The unabridged version of the results is uploaded on the Bombay Stock Exchange Listing portal and National Stock Exchange, which is available on the websites of both Stock Exchanges. The results are also placed on the Company's website on weblink: <https://dsfcl.com/financial-results-annual-reports/>.

The Company has not released any official press note and has not made any presentation to the institutional investors or to the analysts during the year.

As the Company was listed pursuant to the approval of the Composite Scheme of Arrangement effective from 17<sup>th</sup> December, 2025, it made its first formal communication to shareholders through an intimation letter dated 16<sup>th</sup> February, 2026, regarding the allotment and trading of equity shares. The Company will convene its fifth Annual General Meeting (AGM) in July 2026, which will be its first AGM with public shareholder participation following its listing, for which the notice and the Board Report will be sent to shareholders well in advance. In cases where email IDs are notified, the same will be sent by email, and a gist of the notice will also be published in newspapers.

In addition, the Stock Exchanges are notified of any material developments or price sensitive information as required under Regulation 30 of the LODR Regulations, whenever occur. Disclosures with regard to shareholding pattern, change in major shareholding, quarterly share capital audit report, CG compliance report, etc. are also sent to the Stock Exchanges as required under various Regulations. The Company has a website - <https://dsfcl.com/> in which general information about the Company, Code of Business Conduct and Ethics, Remuneration Policy, Shareholding Pattern, Related Party Transaction Policy, Quarterly/ Annual results, Code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015, etc. have been placed. Particulars of unclaimed shares, etc. will also be placed on the website for information of investors.

## BOARD'S REPORT (continued)

### (H) General Shareholder Information

- i. The ensuing AGM will be held on **Tuesday, the 14<sup>th</sup> day of July, 2026** at **11:30 A.M. (IST)** through Video Conferencing / Other Audio Video Visual Means (VC/OAVM) as permitted by the Ministry of Corporate Affairs.

The detailed procedures in this regard are given in the Notice for the AGM and also will be notified in newspapers.

- ii. Financial Year: The Company follows 01<sup>st</sup> April to 31<sup>st</sup> March as the financial year.
- iii. Cut-off Date: The cut-off date for deciding the entitlement for casting e-Vote is **Wednesday, the 01<sup>st</sup> day of July, 2026**.

#### iv. Dividend

A maiden dividend of ₹ 0.40 per equity share of face value of ₹ 2 each was recommended by the Board of Directors in its meeting held on Tuesday, 19<sup>th</sup> May, 2026.

#### v. Investor Education and Protection Fund

29,46,484 (representing 3.39%) equity shares were allotted as on the record date i.e., 26<sup>th</sup> December, 2025 as per the Scheme of Arrangement have been transferred to the IEPF as required under Section 124 of the Companies Act, 2013.

#### vi. Listing on Stock Exchanges

The names of the stock exchanges at which Company's shares are listed as on 17<sup>th</sup> February, 2026 and details of "Scrip Code / Symbol" are as mentioned below:

Name & Address of the Stock Exchange	SCRIP Code / Symbol
<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	544703
<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	DSFCL

It is confirmed that the Company has paid Annual Listing Fees to the above Stock Exchanges within the prescribed time.

- vii. No securities of the Company were suspended from trading during the year.
- viii. **Registrar and Share Transfer Agents and Share Transfer System**

KFin Technologies Limited is the Share Transfer Agent of the Company, having the following addresses:

Selenium Tower B, Plot 31-32  
Gachibowli, Financial District  
Nanakramguda, Hyderabad - 500 032  
Phone 040-6716222/ 18003094001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

New Delhi House, 305,  
3<sup>rd</sup> Floor, Barakhamba Road, New  
Delhi - 110001  
Phone 011-43681700

The Members/ investors may also write to the Company at its Registered Office for any grievance/ share transfer related matters to enable the Company to get the matter sorted out expeditiously.

#### ix. Shareholding

a. Distribution of Shareholding as on 31<sup>st</sup> March, 2026:

Sr. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	44,137	98.41	1,26,62,457	14.56
2	5001 - 10000	374	0.83	27,73,761	3.19
3	10001 - 20000	153	0.34	21,59,504	2.48
4	20001 - 30000	58	0.13	14,44,216	1.66
5	30001 - 40000	37	0.08	12,66,744	1.46
6	40001 - 50000	23	0.05	10,90,395	1.25
7	50001 - 100000	29	0.06	20,15,622	2.32
8	100001 and above	41	0.09	6,35,79,486	73.09
	<b>TOTAL</b>	<b>44,852</b>	<b>100.00</b>	<b>8,69,92,185</b>	<b>100.00</b>

Included shares transferred to IEPF.

b. Shareholding Pattern as on 31<sup>st</sup> March, 2026:

Category	No. of Shares held (equity shares of face value of ₹ 2 each)	% of Shareholding
Promoters	4,35,90,115	50.11
Insurance Companies, AIF, Banks, Mutual funds & Other Financial Institutions	1,04,46,698	12.01
Foreign Portfolio Investor	12,88,833	1.48
IEPF	29,46,484	3.39
Others (Public)	2,87,20,055	33.01
<b>TOTAL</b>	<b>8,69,92,185</b>	<b>100.00</b>

#### x. Dematerialization of Shares

The shares in the Company are under compulsory dematerialized trading. Pursuant to the conditions of the SEBI Circular, 100% of the Equity Shares were issued in dematerialized form based on the Record Date of 26<sup>th</sup> December, 2025. Shares pertaining to shareholders who held physical certificates or had failed demat credits have been securely credited to a separate Escrow Demat Account of the Company to ensure full dematerialization compliance. The Company's ISIN is **INE00FM01015**.

## BOARD'S REPORT (continued)

---

### xi. Outstanding instruments

The Company has not issued any GDRs / ADRs and no convertible instrument is outstanding.

### xii. Plant locations

**Sardhana Road, Daurala, Meerut, UP - 250221**

- Daurala Organics,
- Daurala Chemicals

### xiii. Address for correspondence with the Company

'Investor Service Section'

6<sup>th</sup> Floor, Kanchenjunga Building,

18 Barakhamba Road, New Delhi - 110001

CIN - U24296DL2021PLC387429

E-mail ID - compliance@dsfcl.com

Tel: 011-43207700

### xiv. Credit Ratings

Credit ratings obtained by the Company are as under:

Instrument	Amount (₹ Crore)	Rating Assigned	Rating Action
Long-term Bank Facilities	30.00	Care A -; Stable	Assigned
Short-term Bank Facilities	17.20	Care A2+	Assigned

### xv. Other Disclosures

- There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- There has been no instance of non-compliance by the Company of any requirements related to capital markets during the period under review.
- The Board of Directors have established a Vigil Mechanism (Whistle Blower Policy) for the Company and no personnel have been denied access to the Audit Committee.
- The Company has complied with all mandatory requirements under CG Guidelines. Regarding non-mandatory requirements, the Company has endeavored to move towards a regime of financial statements with unmodified audit opinion. The Internal auditors' reports are submitted to the Audit Committee, which interacts with them directly.
- The policy regarding determination of material subsidiary is available on the Company's website on weblink:  
<https://dsfcl.com/wp-content/uploads/2026/02/06.-Material-Subsidiary-Policy.pdf>.
- The policy on dealing with related party transactions is available on the Company's website on weblink:

<https://dsfcl.com/wp-content/uploads/2026/02/03.-Policy-on-Related-Party-Transactions.pdf> .

The Company has no material subsidiary.

- g) The Company is not engaged in commodity trading on the Commodity Exchange/s.
- h) The Company has not raised any funds through preferential allotment / qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, 2015 during the year 2025-26.
- i) A certificate from M/s. Chandrasekaran & Associates, Practicing Company Secretaries, confirm 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 SEBI / Ministry of Corporate Affairs, or any such statutory authorities.
- j) There has been no case where the Board did not accept any recommendation of any of the Committees of the Board.
- k) The total fees paid by the Company and its subsidiary to the Statutory Auditors of the respective companies during the year 2025-26 are given below:

Auditors	Audit	Amount (in ₹ Lakh)
Company - Kirtane & Pandit LLP	- Statutory Audit	15
	- Others	10
Wholly owned Subsidiary Daurala Foods & Beverages Pvt. Ltd.	- Statutory Audit	0.89
	- Others	0.71

No other payment has been made to any entity which is linked to the above statutory auditors.

- l) No complaint was received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- m) No loan or advances in the nature of loans were given to firms/ companies in which directors are interested during the year 2025-26.
- n) Disclosure of certain types of agreements binding on listed entities: None
- o) During the year under review, no agreement covered under Regulation 30A of SEBI (LODR) Regulations, was entered into, requiring under Clause 5A of paragraph A of Part A of Schedule III of LODR Regulations.

## BOARD'S REPORT (continued)

The Company has complied with all the requirements of Corporate Governance and CG Report as per Regulations 17 to 27, 46 and Schedule V(C) of LODR Regulations so far as they apply to the Company.

### (I) Demat Suspense Account / Unclaimed Suspense Account

The position with regard to the unclaimed equity shares, transferred to the Demat Suspense Account as required under SEBI (LODR) Regulations, are as under:

Particulars	No. of Folios	No. of Shares
Outstanding shares in the suspense Account as on 01 <sup>st</sup> January, 2026.	13,272	10,78,060
Number of shareholders approached the Company for transfer of shares from suspense account during the year 2025-26.	0	0
Number of shareholders to whom shares were transferred from suspense account during the year 2025-26.	13,272	10,78,060
Shares transferred to IEPF as per IEPF Rules 2016 from suspense account.	40,593	29,46,484
Outstanding shares lying in the suspense account at the end of 31 <sup>st</sup> March, 2026.	40,593	29,46,484

The voting rights on the above shares remain frozen till the shares are released to the rightful owners.

For and on behalf of the Board

Sd/-  
(Urvashi Tilakdhar)  
Sr. Managing Director  
DIN: 00294265

Sd/-  
(Akshay Dhar)  
Managing Director & CEO  
DIN: 01078392

Place: New Delhi  
Date: 19<sup>th</sup> May, 2026

### Confirmation of Compliance of Code of Business Conduct and Ethics

I declare that all the Board members, Key Managerial and Senior Management Personnel have individually affirmed compliance with the Code of Business Conduct and Ethics adopted by the Company during the year 2025-26.

Dated: 19<sup>th</sup> May, 2026

Sd/-  
(Akshay Dhar)  
Managing Director & CEO  
DIN: 01078392

## COMPLIANCE CERTIFICATE

To,  
The Members  
DCM SHRIRAM FINE CHEMICALS LIMITED  
6th Floor, Kanchenjunga Building,  
18 Barakhamba Road,  
New Delhi- 110001, INDIA

We have examined the relevant records of DCM Shriram Fine Chemicals Limited ("the Company"), for the purpose of certifying compliance with the conditions of Corporate Governance for the period from the date of listing of its Equity Shares on February 17, 2026 till March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to the extent applicable. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sd/-  
**Vineet Maheshwari**  
For V. Maheshwari & Co.  
Company Secretaries  
ICSI Membership no.: ACS 15951  
C.P. No.: 24080  
Peer Review No. 5514/2024  
UDIN: A015951H000435018

Place: Ghaziabad (U.P.)  
Dated: 19-05-2026

## BOARD'S REPORT (continued)

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**DCM Shriram Fine Chemicals Limited**  
6th Floor, Kanchenjunga Building,  
18 Barakhamba Road,  
Delhi, India, 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DCM Shriram Fine Chemicals Limited** and having CIN: U24296DL2021PLC387429 and having Registered office at 6th Floor, Kanchenjunga Building, 18 Barakhamba Road, Delhi, India, 110001 (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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that as on Financial Year ended on March 31, 2026 none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of the Director	DIN	Date of appointment in Company
1.	Alok Bansidhar Shriram	00203808	03/03/2026
2.	Urvashi Tilakdhar	00294265	06/12/2022
3.	Akshay Dhar	01078392	06/12/2022
4.	Sunil Behari Mathur	00013239	03/03/2026
5.	Sandeep Bajaj	11362256	24/12/2025
6.	Aditi Dhar	10844764	24/12/2025
7.	Subbu Venkata Rama Behara	00289721	01/12/2025
8.	Siddhartha Mukherjee	11385631	01/12/2025
9.	Vijay Anand	06431219	01/12/2025
10.	Rama Sanjay Kirloskar	07474724	01/12/2025
11.	Rohit Bhandari	11389548	01/12/2025

*\* Mr. Subbu Venkata Rama Behara is a director in Octogence Technologies Private Limited, the annual filing of the same was not done after March 31, 2020.*

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

or effectiveness with which the management has conducted the affairs of the Company.

**For Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No: 6689/2025

Sd/-

**Shashikant Tiwari**

**Partner**

Membership No. F11919

Certificate of Practice No. 13050

UDIN: **F011919H000368528**

Place: Delhi

Date: 15.05.2026

## **BOARD'S REPORT (continued)**

---

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT-2025-26**

The Company is engaged in the manufacturing and sales of intermediates for Pharmaceuticals, Agro-chemicals, Optical Brighteners, Dyes and Perfumery and Paint industries. In addition to that, its Unit: Daurala Organics is engaged in Contract Manufacturing for a leading MNC, making Statin Intermediates. This unit's main customers are API intermediates and Agrochemical manufacturers both in India and abroad. This Report gives a company-wide performance and outlook of operations and deals with internal financial controls, their adequacy, risks, and concerns.

The industry situation and the competitive scenario of the operations of the Company are given below:

#### **Business Performance**

During 2025-26, the Company faced demand shrinkage in PG & derivatives and contract manufacturing products, primarily due to lower demand for the final APIs and the impact of cheaper Chinese imports. PHPG derivatives business margins came under significant pressure in the last two quarters following a sharp rise in raw material prices, which could not be passed on to the market due to intense Chinese import competition and ongoing geo-political situations. Export activity in the final quarter was also disrupted as a result of the company name change following the demerger, with foreign buyers requiring time to re-register new vendor details.

Despite these near-term headwinds, the Company took a deliberate and forward-looking approach: rather than merely defending the status quo, management elected to utilise the period of subdued demand as a strategic window to invest in the business. Capital expenditure was directed toward the enhancement and upgradation of existing equipment and production systems, while internal operational reviews were conducted to identify and eliminate inefficiencies. Procurement frameworks were renegotiated, supply chain processes are being streamlined, and cost structures rationalised across the organisation. These investments, by their nature, have weighed on reported profitability in the short term; however, the Board believes they are essential to ensure that the Company is better positioned - operationally, structurally and competitively - to capture the benefits of recovering markets and to demonstrate the resilience required to navigate a sustained period of global uncertainty.

Importantly, the Company has also retired its outstanding debt during the year, entering the new financial year in a debt-free position - providing meaningful financial flexibility and a stronger foundation from which to pursue the growth opportunities ahead.

On a more positive note, the Agro-intermediate business showed a meaningful revival, with customer pipeline stocks beginning to clear after nearly two years of stagnation, and market conditions are expected to remain robust in the year ahead. The Company was able to maintain market share and margins in the Agro-intermediate sector despite the addition of new Chloro-Toluene capacities by competitors.

Looking ahead, the Company is executing a structured programme of investment and innovation to strengthen existing operations and broaden its product base. A next-generation pharmaceutical intermediate enabling an enzymatic - rather than

conventional chemical - synthesis route for Cephalexin production is being commissioned in an existing facility and is expected to be operational by year end. This second product in the pharmaceutical green chemistry space, directly addresses the declining relevance of conventional PG derivatives and is anticipated to reinvigorate that product line with both domestic and export customers. Capacity expansions across selected Agro and pharma intermediates, targeted de-bottlenecking, and the installation of a wastewater recycling plant are also in various stages of progress. Underpinning these initiatives is an active R&D programme and structured market studies aimed at derisking the portfolio - diversifying the product range, reducing segment concentration, and developing intermediates less exposed to commodity pricing cycles and import substitution pressures. The Board has also formalised a more active framework for short- and medium-term strategic review to optimise outcomes and manage emerging risks.

### Our Strengths, Weaknesses, Opportunities & Threats (SWOT):

#### Strengths

- **Strong domestic demand:** driven by early-stage resurgence in end-user industries such as Dyes, Brighteners and Agro-chem.
- **Diversified product portfolio:** catering to a wide range of industrial applications, including Pharmaceuticals, Agro intermediates, Dyes, Perfumery and Paint intermediates.
- **Increasing focus on specialty chemicals and value-added products:** leading to improved margins and global competitiveness.
- **Availability of skilled technical manpower:** and improving manufacturing capabilities, supported by ongoing investment in training and technology upgradation.
- **Growing emphasis on process efficiencies, sustainability and advanced technologies:** enhancing operational performance.
- **Proven ability to maintain market share and margins in Agro-intermediates:** despite new competitive capacity additions in the Chloro-Toluene segment, demonstrating resilience in core product areas.
- **Successful market diversification efforts:** including an aggressive push into alternative usage markets such as Dyes, Brighteners and Fragrances to compensate for weaker Pharma demand.
- **Active capacity expansion programme underway:** including new Agro/pharma intermediate capacities and the commissioning of a green chemistry pharmaceutical intermediate, strengthening the Company's future product offering and broadening its revenue base.
- **Debt-free balance sheet:** following the retirement of all outstanding debt during the year, providing the Company with enhanced financial flexibility, a lower cost base, and an improved capacity to invest in growth and weather external uncertainties.

## BOARD'S REPORT (continued)

---

### Weaknesses

- **High dependence on imported raw materials and feedstock:** for certain chemical products, leading to exposure to global supply chain disruptions and currency fluctuations.
- **Energy-intensive nature of operations:** resulting in sensitivity to changes in fuel, power and logistics costs.
- **Stringent environmental, health and safety regulations:** requiring continuous investments in compliance and sustainability measures.
- **Long gestation period and high capital expenditure requirements:** for R&D, setting up and expanding manufacturing facilities.

### Opportunities

- **Rising global demand for specialty and performance chemicals:** providing export growth opportunities for Indian manufacturers.
- **Shift in global supply chains away from single-country sourcing:** creating opportunities for India to emerge as a preferred manufacturing hub, with the Company well-positioned to capitalise given its established export relationships.
- **Increasing demand for environmentally sustainable and green chemical solutions:** aligning with the Company's ongoing investment in wastewater recycling and cleaner production processes.
- **Revival of the Agro-intermediate market:** as customer pipeline stocks clear after two years of subdued demand, with the outlook expected to remain robust in the near term.
- **Entry into the pharmaceutical green chemistry segment:** through the commissioning of an enzymatic synthesis intermediate for Cephalexin production — a growing area of focus for global pharmaceutical manufacturers seeking cleaner production pathways — providing an opportunity to reinvigorate a declining product line and attract new domestic and export customers.
- **Expansion in downstream industries such as water treatment, renewable energy, electronics and construction sectors:** expected to support future demand for the Company's product range.
- **Growing emphasis on research & development, innovation and digitalisation:** to improve efficiency and develop differentiated products that reduce dependence on commodity-driven segments.
- **Scope for capacity expansion and strategic partnerships:** to strengthen market presence, with active de-bottlenecking and expansion plans already in progress.

## Threats

- **Volatility in raw material prices, foreign exchange fluctuations and supply chain disruptions:** impacting margins, as experienced with PHPG derivatives during the year.
- **Intense competition from domestic and international players:** particularly from low-cost Chinese manufacturers, which continues to suppress realisations in several product segments.
- **Changes in environmental laws, regulatory frameworks and compliance requirements:** leading to increased operational costs.
- **Geopolitical uncertainties, trade restrictions and global economic slowdown:** affecting demand and exports, and necessitating more active short- and medium-term strategic planning.
- **Technological disruptions and changing customer preferences:** requiring continuous innovation and adaptation.
- **Risks arising from climate change, resource availability and sustainability-related expectations from stakeholders.**
- **Regulatory and administrative complexity arising from corporate restructuring:** as experienced with the demerger-related name change, which disrupted export registrations with overseas buyers.

Considering the above SWOT analysis of the Chemical Industry over time, The Company has strengthened its manufacturing capabilities through upgradation of technology, providing training, and specialization, thereby improving quality, output, efficiency, and environmental compliance.

## Financial Ratios

Following are ratios for the current financial year and their comparison with preceding financial year:

Sr. No.	Ratio Description	Unit	2025-26	2024-25	Change %	Reason for change (Where change is more than 25%)
1	Current ratio	No. of times	2.53	2.12	19.53	--
2	Debt equity ratio	No. of times	0.063	0.065	2.42	--
3	Interest Coverage Ratio	No. of times	-2.51	15.26	-116.47	Due to negative PBIT during the year.
4	Return on Net worth	%	-1.20	11.77	-110.20	Due to negative PAT during the year.
5	Inventory turnover	No. of times	4.92	5.33	-7.66	--

## BOARD'S REPORT (continued)

Sr. No.	Ratio Description	Unit	2025-26	2024-25	Change %	Reason for change (Where change is more than 25%)
6	Debtors turnover ratio	No. of times	5.04	5.54	-9.03	--
7	Net Profit Margin	%	-1.12	4.30	-125.9	Due to negative PAT during the year
8	Operating Profit Margin	%	0.70	6.27	-111.0	Due to negative PAT during the year

### Material Development in human resources/ industrial relations front

The company's HR philosophy centers on the belief that a dedicated, enlightened, and contented workforce is essential for achieving business goals. We recognize that our employees are our greatest strength. Our HR focus is consistently on developing a skilled workforce capable of meeting present and future challenges. We actively recruit fresh and youthful talent across various disciplines with a long-term vision, and we are committed to addressing the needs of our employees as a cornerstone of our organization. The implementation of SAP has significantly improved data flow and accuracy, enhancing efficiency, particularly in the accounts and finance departments.

Throughout the year, industrial relations remained positive across all operations. As on 31<sup>st</sup> March, 2026, the total number of employees on the company's payroll were 589.

Corporate Social Responsibility is an integral part of our business policy. We undertake and support various activities in the communities where we operate to maximize the benefit of our CSR initiatives. These programs align with Schedule VII of the Companies Act, 2013. In the fiscal year 2025-26, the Company has spent Rs. 36.63 lakh.

### Environment protection

The Company is committed to our motto: "Green, breathe clean, stop polluting the environment, and save our planet." This aligns with the global call to address climate change. We prioritise environmental protection across all areas of our operations.

Our approach goes beyond compliance. Across several production processes, waste streams are actively treated and recovered, yielding usable materials that are either reintroduced into our own operations as process inputs - reducing dependence on externally purchased raw materials - or sold into the market as value-added products. This circular approach has contributed meaningfully to input cost reduction over recent years while simultaneously reducing waste volumes and disposal obligations.

A recycling plant currently under installation will recover a large volume of water from a major process effluent stream for reuse within our facilities - in production

processes and cooling systems - significantly reducing both water drawn from outside the system and the volume requiring treatment and disposal. Research and development is actively underway to push recovery rates further from multiple streams, and to explore whether residual fractions can yield additional recoverable or saleable material, reducing outright disposal further still.

Beyond waste recovery, we focus on tree plantation to improve air quality, and our emphasis remains on agrofuels for power generation and an active study underway for other green sources of power in place of fossil fuels. We actively pursue research and innovation to minimise all emissions and maintain our environmental responsibility.

For and on behalf of the Board

Sd/-  
(Urvashi Tilakdhar)  
Sr. Managing Director  
DIN: 00294265

Sd/-  
(Akshay Dhar)  
Managing Director & CEO  
DIN: 01078392

Place: New Delhi  
Date: 19<sup>th</sup> May, 2026

To the Members of  
DCM Shriram Fine Chemicals Limited  
Report on the Audit of the Standalone Financial Statements

## Opinion

1. We have audited the accompanying Standalone Financial Statements of DCM Shriram Fine Chemicals 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 ended on that date, and notes to the Standalone Financial Statements, including material accounting policy information and other explanatory information (together known as "Standalone Financial Statements").
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.

## 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1) Property, plant and equipment (including capital work in progress)	
Key audit matter	How our audit addressed the key audit matter
As at March 31, 2026 the Company	The procedures performed by us

<p>has Property, Plant and Equipment ('PPE') with carrying value of ₹ 9842.66 lakhs, as disclosed in note 3 of the accompanying Financial Statements. Refer note 2 for the material accounting policy information adopted by the Company for recognition and measurement of PPE.</p> <p>Determination of carrying values and their respective depreciation amounts of PPE requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment ('Ind AS 16').</p> <p>Considering the significance of amounts involved in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p>	<p>included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the Company and evaluated the accounting policies adopted by the Company in accordance with the requirements of Ind AS 16.</li> <li>• Tested the amounts capitalized during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalized satisfied the recognition criteria and were recognized accurately in the correct periods and with correct amounts.</li> <li>• Reviewed the judgements made by management in determination of carrying values of PPE including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required.</li> <li>• Tested, on a sample basis, the completeness and accuracy of the source data used.</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable accounting standards.</li> </ul>
---	--

<p><b>2) Valuation of inventory</b></p>	
<p><b>Key audit matter</b></p>	<p><b>How our audit addressed the key audit matter</b></p>

## INDEPENDENT AUDITOR'S REPORT (continued)

<p>As on March 31, 2026, the Company has inventory of ₹ 4065.25 lakhs as disclosed in Note 9. The inventory is valued at cost or net realizable value whichever is lower.</p> <p>Costs include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but does not include borrowing costs. Cost of work-in-progress and finished goods are determined on a FIFO basis.</p>	<p>The procedures performed by us included the following:</p> <ul style="list-style-type: none"><li>• Obtained understanding of production process at each stage.</li><li>• Obtained and tested on sample basis the process cost of each production process.</li><li>• Verified the calculations and basis of overhead allocation as per costing principles.</li><li>• Further, we have tested on sample basis, net realizable value of finished goods based on subsequent sale value.</li><li>• We have also checked the ageing report for identification of non-moving / slow moving finished goods on a sample basis.</li><li>• Analytical review of production quantity and cost of finished goods.</li><li>• Attended physical inventory counts on a sample basis and performed test counts to evaluate the existence and condition of inventories.</li></ul>
---	--

### Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## **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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
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 Statement.
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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - 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.
  - 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.

### **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 sub-section (11) of Section 143 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.

15. 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.
16. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (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, 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 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference Standalone Financial Statements.
  - (g) 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 36 to the Standalone financial Statements.
    - ii. The Company did not have any long-term contracts including long term derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amount which were 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 48 to the Standalone Financials Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources

## INDEPENDENT AUDITOR'S REPORT (continued)

---

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 Note 48 to the Standalone Financials 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 the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in note 15 (d) to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.
  - vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software systems. During the course of our audit, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail for the prior financial year has been preserved by the Company as per the statutory requirements for record retention.

### Other matter

- 17. We draw attention to Note 49 to the Standalone Financial Statements. The corresponding figures for the year ended March 31, 2025, presented as comparative information in the accompanying Standalone Financial Statements for the year ended March 31, 2026, have not been audited or reviewed by us and have been certified by the management. Accordingly, we do not express any opinion or any form of assurance on the corresponding figures for the year ended March 31, 2025.

Our opinion on the Standalone Financial Statements for the year ended March 31, 2026 is not modified in respect of above matter.

For **Kirtane & Pandit LLP**  
Chartered Accountants  
Firm Registration Number: 105215W/W10005

Sd/-  
**Chirag Garg**  
Partner  
Membership Number 540579  
**UDIN: 26540579GHZCYS4126**

**Place:** New Delhi  
**Date:** May 19, 2026

## **"ANNEXURE - A" TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 16(f) of the independent Auditor's Report of even date to the members of DCM Shriram Fine Chemicals 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 clause (i) of sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to Standalone Financial Statements of DCM Shriram Fine Chemicals 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 and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statement 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

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

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 Standalone Financial Statements**

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

A company's internal financial controls with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Standalone Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls over financial reporting with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to

Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, to the best of our knowledge the Company has, in all material respects, an 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For **Kirtane & Pandit LLP**  
Chartered Accountants  
Firm Registration Number: 105215W/W100057

Sd/-  
**Chirag Garg**  
Partner  
Membership Number 540579

**UDIN: 26540579GHZCYS4126**

**Place:** New Delhi  
**Date:** May 19, 2026

## "ANNEXURE - B" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of DCM Shriram Fine Chemicals Limited on the Standalone Financial Statements as of and for the year ended 31 March 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 relevant details of right-of-use assets.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

## INDEPENDENT AUDITOR'S REPORT (continued)

- (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 and note 35 to the Standalone Financial Statements, are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of Property	Gross carrying value as at 31 March 2026 (Rs. in lakhs)	Held in the name of	Whether promoter, director or their relatives or employees	Period held	Reason for not being held in the name of the Company
Daurala, Uttar Pradesh -Freehold Land	86.88	DCM Shriram Industries Limited	No	2025	Refer Note 45 to the Standalone Financial Statements
Daurala, Uttar Pradesh -Freehold Land	44.95	Daurala Organics Limited	No	2005	Refer Note 45 to the Standalone Financial Statements
Daurala, Uttar Pradesh -Building	86.91	Daurala Organics Limited	No	2005	Refer Note 45 to the Standalone Financial Statements
Daurala, Uttar Pradesh -Building	1354.91	DCM Shriram Industries Limited	No	2025	Refer Note 45 to the Standalone Financial Statements

- (d)(A)The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and intangible asset during the year. Accordingly, reporting under clause 3(i) (d) (A) of the order is not applicable to the company.
- (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 stocks in transit) has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedures of such verification by management is appropriate. 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) As disclosed in note 19 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii) (a) On the basis of our examination of the records of the Company, the Company has not provided any loan, any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to employees, in respect of which the requisite information is as below. The Company has not made any investments in or granted any loans, secured or unsecured, to firms, limited liability partnership or any other parties.

Based on the audit procedures carried out by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	Guarantee (Rs. in lakhs)	Loans (Rs. in lakhs)
Aggregate amount given during the year: - Others (officers and employees)	-	7.60
Balance outstanding as at balance sheet date: - Others (officers and employees)	-	12.32

- (b) During the year the investments made, guarantee provided during the year, and the terms and conditions of the grant of loans provided during the year are, prima facie, are not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

## INDEPENDENT AUDITOR'S REPORT (continued)

- iv) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or securities to parties which are covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of making investments.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the company's products to which the said rules are made applicable and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026 which have not been deposited on account of a dispute, are as follows:

### 1) Indirect Taxes-

Nature of Statute	Nature of Dues	Period (F.Y) to which the amount relates	Amount Demanded (Rs in Lakhs)	Amount paid (Rs in Lakhs)	Forum where dispute is pending
Sales Tax Laws	Sales Tax	2009-10,2010-11, 2013-14,	15.46	-	High Court, Allahabad
Goods and Service Tax Act,2017	Goods and Service Tax	2018-19	1.78	1.78	High Court, Allahabad

- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly reporting under clause 3 (viii) of the Order is not applicable to the company.

- ix) (a) According to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authorities.
- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (d) 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, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have any joint ventures or associates as defined under the Act.
- (f) On an overall examination of the Standalone Financial Statements of the company, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have any joint ventures or associates as defined under the Act.
- 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) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year.
- 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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

- 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 that 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 its directors and hence requirement to report on 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 reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, there is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirements to report under clause 3(xvi) (d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii) There has been resignation of the statutory auditor during the year, there were no issues, objections or concerns raised by the outgoing auditor.
- 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) (a) In respect of other than ongoing projects, 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)(a) of the order is not applicable to the company
- (b) The Company has not undertaken any ongoing project during the year. Accordingly, reporting under clause 3(xx)(b) of the order is not applicable to the company.
- xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Kirtane & Pandit LLP**  
Chartered Accountants  
Firm Registration Number: 105215W/W100057

Sd/-  
**Chirag Garg**  
Partner  
Membership Number 540579  
**UDIN: 26540579GHZCYS4126**

**Place:** New Delhi  
**Date:** May 19, 2026

## DCM SHRIRAM FINE CHEMICALS LIMITED

CIN: U24296DL2021PLC387429

Standalone Balance Sheet as at March 31, 2026 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025#
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	9,819.53	12,822.11
Capital work-in-progress	3	23.13	2.45
Right of use assets	35	477.30	224.71
Intangible assets	4	30.59	39.09
Financial assets			
(i) Investments	5	447.40	447.40
(ii) Other financial assets	6	3.43	4.05
Income tax assets (net)	7	552.75	197.78
Other non - current assets	8	85.62	259.20
<b>Total non - current assets</b>		<b>11,439.75</b>	<b>13,996.79</b>
<b>Current assets</b>			
Inventories	9	4,065.25	5,040.07
Financial assets			
(i) Investments	10	3,334.13	2,264.28
(ii) Trade receivables	11	7,031.82	8,270.40
(iii) Cash and cash equivalents	12	2,111.38	19.56
(iv) Other financial assets	13	117.45	7.40
Other current assets	14	372.17	240.55
<b>Total current assets</b>		<b>17,032.20</b>	<b>15,842.26</b>
<b>TOTAL ASSETS</b>		<b>28,471.95</b>	<b>29,839.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,739.84	-
Shares pending for issuance	15	-	1,739.84
Other equity	16	18,296.94	18,766.97
<b>Total equity</b>		<b>20,036.78</b>	<b>20,506.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	-	271.25
(ii) Lease liabilities	35	381.01	135.39
Provisions	18	291.82	414.55
Deferred tax liabilities (net)	34	1,040.36	1,037.34
<b>Total non- current liabilities</b>		<b>1,713.19</b>	<b>1,858.53</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	783.06	798.06
(ii) Lease liabilities	35	108.59	130.18
(iii) Trade payables	20	-	-
-Total outstanding dues of micro enterprises and small enterprises		908.29	627.69
-Total outstanding dues of creditors other than micro enterprises and small enterprises		4,036.86	4,792.38
(iv) Other financial liabilities	21	235.37	650.28
Other current liabilities	22	412.88	221.47
Provisions	23	236.93	184.62
Current tax liabilities (net)	24	-	69.03
<b>Total current liabilities</b>		<b>6,721.98</b>	<b>7,473.71</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,471.95</b>	<b>29,839.05</b>

**Material accounting policies**

The notes referred to above form an integral part of the standalone financial statements.

# Restated, refer note 49.

As per our report of even date attached

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

**For and on behalf of the Board of Directors of**

DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director &amp; CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr. Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670



Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025#
<b>Income</b>			
Revenue from operations	25	38,555.07	42,937.19
Other income	26	215.88	284.01
<b>Total income</b>		<b>38,770.95</b>	<b>43,221.20</b>
<b>Expenses</b>			
Cost of materials consumed	27	22,395.23	25,140.07
Changes in inventories of finished goods and work-in-progress	28	706.17	(365.28)
Employee benefits expense	29	5,010.75	5,482.80
Finance costs	30	145.49	205.56
Depreciation and amortisation expenses	31	850.19	879.97
Other expenses	32	10,076.91	9,390.20
<b>Total expenses</b>		<b>39,184.74</b>	<b>40,733.32</b>
<b>(Loss)/Profit before tax</b>		<b>(413.79)</b>	<b>2,487.88</b>
<b>Tax expense</b>			
Current tax	34	-	560.87
Deferred tax charge/ (credit)		16.42	80.59
<b>Total tax expense</b>		<b>16.42</b>	<b>641.46</b>
<b>(Loss)/Profit for the year</b>		<b>(430.21)</b>	<b>1,846.42</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement expenses on defined benefit obligation		(53.21)	(38.89)
Income tax pertaining to items that will not be reclassified to profit or loss		13.39	9.79
<b>Total other comprehensive income (net of taxes)</b>		<b>(39.82)</b>	<b>(29.10)</b>
<b>Total comprehensive income for the year</b>		<b>(470.03)</b>	<b>1,817.32</b>
<b>(Loss)/Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	37	(0.49)	2.12

**Material Accounting Policies**

The notes referred to above form an integral part of the standalone financial statements.

# Restated, refer note 49.

As per our report of even date attached

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

**For and on behalf of the Board of Directors of**

DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr. Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670

DCM SHRIRAM FINE CHEMICALS LIMITED

CIN: U24296DL2021PLC387429

Statement of Standalone Changes in Equity for the year ended March 31, 2026 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

a) Equity Share Capital and Shares pending for issuance\*#

Particulars	Equity Share Capital	Shares pending for issuance
Balance as at April 1, 2024	-	1,739.84
Changes in equity share capital on account of composite scheme of arrangement	-	-
Balance as at March 31, 2025	-	1739.84
Changes in equity share capital on account of composite scheme of arrangement	1,739.84	(1,739.84)
Balance as at March 31, 2026	1,739.84	-

\* Restated, refer note 49.

# Shares of Rs. 2,000 lakh cancelled during the year pursuant to composite scheme of arrangement

b) Other equity

Particulars	Reserves and surplus	Total
	Retained Earnings	
Balance as on April 1, 2024	17,529.60	17,529.60
Profit for the year	1,846.42	1,846.42
Other comprehensive income for the year (net of tax)	(29.10)	(29.10)
Transaction with shareholders, recorded directly in equity		
Distribution to shareholders		
Interim dividend on equity share *	(579.95)	(579.95)
Balance as on March 31, 2025#	18,766.97	18,766.97
Balance as on April 1, 2025	18,766.97	18,766.97
Loss for the year	(430.21)	(430.21)
Other comprehensive income for the year (net of tax)	(39.82)	(39.82)
Transaction with shareholders, recorded directly in equity		
Distribution to shareholders		
Interim dividend on equity share *	-	-
Balance as on March 31, 2026	18,296.94	18,296.94

\* Interim dividend paid to shareholders of DCM Shriram Industries Limited

Material Accounting Policies

The notes referred to above form an integral part of the standalone financial statements.

# Restated, refer note 49.

As per our report of even date attached

For Kirtane & Pandit LLP

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

2A

For and on behalf of the Board of Directors of

DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr. Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670



Particulars	Year ended March 31, 2026	Year ended March 31, 2025#
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(413.79)	2,487.88
Adjustments for:		
Interest expenses (including other borrowing cost)	145.49	205.56
Interest income	(16.46)	-
Net gain on fair value of investments	(169.90)	(143.34)
Exchange fluctuation (net)	5.05	-
Profit on sale of investments	-	(44.02)
Loss on sale of property, plant and equipment (net)	335.87	-
Depreciation and amortisation expenses	724.15	739.88
Depreciation on right-to-use assets	126.04	140.09
<b>Operating profit before working capital</b>	<b>736.45</b>	<b>3,386.05</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in trade receivables	1,252.36	(1,038.03)
(Increase)/decrease in inventories	974.82	(641.35)
(Increase)/decrease in other financial assets	(109.43)	11.62
(Increase)/decrease in other assets	41.96	(68.97)
Increase/(decrease) in trade payables	(493.77)	980.96
Increase/(decrease) in other financial liabilities	(414.91)	(228.26)
Increase/(decrease) in other liabilities and provisions	67.63	(3.55)
<b>Cash from operating activities</b>	<b>2,055.11</b>	<b>2,398.47</b>
Income taxes paid (net)	(424.03)	(929.39)
<b>Net cash from operating activities (a)</b>	<b>1,631.08</b>	<b>1,469.08</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of current investments	-	1,050.00
Purchase of property, plant and equipment	(163.99)	(254.82)
Proceeds from sale of property, plant and equipment	2,094.39	24.49
Interest income	16.46	-
Purchase of investment in mutual funds	(899.95)	(799.96)
<b>Net cash from investing activities (b)</b>	<b>1,046.91</b>	<b>19.71</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(128.33)	(154.65)
Repayment of long term borrowings	(813.75)	(542.50)
Proceeds/(Repayment) from short term borrowings (net)	527.50	(1.05)
Interest expenses (including other borrowing cost)	(171.59)	(205.56)
Dividend paid	-	(579.95)
<b>Net cash used in financing activities (c)</b>	<b>(586.17)</b>	<b>(1,483.71)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>2,091.82</b>	<b>5.08</b>
Cash and cash equivalents at the beginning of the year	19.56	14.48
<b>Cash and cash equivalents at the end of the year</b>	<b>2,111.38</b>	<b>19.56</b>

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Component of cash and cash equivalents (refer note 12)</b>		
Balances with schedule banks:		
- Current Account	36.66	18.11
- Term deposit with original maturity less than three months	2,073.51	-
- Cash in hand	1.21	1.45
<b>Cash and cash equivalents at the close of the year</b>	<b>2,111.38</b>	<b>19.56</b>

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-Current Borrowing*	Current Borrowing <sup>^</sup>	Lease Liability	Total
<b>Opening Balance as at April 1, 2024</b>	<b>1,356.25</b>	<b>256.61</b>	<b>420.23</b>	2,033.09
Cash flows during the year	(649.71)	(70.39)	(154.66)	(874.76)
<b>Non-cash changes due to:</b>				
-Interest expense (net of subvention)	107.21	69.34	-	176.55
-Finance cost on lease liabilities	-	-	-	-
-Lease liability recognised	-	-	-	-
<b>Closing Balance as at March 31, 2025</b>	<b>813.75</b>	<b>255.56</b>	<b>265.57</b>	<b>1,334.88</b>
<b>Opening Balance as at April 1, 2025</b>	<b>813.75</b>	<b>255.56</b>	<b>265.57</b>	1,334.88
Cash flows during the year	(863.73)	458.09	(229.62)	(635.26)
<b>Non-cash changes due to:</b>				
-Interest expense (net of subvention)	49.98	69.41	-	119.39
-Finance cost on lease liabilities	-	-	26.10	26.10
-Lease liability recognised	-	-	427.52	427.52
<b>Closing Balance as at March 31, 2026</b>	<b>-</b>	<b>783.06</b>	<b>489.57</b>	<b>1,272.63</b>

\* Includes current maturities of long term borrowings (refer note 17 and 19).

<sup>^</sup> This does not include current maturities of long term borrowings.

**Notes:**

Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

The accompanying notes are an integral part of the standalone financial statements.

# Restated, refer note 49.

As per our report of even date attached

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

**For and on behalf of the Board of Directors of**

DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr. Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670

## 1. Corporate information

DCM Shriram Fine Chemicals Limited (The 'Company' or 'DSFCL') is a Public Limited Listed Company having CIN U24296DL2021PLC387429 incorporated in India and having its Registered Office at 6th Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001. The Company is primarily engaged in production and sale of chemicals. The Equity shares of the Company are traded on BSE Limited (Script code 544703) and National Stock Exchange of India Limited (Symbol -DSFCL)

Pursuant to the order of the Hon'ble NCLT dated November 21, 2025, the Composite Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 was approved, under which the Chemical Business of DCM Shriram Industries Limited was demerged and transferred to the Company on a going concern basis.

The Scheme became effective on December 17, 2025 and is operative from the appointed date of April 1, 2023. With effect from the appointed date, the Company commenced business operations consequent to transfer and vesting of the Chemical business. Accordingly, the financial statements of the Company primarily reflect operations of the demerged undertaking from the appointed date.

## 2. Basis of preparation of Standalone Financial Statements and statement of compliance

### a) Statement of Compliance

These Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as applicable. The accounting policies are applied consistently in the financial statements.

These Standalone Financial Statements of the Company for the year ended March 31, 2026, are approved by the Company's Audit Committee and by the Board of Directors on May 19, 2026.

### b) Functional and presentation currency

These Standalone Financial Statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are in Rupees lakhs with two decimal points rounded off to the nearest thousands, unless otherwise stated.

### c) Basis of measurement

The Standalone Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for the following items:

Items	Measurement Basis
Derivative financial instruments	Fair value through profit and loss (FVTPL)

Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair value through profit and loss (FVTPL)

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated, using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**d) Critical accounting estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The management believes that the estimates used in preparation of these financial statements are prudent and reasonable. 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.

In particular, information about significant areas of estimation/ uncertainty and judgements in applying accounting policies that have the most significant effects on the Standalone Financial Statements includes:

- Recognition and estimation of tax expense including deferred tax- Note 2A(h) and 34.
- Assessment of useful life of property, plant and equipment and intangible assets- Note 2A(c) and (d).
- Estimation of obligations relating to employee benefits: key actuarial assumptions - Note 2A(i)
- Valuation of inventories- Note 2A(e)
- Fair value measurement of financial instruments- Note 2A(r)
- Lease classification- Note 2A(o)
- Determination of Right-of-use (ROU) assets and liabilities; incremental borrowing rate and lease term- Note 2A(o)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2A(m)
- Impairment of financial assets- Note 2A(r)

- Impairment of non-financial assets- Note 2A(I)

## 2A. Material accounting policies

### a) Operating cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purposes of classification of its assets and liabilities as current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is expected to be realised within 12 months after the reporting date, or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred Tax Assets and Liabilities are classified as non-current only.

### b) Business Combinations under common control

The Company accounts for business combinations involving entities or businesses under common control in accordance with Ind AS 103, Business Combinations. Such combinations are those in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after transaction, and such control is not transitory.

These transactions are accounted for using the pooling of interest method. Under this method, the assets and liabilities of the acquired entities or business are recognized at their existing carrying amounts as appearing in the books of transferor. No adjustments are made to reflect fair values, nor any new assets or liabilities are recognized. Adjustments, if any, are made only to align accounting policies with those of the Company.

The Components of equity of the acquired entities or businesses are aggregated with the corresponding components of the Company's equity. Any difference between the consideration paid (Share capital issued) and the share capital of the transferor is recognized in capital reserve.

The share issued by the Company as consideration are recognized from the date acquired entities or businesses are included in the Company's Financial Statements. Further, the financial statements are restated retrospectively as if the business combination had occurred from the beginning of the earliest period presented.

**c) Property, plant and equipment (PPE)**

**(i) Recognition and measurement**

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The cost of an item of property, plant and equipment shall be recognised as an assets if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been used for the asset.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further economic benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gains or losses arising on disposal of property, plant and equipment are recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by management are recognized in the Statement of profit and loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Standalone Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

## **(ii) Transition to IND AS**

The cost of property, plant and equipment vested and merged into DSFCL was determined by DCMSR as of April 01, 2016, DCMSR's date of transition to Ind AS, with reference to its carrying value recognised in its books of accounts as per the previous GAAP (deemed cost).

## **(iii) Subsequent expenditure**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred, will flow to the Company and the cost of the item can be measured.

## **(iv) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold land (being in the nature of perpetual lease) and freehold land are not depreciated.

Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives (in years)
Leasehold improvements	Lease term

Buildings	5-60 years
Plant and equipment	10-40 years
Vehicles	8-10 years
Office equipment	5 years
Furniture and fixtures	10 years

**d) Intangible assets****(i) Recognition and initial measurement**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

**(iii) Amortisation**

Intangible assets, being computer software are amortised in the Statement of Profit and Loss over the estimated useful life of five years using the straight line method.

The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted, as necessary.

**e) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on a 'weighted average' basis.

Cost includes direct materials, labour, freight inwards, other direct cost, a proportion of manufacturing overheads based on normal operating capacity, net of refundable duties, levies and taxes, wherever applicable.

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

Assessment of net realisable value is made at each reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

The cost of production (including cost of conversion) of joint products is allocated on such joint products, based on a rational and consistent basis, i.e., relative realisable value at the separation point, when the products become separately identifiable.

By-products are valued at estimated net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work in progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases, where a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

**f) Revenue from contract with customers**

**i. Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Company collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. At contract inception, the Company assesses the goods or services promised in a contract with a customer and identify, as a performance obligation, each promise to transfer to the customer.

Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. The

timing of the transfer of control of products to customers at the time of dispatch, during shipment or receipt of goods by the customers which vary based on individual terms of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts, etc., as specified in the contract with the customer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which 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 received or due, whichever is earlier. Contract liabilities are recognised as revenue when the Company performs under the contract.

## **ii. Rendering of services**

Revenue from rendering of services are recognised over a period of time as and when underline services are performed as the customer simultaneously receives and consumes the benefit provided by the Company's performance. Payment for the service rendered is received as per the credit terms in the agreements with the customers. Where the credit period is short term, no financing component is considered. Job work is recognized upon full completion of the job work.

Use of significant judgements in revenue recognition:

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Company's performance obligation under revenue contracts, is satisfied at a point in time and judgement is exercised in determining the same.

#### **g) Interest and dividend income**

Interest income are reported on an accrual basis using the effective interest method, when the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

#### **h) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
  - temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
  - temporary differences related to freehold land and investments in subsidiary, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**i) Employee benefits**

**i) Short-term benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii) Defined contribution plans**

The defined contribution plans, i.e., provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Company pays fixed contributions and will have no legal and constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a

defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

### Gratuity

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), covering all eligible employees. In accordance with The Payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment. These are funded by the Company and are managed by Life Insurance Corporation of India (LIC).

The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (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 profit or loss in subsequent periods.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into

account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Provident fund (other than those made to the Regional Provident Fund Office of the Government)*

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trusts administered by the Company are accounted for on the basis of actuarial valuation. The interest rate payable to the members of the Trust is not considered to be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, based on actuarial estimate by an approved actuary, is made good by the Company.

**iv) Other long-term employee benefits**

Benefits under the Company's privilege leaves and medical leaves are other long term employee benefits. The Company's net obligation in respect of privilege leave and medical leave are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method.

Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

**j) Government Grants**

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

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate, and presented within other income (operating or non-operating, as appropriate) other than export benefits which are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period, is recognised in profit or loss of the period in which it becomes receivable.

## **k) Foreign currency transactions and translation**

The management has determined the currency of the primary economic environment in which the Company operates, i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in INR which is Company's functional and presentational currency.

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to Statement of Profit or Loss.

## **l) Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined in relation to the CGUs to which a corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized

in the Statement of Profit and Loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**m) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting periods. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, appropriately, 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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on assets associated.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**n) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready

for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

## **o) Leases**

### Company as a lessee

The Company recognizes a Right of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116, 'Leases'. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

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

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of

the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. For lease liabilities at the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined. If that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The Company uses a single discount rate to a portfolio of leases with similar characteristics.

#### Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.

#### **p) Earnings per share (EPS)**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, 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 year 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.

#### **q) Operating Segments**

In accordance with Ind AS 108- "Operating Segments", the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance.

The Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. All operating segment's operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

#### **r) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

#### **Initial recognition and measurement**

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures financial asset at its fair value, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing

component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2A (f) Revenue recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets of the Company are classified in three categories:

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

All those financial assets that are not classified as measured at amortised cost or FVTOCI, are measured at FVTPL. This includes all derivative financial assets and current investments in mutual funds. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Company may make an irrevocable

election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments.

Investments representing equity interest in Subsidiary are carried at cost less any provision for impairment.

### **Impairment of financial assets**

The Company recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVTOCI - debt instruments.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is recognised as an impairment gain or loss in the Statement of Profit and Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 180 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

With regard to trade receivable, the Company has applied the simplified approach for initial recognition of expected lifetime losses.

### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **Derecognition**

#### *(i) Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *(ii) Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

**s) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**t) Research and development**

Expenditure on research activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

**u) Dividend**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**v) Goods and services tax input credit**

Goods and services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/ utilising the credits. Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

**w) Non-current assets held for sale**

Non current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale

and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value, less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

## **2B. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026. MCA has notified below new standards or amendments that are applicable or may have a material impact to the Company

- Amendment to Ind AS 21-Lack of exchangeability: The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the Company.
- Amendment to Ind AS 12 - Pillar-Two Tax Reforms: The Organization for Economic Co-operation and Development (OECD) has released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). The Company's ultimate parent entity (UPE) has consolidated revenues exceeding the threshold prescribed under the OECD framework, and accordingly the Company falls within the scope of Pillar Two. The Pillar Two legislation are not enacted by the Government of India, where the parent entity is incorporated. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions in which the Company operates. Based on the current assessment using the most recent country-by-country reporting and the financial statements of the constituent entities, the Company does not expect a material financial impact from the application of Pillar Two rules. In accordance with the amendments to Ind AS-12, the Company has applied the temporary mandatory relief from accounting for deferred tax that arises from implementing Pillar Two legislation. These amendments had no effect on the financial statements of the Company.
- Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants: The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:
  - An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.

- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument. These amendments have no effect on the measurement of any items in the standalone financial statements of the Company. The Company did not make retrospective adjustments because of adopting the amendments to Ind AS 1.

These amendments had no effect on the financial statements of the Company.

3. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Leasehold land	Leasehold improvement	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
Balance as at April 1, 2024	131.83	2,290.50	260.89	1,392.50	11,662.21	314.84	259.87	74.23	16,396.87	118.10
Add: Additions during the year	-	-	-	29.73	256.33	20.76	15.88	3.52	326.02	16.45
Less: Disposals/Adjustments/Capitalised during the year	-	-	-	-	(32.88)	(17.25)	(8.99)	(1.45)	(60.57)	(32.10)
<b>Balance as at March 31, 2025</b>	<b>131.83</b>	<b>2,290.50</b>	<b>260.89</b>	<b>1,422.23</b>	<b>11,885.46</b>	<b>318.35</b>	<b>266.76</b>	<b>76.30</b>	<b>16,652.32</b>	<b>2.45</b>
Add: Additions during the year	-	-	-	3.43	43.51	57.43	22.72	4.30	131.39	55.06
Add/(Less): Disposals/Adjustments/Capitalised during the year	-	(2,290.50)	(143.39)	16.17	(1.29)	(43.34)	(3.04)	(1.34)	(2,466.33)	(34.33)
<b>Balance as at March 31, 2026</b>	<b>131.83</b>	<b>-</b>	<b>117.70</b>	<b>1,441.83</b>	<b>11,927.68</b>	<b>332.84</b>	<b>266.44</b>	<b>79.26</b>	<b>14,317.38</b>	<b>23.13</b>
<b>Accumulated depreciation</b>										
Balance as at April 1, 2024	-	-	86.76	416.75	2,328.16	79.82	199.08	42.39	3,152.96	-
Add: Depreciation expense during the year	-	-	25.45	37.08	576.94	39.58	27.07	7.20	713.33	-
Less: Disposals / adjustments during the year	-	-	-	-	(13.67)	(14.55)	(6.98)	(0.88)	(36.08)	-
<b>Balance as at March 31, 2025</b>	<b>-</b>	<b>-</b>	<b>112.21</b>	<b>453.83</b>	<b>2,891.43</b>	<b>104.86</b>	<b>219.17</b>	<b>48.71</b>	<b>3,830.21</b>	<b>-</b>
Add: Depreciation expense during the year	-	-	12.26	43.51	576.49	44.23	21.48	7.09	705.06	-
Less: Disposals / adjustments during the year	-	-	(12.18)	-	(1.25)	(20.71)	(2.25)	(1.05)	(37.42)	-
<b>Balance as at March 31, 2026</b>	<b>-</b>	<b>-</b>	<b>112.29</b>	<b>497.34</b>	<b>3,466.69</b>	<b>128.38</b>	<b>238.40</b>	<b>54.75</b>	<b>4,497.85</b>	<b>-</b>
<b>Net carrying value</b>										
As at March 31, 2026	131.83	-	5.41	944.49	8,460.99	204.26	48.04	24.51	9,810.53	23.13
As at March 31, 2025	131.83	2,290.50	148.68	968.40	8,994.03	213.49	47.59	27.59	12,822.11	2.45

Ageing of Capital Work in Progress is as under:

Capital Work in Progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>					
Projects in progress	23.13	-	-	-	23.13
<b>Total</b>	<b>23.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.13</b>
<b>As at March 31, 2025</b>					
Projects in progress	2.45	-	-	-	2.45
<b>Total</b>	<b>2.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.45</b>

**Notes:**

- 1) For contractual commitments with respect to Capital work-in-progress, (refer note 36(B)).
- 2) No borrowing costs has been capitalised during the year against qualifying assets.
- 3) Leasehold lands are in the nature of perpetual lease.
- 4) There is no capital work in progress project whose completion is overdue or has exceeded its cost compared to its plan.
- 5) 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 company), are yet to be endorsed in the name of the company (refer note 45 for details).
- 6) There is no revaluation of Property, plant and equipment during the year.
- 7) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 8) Property, plant and equipment have been pledged as security against certain bank borrowings, details relating (refer note 48(ii)).

**4. Intangible assets**

Particulars	Software	Total
<b>Gross carrying amount</b>		
<b>Balance as at April 1, 2024</b>	<b>180.48</b>	<b>180.48</b>
Add: Additions during the year	-	-
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>180.48</b>	<b>180.48</b>
Add: Additions during the year	31.11	31.11
Less: Disposals / adjustments during the year	(96.60)	(96.60)
<b>Balance as at March 31, 2026</b>	<b>114.99</b>	<b>114.99</b>

**Accumulated amortisation**

<b>Balance as at April 1, 2024</b>	<b>114.84</b>	<b>114.84</b>
Add: Amortisation expense during the year	26.55	26.55
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>141.39</b>	<b>141.39</b>
Add: Amortisation expense during the year	19.09	19.09
Less: Disposals / adjustments during the year	(76.08)	(76.08)
<b>Balance as at March 31, 2026</b>	<b>84.40</b>	<b>84.40</b>

**Net carrying value**

<b>As at March 31, 2026</b>	<b>30.59</b>	<b>30.59</b>
<b>As at March 31, 2025</b>	<b>39.09</b>	<b>39.09</b>

**5 : Investments**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
Investments in equity instruments of subsidiary at cost		
Unquoted equity instruments		
Daurala Foods and Beverages Private Limited		
75,00,000 (March 31, 2025-75,00,000) equity shares of face value of Rs. 10 each, fully paid up	447.40	447.40
<b>Total investments</b>	<b>447.40</b>	<b>447.40</b>
<b>Note:</b>		
Aggregate amount of unquoted investments	447.40	447.40

**6 : Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
Security deposits (Unsecured, considered good)		
-Others	3.43	4.05
<b>Total other financial assets</b>	<b>3.43</b>	<b>4.05</b>

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 7: Income tax assets (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provision)	552.75	197.78
<b>Total income tax assets (net)</b>	<b>552.75</b>	<b>197.78</b>

### 8: Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	43.00	6.55
Balance with government authorities	-	236.53
Advance to employees	3.68	10.07
Prepaid expenses	38.94	6.05
<b>Total other non-current assets</b>	<b>85.62</b>	<b>259.20</b>

### 9: Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(The inventory is valued at lower of cost or net realizable value)</b>		
Raw materials (including goods in transit)	2,148.66	2,253.13
Work-in-progress	133.27	127.35
Finished goods (including goods in transit)	357.96	1,070.05
Stores and spares	1,425.36	1,589.54
<b>Total inventories</b>	<b>4,065.25</b>	<b>5,040.07</b>
<b>Goods-in-transit, included above:</b>		
(i) Raw materials	-	119.83
(ii) Finished goods	37.43	32.04

#### Note:

Inventories have been pledged as security against certain bank borrowings, details relating (refer note 48(iii)).

### 10: Investments

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
28,779.12 (March 31, 2025 : 23,977.48) SBI Liquid Fund - Growth Direct Plan Units of Rs. 1000 each	1,239.26	972.52
5,13,846.26 (March 31, 2025 : 3,36,488.29) ICICI Prudential Liquid Fund - Growth Direct Plan Units of Rs. 100 each	2,094.87	1,291.76
<b>Total current investments</b>	<b>3,334.13</b>	<b>2,264.28</b>
<b>Note:</b>		
Aggregate amount of unquoted investments	3,334.13	2,264.28

### 11: Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Trade receivables: (carried at amortized cost)</b>		
Unsecured, considered good	7,031.82	8,270.40
Unsecured, considered credit impaired	7.33	10.10
	7,039.15	8,280.50
Less: Loss allowance for trade receivables	7.33	10.10
<b>Total trade receivables</b>	<b>7,031.82</b>	<b>8,270.40</b>

#### Ageing of trade receivable as at March 31, 2026 is as under:

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	6,075.64	955.71	0.06	0.41	-	-	7,031.82
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	7.33	7.33
<b>Total</b>	<b>6,075.64</b>	<b>955.71</b>	<b>0.06</b>	<b>0.41</b>	<b>-</b>	<b>7.33</b>	<b>7,039.15</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

#### Ageing of trade receivable as at March 31, 2025 is as under:

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	7,815.04	455.11	0.25	-	-	-	8,270.40
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	10.10	10.10
<b>Total</b>	<b>7,815.04</b>	<b>455.11</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>10.10</b>	<b>8,280.50</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

Note:

a) The Company's exposure to credit and currency risks are disclosed (refer note 40(b)).

b) Trade receivable have been pledged as security against certain bank borrowings, details relating (refer note 48 (ii)).

c) There are no outstanding receivables due from directors or other officers of the company.

## 12: Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with bank		
- On current account	36.66	18.11
- Term deposit with original maturity less than three months	2,073.51	-
Cash on hand	1.21	1.45
<b>Total cash and cash equivalents</b>	<b>2,111.38</b>	<b>19.56</b>

## 13: Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
(Unsecured, considered good unless otherwise stated)		
Other receivable from related parties (refer note 39)	109.39	-
Security deposits		
-Others	8.06	7.40
<b>Total other financial assets</b>	<b>117.45</b>	<b>7.40</b>

## 14: Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers	34.49	79.00
Advance to employees	8.64	15.11
Balance with government authorities	205.41	47.94
Prepaid expenses	110.38	89.25
Others	13.25	9.25
<b>Total other current assets</b>	<b>372.17</b>	<b>240.55</b>

Particulars	As at March 31, 2026	As at March 31, 2025
<b>15: Equity share capital</b>		
<b>a) Authorised</b>		
20,26,25,000 equity shares of Rs. 2 each (March 31, 2025 : 20,26,25,000 of Rs. 2 each)	<b>4,052.50</b>	<b>4,052.50</b>
<b>b) Issued, subscribed and fully paid-up</b>		
8,69,92,185 equity of Rs. 2 each fully paid up (March 31, 2025 : 8,69,92,185 of Rs. 2 each)	1,739.84	-
<b>Total</b>	<b>1,739.84</b>	<b>-</b>
<b>Share pending for issuance</b>		
Nil equity of Rs. 2 each fully paid up (March 31, 2025 : 8,69,92,185 of Rs. 2 each)	-	1,739.84
	-	<b>1,739.84</b>
<b>Shares to be cancelled</b>		
Nil equity of Rs. 2 each fully paid up (March 31, 2025 : 10,00,00,000 of Rs. 2 each)	-	2,000.00
	-	<b>2,000.00</b>

## c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs. in Lakh)	No. of shares*	(Rs in Lakh)
<b>Equity shares<sup>^</sup></b>				
At the commencement of the year	-	-	-	-
Add/(Less): Change during the year	8,69,92,185	1,739.84	-	-
<b>At the end of the year</b>	<b>8,69,92,185</b>	<b>1,739.84</b>	<b>-</b>	<b>-</b>

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs. in Lakh)	No. of shares*	(Rs in Lakh)
<b>Share pending for issuance<sup>^</sup></b>				
At the commencement of the year	8,69,92,185	1,739.84	8,69,92,185	1,739.84
Add/(Less): Change during the year	(8,69,92,185)	(1,739.84)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>8,69,92,185</b>	<b>1,739.84</b>

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs. in Lakh)	No. of shares*	(Rs in Lakh)
<b>Shares to be cancelled<sup>^</sup></b>				
At the commencement of the year	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Add/(Less): Change during the year	(10,00,00,000)	(2,000.00)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>10,00,00,000</b>	<b>2,000.00</b>

<sup>^</sup>Refer note 49.

\* In Absolute numbers

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### d) Terms, rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholders.

The Company declares and pays dividends in Indian Rupees. The Board of Director of the Company has recommended in its meeting held on May 19, 2026, subject to shareholders' approval at the ensuing Annual General Meeting, distribution of final dividend of Rs 0.40 per equity share of the face value of Rs. 2 each for the financial year ended 2026. Total expected amount of cash outflow is Rs. 348 lakhs.

### e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	Holding %	No. of shares*	Holding %
Alok Bansidhar Shriram- Karta Lala Bansidhar & Sons (HUF)	1,20,28,267	13.83%	-	-
Mr. Alok B Shriram	89,42,540	10.28%	-	-
Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	-	-
Mrs. Urvashi Tilakdhar	58,09,611	6.77%	-	-
DCM Shriram Industries Limited	-	-	9,99,99,994	100.00%

### f) Details of shareholding of Promoters in the Company is as under:#

S. No.	Promoter Name	As at March 31, 2026			As at March 31, 2025		
		Number of shares*	% of total shares	% Change during the year	Number of shares*	% of total shares	% Change during the year
1	Alok Bansidhar Shriram- Karta Lala Bansidhar & Sons (HUF)	1,20,28,267	13.83%	100%	-	-	-
2	Mr. Alok B Shriram	89,42,540	10.28%	100%	1	0.00%	-
3	Mrs. Suman Bansidhar	17,57,160	2.02%	100%	-	-	-
4	Mrs. Urvashi Tilakdhar	58,89,611	6.77%	100%	-	-	-
5	Mr. Akshay Dhar	15,26,766	1.76%	100%	-	-	-
6	Ms. Aditi Dhar	15,26,765	1.76%	100%	-	-	-
7	Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	100%	1	0.00%	-
8	Mrs. Divya Shriram	435	-	100%	-	-	-
9	Mr. Rohan Shriram	-	-	(100%)	1	0.00%	-
10	Akshay Foundation	29,76,389	3.42%	100%	-	-	-
11	Mr. Sushil Kumar Jain	318	0.00%	100%	-	-	-
12	Mr. Vineet Manktala	-	-	(100%)	1	0.00%	-
13	Mr. Yagya Datt Gupta	-	-	(100%)	1	0.00%	-
14	Mr. Ashish Jha	-	-	(100%)	1	0.00%	-
15	DCM Shriram Industries Limited	-	-	(100%)	9,99,99,994	100.00%	-

# Refer note 49

\* In Absolute numbers

### g) Issue of shares for other than cash:

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

### 16: Other equity

#### Retained earnings

Balance as at the April 1, 2024

Add: Profit for the year

Add: Other comprehensive income, (net of tax)

Less: Interim dividend on equity shares paid to shareholders of DCMSR\*

Balance as at the March 31, 2025

Add: Loss for the year

Add: Other comprehensive income, (net of tax)

Balance as at the March 31, 2026

DCMSR refer here as DCM Shriram Industries Limited.

Amount
17,529.60
1,846.42
(29.10)
(579.95)
<b>18,766.97</b>
(430.21)
(39.82)
<b>18,296.94</b>

### Nature and purpose of reserves

#### Retained Earnings :

Profit/(loss) in the statement of profit and loss are the profits that the Company has earned till date, less any payment of dividends or other distributions to shareholders. Profit/(loss) in the statement of profit and loss is a free reserve available to the Company which can be utilized in accordance with the provisions of the Companies Act, 2013.

## Other Comprehensive Income :

It includes re-measurement loss / (gain) on defined benefit obligations, net of taxes that will not be reclassified to Statement of Profit and Loss.

### 17: Borrowings (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
<b>Secured loans</b>		
Term loans		
- From Banks	-	813.75
<b>Total</b>	-	<b>813.75</b>
Less: current maturities of non-current borrowings	-	542.50
<b>Total non-current borrowings</b>	-	<b>271.25</b>

#### Notes:

##### Secured Loans

##### a) From Banks

Rs. Nil (March 31, 2025: Rs. 813.75 Lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon, repayable in 6 quarterly instalments, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

b) The quarterly returns/statements filed by the company with the banks are in agreement with the books of account of the company.

### 18: Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
Provision for employee benefits (refer note 38)		
- Compensated absences	291.82	414.55
<b>Total non current provisions</b>	<b>291.82</b>	<b>414.55</b>

### 19: Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
<b>Secured loans</b>		
From banks - loans repayable on demand*	783.06	255.56
Current maturities of long term borrowings (refer note 17)	-	542.50
<b>Total current borrowings</b>	<b>783.06</b>	<b>798.06</b>

#### Note

\* Secured by first pari-passu charge against the company current and non-current assets (except company's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the company's property, plant and equipment. These carry interest rate ranging from 6.50% to 9.50% p.a. (refer note 48 (iii)).

### 20: Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME)*	908.29	627.69
Total outstanding dues other than micro enterprises and small enterprises #	4,036.86	4,792.38
<b>Total trade payables</b>	<b>4,945.15</b>	<b>5,420.07</b>

\* Refer note 43 for Micro and Small Enterprises details.

#### Ageing of trade payable as on March 31, 2026 is as under :

Particulars	Not due*	Outstanding for following periods from due date of payment**				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
- MSME	895.57	11.93	0.79	-	-	908.29
- Others	2,081.12	1,955.54	0.03	-	0.17	4,036.86
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,976.69</b>	<b>1,967.47</b>	<b>0.82</b>	<b>-</b>	<b>0.17</b>	<b>4,945.15</b>

\*\*In case no due date of payment is specified, disclosure is from the date of the transaction.

#### Ageing of trade payable as on March 31, 2025 is as under :

Particulars	Not due*	Outstanding for following periods from due date of payment**				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
- MSME	627.69	-	-	-	-	627.69
- Others	3,699.07	1,085.77	-	-	7.54	4,792.38
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,326.76</b>	<b>1,085.77</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>5,420.07</b>

\*\*In case no due date of payment is specified, disclosure is from the date of the transaction.

\* Includes unbilled dues.

#### Notes:

# Includes payable to related parties Rs. 325.08 (March 31, 2025, 273.25) (refer note 39 for details).

a) The Company's exposure to currency and liquidity risks related to trade payables (refer note 40 (iii)).

b) There are no outstanding payables due to directors or other officers of the company (refer note 39) for details.

c) Trade payables are non interest bearing payables generally settled within operating cycle.

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 21: Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
Creditors for capital goods	6.96	29.81
Security deposits	9.98	16.14
Employee related payable	217.33	229.26
Other payable*	1.10	375.07
<b>Total other financial liabilities</b>	<b>235.37</b>	<b>650.28</b>

\* This balance includes transactions with related parties amounting to Nil as at March 31, 2026 (March 31, 2025: 374 lakhs) (refer Note 39).

### 22: Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	336.96	137.83
Advances from customers	25.99	83.19
Other payables	49.93	0.45
<b>Total other current liabilities</b>	<b>412.88</b>	<b>221.47</b>

### 23: Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
Provision for employee benefits (refer note 38)		
Gratuity	120.92	84.17
Compensated absences	116.01	100.45
<b>Total provisions</b>	<b>236.93</b>	<b>184.62</b>

### 24: Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net of advance tax)	-	69.03
<b>Total current tax liabilities (net)</b>	<b>-</b>	<b>69.03</b>

### 25: Revenue from operations

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Sale of products</b>		
Export	2,501.37	4,371.59
Domestic	33,591.34	36,236.45
<b>Sale of services</b>		
Processing charges	2,171.26	2,086.68
<b>Other operating revenue</b>		
Sale of scrap	283.68	224.53
Duty draw back, export benefits and other government assistance*	7.42	17.94
<b>Total revenue from operations</b>	<b>38,555.07</b>	<b>42,937.19</b>

\* refer note 44 for more information.

#### Notes to revenue from contracts with customers:

a) Ind AS 115 "Revenue from Contracts with Customers" applies, with limited exceptions, to all revenue arising from contracts with its customers.

#### b) Revenue by location of customers

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
India	36,053.70	38,565.60
Outside India	2,501.37	4,371.59
<b>Total revenue from contract with customers</b>	<b>38,555.07</b>	<b>42,937.19</b>

#### Contract balances

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Contract Assets</b>		
Trade receivables (refer note 11)	7,031.82	8,270.40
<b>Contract liabilities</b>		
Advances from customers (refer note 22)	25.99	83.19

#### Reconciliation of revenue recognised with the contracted price is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Contracted price	38,632.83	43,056.14
Less: Discounts	368.86	361.42
<b>Total</b>	<b>38,263.97</b>	<b>42,694.72</b>

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates.

Invoices are generated at that point in time. Invoices are usually payable upto 90 days.

**26: Other Income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income from financial assets measured at amortised cost:		
From deposits with bank	16.46	-
Unwinding of discount on security deposits	-	0.11
Profit on sale of current investments	-	44.02
Net change in fair value of financial assets measured at fair value through profit or loss	169.90	143.34
Gain on foreign exchange fluctuation (net)	15.12	86.24
Miscellaneous Income	14.40	10.30
<b>Total other income</b>	<b>215.88</b>	<b>284.01</b>

**27: Cost of material consumed**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Raw material inventory at the beginning of the year	2,253.13	1,924.90
Add: Purchases	22,290.76	25,468.30
	<b>24,543.89</b>	<b>27,393.20</b>
Less: Raw material inventory at the end of the year	2,148.66	2,253.13
<b>Total cost of material consumed</b>	<b>22,395.23</b>	<b>25,140.07</b>

**28: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Opening stock</b>		
Finished goods	1,070.05	643.96
Work-in-progress	127.35	188.16
<b>Sub total</b>	<b>1,197.40</b>	<b>832.12</b>
<b>Closing stock</b>		
Finished goods	357.96	1,070.05
Work-in-progress	133.27	127.35
<b>Sub total</b>	<b>491.23</b>	<b>1,197.40</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>706.17</b>	<b>(365.28)</b>

**29: Employee benefits expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus*	4,437.14	4,867.78
Contribution to provident and other funds (refer note 38)	426.77	509.56
Staff welfare expenses	146.84	105.46
<b>Total employee benefits expense</b>	<b>5,010.75</b>	<b>5,482.80</b>

\* (refer note 39 related parties disclosure for details of directors remuneration)

**30: Finance costs**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense #	106.75	176.47
Other borrowing costs*	38.74	29.09
<b>Total finance costs</b>	<b>145.49</b>	<b>205.56</b>

# includes Rs. 26.10 lakhs for the year March 31, 2026 (March 31, 2025: Rs 31.73 lakhs) as interest on lease liabilities.

\* Other borrowing cost mainly includes bank charges.

**31: Depreciation and amortisation expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 3)	705.06	713.33
Amortisation on intangible assets (refer note 4)	19.09	26.55
Amortisation on right-of-use assets (refer note 35)	126.04	140.09
<b>Total depreciation and amortisation expenses</b>	<b>850.19</b>	<b>879.97</b>

**32: Other expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spares	2,255.11	2,461.26
Power and fuel	3,605.62	3,108.55
Repair and maintenance		
- Buildings	63.75	107.18
- Plant and machinery	1,941.66	1,959.57
Legal and professional charges	156.11	101.72
Directors sitting fees	10.00	-
Rent (Refer note 34)	28.30	28.22
Payment to auditors		
- Statutory audit fee	15.00	21.17
- Limited review of unaudited financial results	30.97	12.50
- Certification of statements	0.25	0.33
- Out-of-pocket expenses	0.57	2.21
- Tax Audit	1.55	
Insurance charges	120.09	102.37
Security expenses	151.65	124.56
Rates and taxes*	284.19	24.84
Travelling and conveyance expenses	51.54	63.37

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Freight outwards	356.90	537.88
Commission to selling agents	72.38	64.28
Loss on sale of property, plant and equipment (net)	335.87	18.91
Donation	50.00	0.32
Corporate social responsibility (refer note 33)	36.63	105.69
Miscellaneous expenses	508.77	545.27
<b>Total other expenses</b>	<b>10,076.91</b>	<b>9,390.20</b>

\* This primarily includes the write-off of GST input tax credit amounting to Rs.229.02 lakhs on land during the year ended March 31, 2026 (March 31, 2025: Nil) (refer note 52 for more details)

### 33. Information related to Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are specified in Schedule VII of the Companies Act, 2013. The Details of current and brought forward CSR obligations are detailed as below:

#### Detail of CSR expenditure

Particulars	As at March 31, 2026
a) Gross amount required to be spent and approved by the Board	36.52
b) Total amount required to be spent during the year	36.52
c) Amount spent during the year	-
i) Construction/ acquisition of any assets	-
ii) On purpose other than (i) above	36.63
d) Nature of CSR activities	

Particulars	Year ended March 31, 2026
(i) Promoting health care including preventive health and sanitation	6.00
(ii) Promoting education, including special education and employment	16.16
(iii) Empowering women and support to senior citizen	1.00
(iv) Environment sustainability and conservation of natural resources and maintaining quality of soil, air and water	11.80
(v) Amount spent in administrative overhead	1.67
<b>Total</b>	<b>36.63</b>

#### Note:

The corresponding previous year's expense was incurred and settled by the Demerged Company prior to the effectiveness of the demerger.

### 34. Income tax expense

The Company is subject to income tax in India on the basis of financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

#### Tax expenses

#### A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax expense	-	560.87
Deferred tax charge	16.42	60.59
<b>Income tax expense reported in the statement of profit and loss</b>	<b>16.42</b>	<b>641.46</b>

#### B. Amounts recognised in other comprehensive income

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income tax</b>		
Remeasurement of post-employment benefit obligation	13.39	9.79
<b>Income tax charges to other comprehensive income/(expense)</b>	<b>13.39</b>	<b>9.79</b>

#### C. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2026 and March 31, 2025:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Profit before tax</b>	<b>(413.79)</b>	<b>2,487.88</b>
Tax using the Company's domestic tax rate	25.17%	25.17%
Tax effect of:		
Computed tax expense	(104.14)	626.15
Non-deductible expenses	130.80	19.10
Others	(10.49)	(4.04)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>16.42</b>	<b>641.46</b>

#### D. Deferred tax assets/ liabilities

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Accrued expense deductible on payment	149.97	175.99	-	-	149.97	175.99
Provision for gratuity, compensated absences and other employee benefits	22.08	21.19	-	-	22.08	21.19
Loss allowance for trade receivables	1.85	2.53	-	-	1.85	2.53
Loss allowance for other assets	-	-	-	-	-	-
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	-	-	1,234.68	1,245.86	(1,234.68)	(1,245.86)
Others	63.18	53.63	42.76	44.82	20.42	8.81
<b>Net Deferred tax liabilities</b>	<b>237.08</b>	<b>253.34</b>	<b>1,277.44</b>	<b>1,290.68</b>	<b>(1,040.36)</b>	<b>(1,037.34)</b>

**E. Movement of temporary differences**  
 Year ended March 31, 2026

Particulars	Opening Balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	175.99	(26.02)	-	149.97
Provision for gratuity, compensated absences and other employee benefits	21.19	(12.50)	13.39	22.08
Loss allowance for trade receivables	2.53	(0.68)	-	1.85
Others	53.63	9.54	-	63.17
<b>A</b>	<b>253.34</b>	<b>(29.66)</b>	<b>13.39</b>	<b>237.07</b>
<b>Deferred Tax Liabilities</b>				
Difference in written down value as per books and as per tax laws of property, plant and equipment/ intangible assets	1,245.86	(11.19)	-	1,234.67
Others	44.82	(2.06)	-	42.76
<b>B</b>	<b>1,290.68</b>	<b>(13.25)</b>	<b>-</b>	<b>1,277.43</b>
	-	-	-	-
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(1,037.34)</b>	<b>13.39</b>	<b>(1,040.36)</b>

**Movement of temporary differences**  
 Year ended March 31, 2025

Particulars	Opening Balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	169.45	6.54	-	175.99
Provision for gratuity, compensated absences and other employee benefits	33.92	(22.52)	9.79	21.19
Loss allowance for trade receivables	2.53	-	-	2.53
Others	40.76	12.87	-	53.63
<b>A</b>	<b>246.66</b>	<b>(3.11)</b>	<b>9.79</b>	<b>253.34</b>
<b>Deferred Tax Liabilities</b>				
Difference in written down value as per books and as per tax laws of property, plant and equipment/ intangible assets	1,195.84	50.02	-	1,245.86
Others	17.36	27.46	-	44.82
<b>B</b>	<b>1,213.20</b>	<b>77.48</b>	<b>-</b>	<b>1,290.68</b>
	-	-	-	-
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(966.54)</b>	<b>9.79</b>	<b>(1,037.34)</b>

**35. Leases**

The details of the right-of-use asset held by the Company is as follows:

Particulars	Opening as on April 1, 2025	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2026
Building	224.71	427.52	48.89	126.04	477.30
<b>Total</b>	<b>224.71</b>	<b>427.52</b>	<b>48.89</b>	<b>126.04</b>	<b>477.30</b>

  

Particulars	Opening as on April 1, 2024	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2025
Building	364.80	-	-	140.09	224.71
<b>Total</b>	<b>364.80</b>	<b>-</b>	<b>-</b>	<b>140.09</b>	<b>224.71</b>

The company incurred Rs. 28.30 lakhs (March 31, 2025 Rs. 28.22 lakhs) toward expenses relating to leases of low value assets.

The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

**The reconciliation of lease liabilities is as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	265.57	420.23
Additions	427.52	-
Deletions	(59.78)	-
Amount recognised in statement of profit and loss as interest expense	26.10	31.73
Payment of lease liability	(169.81)	(186.39)
<b>Closing balance</b>	<b>489.60</b>	<b>265.57</b>

**The following table presents a breakup of lease liabilities:**

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	108.59	130.18
Non-current liability	381.01	135.39
<b>Closing balance</b>	<b>489.60</b>	<b>265.57</b>

**The following are the contractual maturities of lease liabilities on an undiscounted basis:**

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one years	148.25	146.49
One to five years	459.15	151.48
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>607.40</b>	<b>297.97</b>
Impact of discounting	117.80	32.40
Lease liabilities included in the balance sheet	489.60	265.57

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 36. Contingent liabilities and commitments (to the extent not provided for)

#### A. Contingent liabilities\*

Particulars	As at March 31, 2026	As at March 31, 2025
Indirect tax matters	15.46	15.46
Claims against the Company not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	329.26	309.02
<b>Total contingent liabilities</b>	<b>344.72</b>	<b>324.48</b>

\* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

#### B. Commitments

a. **Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount aggregating to Rs. 703.81 lakhs (March 31, 2025: Rs.15.28 lakhs) relating to Property, plant and equipment.

b. **Other commitments:** The Company has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in the normal course of business. The Company does not have any long term commitments / contracts, including derivative contracts, with any material foreseeable losses.

### 37. (Loss)/Earnings per share

#### Basic and diluted (loss)/earnings per share

Basic and diluted earnings per share are calculated by dividing the (loss)/profit during the year attributable to equity shareholders of the company, by the weighted average number of equity shares outstanding during the year.

Particulars	Unit	Year ended March 31, 2026	Year ended March 31, 2025#
(Loss)/Profit after tax attributable to equity shareholders	Rs. lakhs	(430.21)	1,846.42
Weighted average number of equity shares outstanding during the year	Numbers	8,69,92,185	8,69,92,185
Nominal value per share	Rs.	2	2
<b>Basic and diluted (loss)/earnings per share</b>	<b>Rs.</b>	<b>(0.49)</b>	<b>2.12</b>

# Shares pending for issuance and shares to be cancelled have been included for the purpose of calculating earnings per share.

### 38. Employee benefits

#### A. Defined contribution plans

Rs. 256.08 lakhs (March 31, 2025: Rs. 219.58 lakhs) for provident fund contributions and Rs. 60.90 lakhs (March 31, 2025: Rs. 108.57 lakhs) for superannuation and national pension scheme fund contributions have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at the rates specified in the rules of the schemes.

#### B. Defined benefit plans

a) Liabilities for gratuity, privilege leaves and medical leaves are determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.

#### Gratuity:

Gratuity scheme provides for a lump sum payment to vested employees at retirement, death, while in employment, or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

#### The following table sets out the status of gratuity obligation

Particulars	As at March 31, 2026	As at March 31, 2025
Non current	-	-
Current	120.92	84.17
<b>Net defined benefit asset- Gratuity</b>	<b>120.92</b>	<b>84.17</b>

#### (I) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation between opening and closing balances of gratuity liability and its components:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	1,566.82	1,510.33
Current service cost	88.50	87.21
Acquisition adjustment	19.87	-
Interest cost	108.58	104.17
Actuarial loss / (gain) arising from changes in financials assumptions	(36.27)	31.94
Actuarial loss arising from changes in experience adjustments	33.48	21.11
Benefits paid	(143.80)	(187.94)
<b>Balance at the end of the year</b>	<b>1,636.98</b>	<b>1,566.82</b>

#### (ii) Reconciliation of the plan assets

The following table shows a reconciliation between opening and closing balances of the plan assets and its components:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	1,482.65	1,375.77
Expected return on plan assets	102.75	99.46
Contribution by the Company	19.87	(6.75)
Benefits paid	(33.20)	-
Actuarial gains / (losses) recognised in other comprehensive income	(56.00)	14.17
<b>Balance at the end of the year</b>	<b>1,516.07</b>	<b>1,482.65</b>

#### III) Expense recognized in profit or loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	88.30	87.21
Interest cost	108.58	104.17
Expected return on plan assets	(102.75)	(99.46)
<b>Total</b>	<b>94.13</b>	<b>91.92</b>

#### iv) Constitution of plan assets

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Funded with Life Insurance Corporation of India*	1,516.07	1,482.65

\*The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by Life Insurance Corporation are not made available and have, therefore, not been disclosed.

**v) Remeasurements recognized in other comprehensive income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Actuarial gain / (loss) on plan assets	(56.00)	14.17
Actuarial (loss) / gain arising from changes in financial assumptions	36.27	(31.94)
Actuarial (loss) arising from changes in experience adjustments	(33.48)	(21.11)
<b>Total</b>	<b>(53.21)</b>	<b>(38.88)</b>

**vi) Actuarial assumptions**

Principal actuarial assumptions (expressed as weighted averages):

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial assumptions</b>		
Discount rate	7.29%	6.93%
Future salary growth	5.00%	5.00%
Rate of return on plan assets	6.93%	8.28%
Expected average remaining working lives of employees (years)	14.87	17.66
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3% 31 to 44 years- 2% Above 44 years- 1%	Up to 30 years- 3% 31 to 44 years- 2% Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

- a) The weighted average duration of the defined benefit obligations as on March 31, 2026 is 13.43 years (March 31, 2025: 14.13 years)  
b) Expected contributions to post-employment benefit plans for the financial year 2026-27 are Rs. 83.73 lakhs (2025-26: Rs. 99.77 lakhs).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to the complexities involved, the valuation is highly sensitive to the changes in assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance the liabilities of the gratuity plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

**vii) Sensitivity analysis**

The significant actuarial assumptions for the determination of defined benefit obligations are discount rate and expected salary increase.

**In case of change in significant assumptions, sensitivity of gross benefit obligation would be as under:**

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate variation of 0.50%	(53.45)	55.93	(50.37)	54.01
Future salary growth variation of 0.50%	57.49	(59.36)	54.59	(51.55)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Sensitivities due to mortality and withdrawals are insignificant, hence not considered in sensitivity analysis disclosed.

**viii) Maturity profile**

The table below shows the expected cash flow profile of the benefits to be paid to the current members of the plan, based on past service as at the valuation date:

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	437.98	159.95
1 year to 5 years	258.19	362.28
More than 5 years	940.85	1,044.59

**C. Compensated absences:**

The obligation of compensated absence in respect of the employees of the Company as at March 31, 2026 works out to Rs. 407.83 lakhs (March 31, 2025: Rs. 515.00 lakhs)

**D. Risk exposure**

These defined benefit plans typically expose the Company to actuarial risks as under:

**a) Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**b) Interest rate risk**

A decrease in bond interest rate will increase the plan liability. However, this shall be partially off-set by increase in return as per debt investments.

**c) Longevity risk**

The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

**d) Salary risk**

Higher than expected increase in salary will increase the defined benefit obligation.

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 39. Related party disclosures:

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

#### A. Names of related parties and nature of related party relationships:

##### Holding Company

DCM Shriram Industries Limited (Upto December 16, 2025)

##### Subsidiary

Daurala Foods and Beverages Private Limited (w.e.f. December 17, 2025)

##### Key management personnel

Mrs. Urvashi Tilakdhar, Director (upto December 23, 2025) & Senior Managing Director (w.e.f. December 24, 2025)

Mr. Akshay Dhar Whole Time Director and CEO (upto December 23, 2025) & Managing Director & CEO (w.e.f. December 24, 2025)

Mr. Naresh Handa, CFO (w.e.f. December 24, 2025)

Ms. Kokila Arora, Company Secretary & Compliance Officer (w.e.f. May 19, 2025)

Dr. Sandeep Bajaj, Director- BD (w.e.f. December 24, 2025)

Ms. Aditi Dhar, Non- Executive Non Independent Director (w.e.f. December 24, 2025)

Mr. Siddhartha Mukherjee, Independent Director (w.e.f. December 01, 2025)

Mr. Venkata Rama Subbu Behara, Independent Director (w.e.f. December 01, 2025)

Mr. Vijay Anand, Independent Director (w.e.f. December 01, 2025)

Ms. Rama Sanjay Kirloskar, Independent Director (w.e.f. December 01, 2025)

Mr. Rohit Bhandari, Independent Director (w.e.f. December 01, 2025)

Mr. Alok Bansidhar Shriram, Non - Executive Non Independent Director (w.e.f. March 03, 2026)

Mr. Sunil Behari Mathur, Non Executive Non Independent Director (w.e.f. March 03, 2026)

Mr. Pawan Kumar Lakhotia, Company Secretary (upto April 24, 2025)

Mr. Vineet Manaktala, Whole Time Director and CFO (upto December 24, 2025)

##### Relative/HUF of Key management personnel

M/s Lala Bansi Dhar & Sons (HUF)

##### Trust

Daurala Organics Limited Employees' Provident Fund Trust

##### Other (enterprises over which key management personnel or their relatives are able to exercise significant influence)

DCM Shriram Industries Limited (w.e.f. December 17, 2025)

Breinworks Services Private Limited (w.e.f. December 17, 2025)

DCM Shriram International Limited (w.e.f. December 17, 2025)

#### B. Transactions with related parties:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Rent Expenses</b>		
Breinworks Services Pvt. Ltd.	39.28	13.09
Relatives/HUF of key management personnel	47.60	56.73
<b>Total</b>	<b>86.88</b>	<b>69.82</b>
<b>Allocation of dividend</b>		
DCM Shriram Industries Limited	-	579.95
<b>Purchase of Steam, Power and Raw Material</b>		
DCM Shriram Industries Limited	3,593.51	3,108.55
<b>Reimbursement of expenses</b>		
DCM Shriram Industries Limited	212.22	226.98
<b>Sales of Raw Material</b>		
DCM Shriram Industries Limited	13.42	9.12
<b>Management and professional consultancy</b>		
DCM Shriram Industries Limited	60.59	-
<b>Total</b>	<b>3,879.74</b>	<b>3,924.60</b>
<b>Reimbursement of expenses</b>		
Daurala Foods and Beverages Pvt. Ltd.	4.00	-
<b>Total</b>	<b>4.00</b>	<b>-</b>
<b>Salaries and bonus including contribution made to provident fund</b>		
<b>Key management personnel</b>		
Mrs. Urvashi Tilakdhar	125.11	510.63
Mr. Akshay Dhar	55.65	40.94
Mr. Naresh Handa	11.35	-
Ms. Kokila Arora	20.11	-
Dr. Sandeep Bajaj	22.23	-
<b>Total</b>	<b>234.45</b>	<b>551.57</b>
<b>Post -Employment defined benefit plan Gratuity</b>		
<b>Key management personnel</b>		
Mrs. Urvashi Tilakdhar	-	2.88
Mr. Akshay Dhar	17.65	1.82
Mr. Naresh Handa	0.94	-
Dr. Sandeep Bajaj	3.75	-
<b>Total</b>	<b>22.34</b>	<b>4.70</b>

Particulars		As at March 31,2026	As at March 31,2025
<b>Other long term defined benefit plan</b>			
<b>Compensated absences</b>			
Mrs. Urvashi Tilakdhar		1.63	5.99
Mr. Akshay Dhar		11.55	0.69
Mr. Naresh Handa		1.93	-
Ms. Kokila Arora		0.80	-
Dr. Sandeep Bajaj		1.17	-
<b>Total</b>	<b>C</b>	<b>17.08</b>	<b>6.68</b>
<b>Remuneration /commission Paid</b>			
Sitting fees to Independent Directors		10.00	-
<b>Total</b>	<b>D</b>	<b>10.00</b>	<b>-</b>
<b>Total compensation paid to key management personnel</b>	<b>E=(A+B+C+D)</b>	<b>283.87</b>	<b>562.95</b>

**Balances with related parties**

Particulars	As at March 31,2026	As at March 31,2025
<b>Trade Payable</b>		
DCM Shriram Industries Limited	325.08	273.25
Sitting fees to Independent Directors	0.25	-
<b>Total</b>	<b>325.33</b>	<b>273.25</b>
<b>Other Receivable/(Payable)</b>		
DCM Shriram Industries Limited	109.39	(374.00)
Daurala Foods and Beverages Pvt. Ltd.	4.00	-
<b>Total</b>	<b>113.39</b>	<b>(374.00)</b>

**Note:**

- Transactions with the related parties are made on normal commercial terms and conditions and at market rates, to be settled in cash.
- As per the Composite Scheme of Arrangement approved by Hon'ble NCLT, the Company has merged the operations of the Chemical undertaking (demerged unit) with effect from the appointed date. Accordingly, inter se transactions between the Company and DCM Shriram Industries Limited (the Demerged Company) in relation to the Chemical undertaking including transfer of goods, assets, employees, and funds, as well as reimbursement of expenses, transfer of income and expenses for the relevant period have been included, considering their relationship with the company.

Further, pursuant to approval of the Scheme, dividends declared by the Demerged Company and attributable to the Chemical undertaking, now merged with the Company for the respective period, have also been included above, as transactions with the Demerged Company and considered as related party disclosure.

**40. Financial Instruments – Fair values and risk management**
**a. Financial Instruments – by category and fair values hierarchy**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**1) As on March 31, 2025**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Other financial assets*	-	-	4.05	4.05	-	-	-
<b>Current</b>							
(i) Investments*							
Debt instruments (Mutual funds)	2,264.28	-	-	2,264.28	2,264.28	-	-
(ii) Trade receivables*	-	-	8,270.40	8,270.40	-	-	-
(iii) Cash and cash equivalents*	-	-	19.56	19.56	-	-	-
(iv) Other financial assets*	-	-	7.40	7.40	-	-	-
<b>Total</b>	<b>2,264.28</b>	<b>-</b>	<b>8,301.41</b>	<b>10,565.69</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	271.25	271.25	-	-	-
(ii) Lease liabilities*	-	-	135.39	135.39	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	798.06	798.06	-	-	-
(ii) Lease liabilities*	-	-	130.18	130.18	-	-	-
(iii) Trade payables*	-	-	5,420.07	5,420.07	-	-	-
(iv) Other financial liabilities*	-	-	650.28	650.28	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,405.23</b>	<b>7,405.23</b>			

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### i) As on March 31, 2026

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Other financial assets*	-	-	3.43	3.43	-	-	-
<b>Current</b>							
(i) Investments*							
Debt instruments (Mutual funds)	3,334.13	-	-	3,334.13	3,334.13	-	-
(ii) Trade receivables*	-	-	7,031.82	7,031.82	-	-	-
(iii) Cash and cash equivalents*	-	-	2,111.38	2,111.38	-	-	-
(iv) Other financial assets*	-	-	117.45	117.45	-	-	-
<b>Total</b>	<b>3,334.13</b>	<b>-</b>	<b>9,264.08</b>	<b>12,598.21</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	-	-	-	-	-
(ii) Lease liabilities*	-	-	381.01	381.01	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	783.06	783.06	-	-	-
(ii) Lease liabilities*	-	-	108.59	108.59	-	-	-
(iii) Trade payables*	-	-	4,945.15	4,945.15	-	-	-
(iv) Other financial liabilities*	-	-	235.37	235.37	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,453.18</b>	<b>6,453.18</b>			

# The Company's borrowings have been contracted at both floating and fixed rates of interests. The borrowings at floating rates reset at short intervals. Accordingly, the carrying values of such borrowings (including interest accrued but not due) approximate fair values. The fair values of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

\* The carrying amounts of trade receivables, trade payables, lease liabilities, cash and cash equivalents, investments and other financial assets and liabilities, approximate the fair values, due to their short-term nature. The other non-current financial assets represents security deposits given to various parties, loans and advances to employees and officers and bank deposits (due for maturity after twelve months from the reporting date), lease liabilities and other non-current financial liabilities, the carrying values of which approximate the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2026 and March 31, 2025.

#### Valuation

Following financial instruments are remeasured at fair value as under :

The fair values of investments in mutual fund 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 fund, and the price at which issuers will redeem such units.

### b. Risk Management

The Company manages risks arising from financial instruments as under :

#### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet:

Particulars	As at March 31, 2026	As at March 31, 2025
Investments	3,334.13	2,264.28
Trade receivables	7,031.82	8,270.40
Cash and cash equivalents	2,111.38	19.56
Other financial assets	120.88	11.45

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due, causing financial loss to the Company. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to receivables. The Company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the Company has long standing satisfactory dealings.

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Carrying amount	
	As at March 31, 2026	As at March 31, 2025
1-90 days past due *	955.71	455.01
91 to 180 days past due	-	0.10
More than 180 days past due #	0.47	0.25
Not due	6,075.64	7,815.04
	<b>7,031.82</b>	<b>8,270.40</b>

\* The Company believes that the unimpaired amounts are collectible in full, based on historical payment behaviour.

# The Company continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables, both domestic and overseas, are from parties with whom the Company has long standing satisfactory dealings. The Company also makes provision for lifetime expected credit loss, based on its previous experience of provisions/write offs in previous years.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	10.10	10.10
Impairment loss (reversal) / recognised	(2.77)	-
<b>Balance at the end of the year</b>	<b>7.33</b>	<b>10.10</b>

#### Note

##### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Company generally transacts with the banks with high credit ratings assigned by domestic and international credit rating agencies.

##### Other financial assets

Other financial assets do not have any significant credit risk.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 2111.38 lakhs as at March 31, 2026 (March 31, 2025 Rs. 19.56 lakhs), anticipated future considering internally generated funds from operations fully available and revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements, as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

#### I. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
From banks	2,215.94	2,744.44

#### II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

As at March 31, 2025	Carrying amount	Contractual cash flows			
		0-1 year	More than 1 but upto 5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	271.25	-	271.25	-	271.25
Lease liabilities	135.39	-	135.39	-	135.39
<b>Current liabilities</b>					
Borrowings	798.06	798.06	-	-	798.06
Lease liabilities	130.18	130.18	-	-	130.18
Trade payables	5,420.07	5,420.07	-	-	5,420.07
Other financial liabilities	650.28	650.28	-	-	650.28
<b>Total</b>	<b>7,405.23</b>	<b>6,998.59</b>	<b>406.64</b>	<b>-</b>	<b>7,405.23</b>

As at March 31, 2026	Carrying amount	Contractual cash flows			
		0-1 year	More than 1 but upto 5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	-	-	-	-	-
Lease liabilities	381.01	-	381.01	-	381.01
<b>Current liabilities</b>					
Borrowings	783.06	783.06	-	-	783.06
Lease liabilities	108.59	108.59	-	-	108.59
Trade payables	4,945.15	4,945.15	-	-	4,945.15
Other financial liabilities	235.37	235.37	-	-	235.37
<b>Total</b>	<b>6,453.18</b>	<b>6,072.17</b>	<b>381.01</b>	<b>-</b>	<b>6,453.18</b>

\* Contractual cash flows do not include interest expense

\*The opening balance of long term borrowings amounting to Rs. 271.25 lakhs was prepaid during the current year.

#### (iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company.

##### Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies, from the Company's operating, investing and financing activities.

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### Exposure to currency risk

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Rs.	USD	Rs.
<b>Financial assets</b>				
Trade receivables*	2.55	238.53	8.29	706.55
<b>Financial liabilities</b>				
Trade payables	6.72	635.96	10.95	968.81

### Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2026 (previous year ended as on March 31, 2025) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or (loss)		Equity, net of tax	
	Weakening	Strengthening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2026</b>				
USD	(3.97)	3.97	(2.97)	2.97
	<b>(3.97)</b>	<b>3.97</b>	<b>(2.97)</b>	<b>2.97</b>
<b>For the year ended March 31, 2025</b>				
USD	(2.62)	2.62	(1.71)	1.71
	<b>(2.62)</b>	<b>2.62</b>	<b>(1.71)</b>	<b>1.71</b>

### Foreign exchange derivative

The company has not entered in to any foreign exchange derivatives contracts during the reporting period and does not apply hedge accounting. Accordingly, there were no outstanding derivative financial instrument as at the reporting date.

### Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

### Exposure to interest rate risk

The Company's interest rate risk arises mainly from the borrowings (including Cash Credit) from banks carrying floating rate of interest. These obligations expose the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial Liabilities</b>		
<b>Variable-rate instruments</b>		
Term loans	-	813.75
Cash Credit	783.06	255.56
<b>Total</b>	<b>783.06</b>	<b>1,069.31</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>For the year ended March 31, 2026</b>				
Interest on term loans	-	-	-	-
Interest on cash credits	(7.83)	7.83	(5.86)	5.86
<b>For the year ended March 31, 2025</b>				
Interest on term loans	(8.14)	8.14	(5.29)	5.29
Interest on cash credits	(2.56)	2.56	(1.66)	1.66

## 41. Capital management

For the purposes of the Company's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital. This also considers the desirable financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Company also monitors its capital structure through gearing ratio, represented by debt-equity ratio (Net debt/Total equity). The gearing ratio for the Company as at the end of reporting period is as follows:

Particulars	As at March 31, 2026*	As at March 31, 2025
Borrowings	783.06	1,069.31
Less : Cash and cash equivalents	(2,111.38)	(19.56)
<b>Adjusted net debt (A)</b>	<b>(1,328.32)</b>	<b>1,049.75</b>
<b>Total equity (B)</b>	<b>20,036.78</b>	<b>20,506.81</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>-</b>	<b>5.12%</b>

\* The Debt-Equity Ratio has not been computed as at March 31, 2026 as the Company had a negative net debt position on the reporting date, with cash and cash equivalents exceeding its total borrowings.

42. Research and development expenses amounting to Rs. 20.28 lakhs (Rs. 34.86 lakhs March 31, 2025) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 27.93 lakhs (Rs. 26.90 March 31, 2025) has been included in property, plant and equipment.

43. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	906.76	627.69
-Interest due thereon	1.53	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>908.29</b>	<b>627.69</b>

44. **Disclosures related to government grant**

The government grants/assistance recognised are as under:

Nature of Grant/assistance	Income/ expense head	Year ended March 31, 2026	Year ended March 31, 2025
Duty drawback and other incentive (net of provision)	Other operating revenue	7.42	17.94

45. **Immovable properties yet to be endorsed in the name of the Company are as under :**

Particulars	Amount as on March 31, 2026	Amount as on March 31, 2025	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the company
<b>Property, Plant and Equipment</b>					
<b>Freehold Land</b>					
Land situated at Daurala, Uttar Pradesh (UP)	86.88	86.88	No	2025	Vested in the company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
Land situated at Daurala, Uttar Pradesh (UP)	44.95	44.95	No	2005	Vested in the company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
<b>Buildings</b>					
Buildings situated at Daurala, Uttar Pradesh (UP)	1,354.91	1,335.32	No	2025	Vested in the company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
Buildings situated at Daurala, Uttar Pradesh (UP)	86.91	86.91	No	2005	Vested in the company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 46. Financial Ratios:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance
(a) Current Ratio	Current assets	Current liabilities	2.53	2.12	19.52%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.06	0.07	(2.28%)
(c) Debt Service Coverage Ratio <sup>*</sup>	Earnings available for debt service <sup>*</sup>	Scheduled Debt Service	(0.46)	3.86	(111.96%)
(d) Return on Equity Ratio <sup>*</sup>	Net Profits after taxes	Shareholders' Equity	(2.12%)	9.00%	(123.58%)
(e) Inventory Turnover Ratio	Cost of goods sold	Closing Inventory	4.92	5.33	(7.71%)
(f) Trade Receivable Turnover Ratio	Revenue	Trade Receivables	5.04	5.54	(9.04%)
(g) Trade Payable Turnover Ratio <sup>****</sup>	Purchases and other expenses	Trade Payables	4.46	6.44	(30.75%)
(h) Net Capital Turnover Ratio <sup>**</sup>	Revenue	Working Capital	3.74	5.08	(26.45%)
(i) Net Profit Ratio <sup>*</sup>	Net Profit	Total Income	(1.12%)	4.27%	(126.12%)
(j) Return on Capital Employed <sup>*</sup>	Earning before interest and taxes	Capital Employed #	(1.20%)	11.77%	(110.20%)
(k) Return on Investment <sup>***</sup>	Income generated from investments	Time weighted average investments	4.86%	7.32%	(33.63%)

#### Notes:

- \* PBT + Depreciation + Interest on Term Loan - Taxes.
- # Tangible net worth + Long term debt + Deferred tax liabilities.
- Due to loss incurred during the year
- \*\* Lower due to decrease in revenue
- \*\*\* Lower due to investment made during the end of year
- \*\*\*\* Lower due to increase in trade payables

### 47. Audit Trail

Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement, where a company used an accounting software, of only using such accounting software w.e.f April 01, 2023 which has a feature of recording audit trail of each and every transaction.

The Company has assessed all of its IT applications including supporting applications considering the guidance provided in "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" issued by the Institute of Chartered Accountants of India in February 2024, and identified applications that are relevant for maintaining books of accounts.

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

### 48. Additional regulatory information:

- i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company does not have any transactions with struck off companies.
- iii) The charges relating to the borrowings are yet to be registered in the name of DCM Shriram Fine Chemicals Limited with the Registrar of Companies. The Company is in the process of completing the necessary filings and compliances in this regard. Pending such registration, the related charges continue to appear in the records of the Registrar of Companies in the name of the DCM Shriram Industries Limited.
- iv) The Company has not traded or invested in crypto currency or any virtual currency during the financial year.
- v) 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.
- vi) 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 to or on behalf of the ultimate beneficiaries.
- vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has not been declared as a willful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved by the Board of Directors.
- ix) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- x) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of companies Act, 2013 as at the year end.
- xi) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

**49 Business combination**

- a) The Hon'ble National Company Law Tribunal, New Delhi bench, vide Order dated November 21, 2025, approved the Composite Scheme of Arrangement between DCM Shriram Industries Limited (DCMSR) and DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited (wholly owned subsidiaries of DCM Shriram Industries Limited) and Lily Commercial Private Limited, for amalgamation of Lily Commercial Private Limited with DCM Shriram Industries Limited, and subsequent demerger of Chemical and Rayon businesses of DCM Shriram Industries Limited into DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited, respectively, with effect from the appointed date of April 01, 2023 ('the Scheme'). The Scheme after approval from BSE and NSE, was filed with the Hon'ble NCLT, New Delhi as required under Section 230-232 of the Companies Act, 2013. The Hon'ble NCLT after due process and hearings has approved the Scheme by Order dated November 21, 2025. Subsequently, certified copies of the Order and the Scheme were received on December 05, 2025. As required under the Companies Act, 2013, certified copies were filed by the companies with the Registrar of Companies between 5th December to 17th December, 2025. Accordingly, the Scheme is deemed to have come into effect from December 17, 2025 in terms of Clause 7.1(v) of the Scheme. The Scheme is applicable from the Appointed Date i.e. April 01, 2023. Accordingly, due effect of the Scheme has been incorporated from the Appointed Date. From the Appointed Date, the Business of Chemical Undertaking (along with all assets and liabilities thereof) were transferred to the Company on a going concern basis. The transaction has been accounted for using the common control method under Ind AS 103 - Business Combinations, with all identified assets and liabilities recorded at their carrying values. Accordingly, the business combination has been reflected in the books of account from the beginning of financial year 2023-24, i.e., April 01, 2023 (Appointed date). The Company has given effect to the scheme in accordance with the accounting treatment specified in the scheme as per applicable accounting standards (IND AS) as under:

- All the assets, liabilities and reserves pertaining to the Chemical Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, DCM Shriram Fine Chemicals Limited at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR.
- Issued 8,69,92,185 Equity Shares of face and paid up value of Rs. 2 each to the shareholders of DCMSR.
- Difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred from DCMSR and cancellation of investment done by DCMSR in the Resultant Company has been adjusted through retained earnings.

The previous year figures of Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of Cash Flows have been restated as if the amalgamation has taken place from the first day of the earliest period presented as required under Appendix C of Ind AS 103. Accordingly, the comparative figures for the financial year ended March 31, 2025 represent the restated financial information certified by the management.

Pursuant to the Scheme, the following assets and liabilities were transferred to the Company as on 1st April, 2023 (Appointed date):

Particulars	Pre business combination	Impact of business combination	Eliminations / Adjustments	Post business combination
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,416.82	10,886.26	-	13,303.08
Capital work-in progress	-	9.24	-	9.24
Right-of-use assets	-	289.82	-	289.82
Intangible assets	-	98.76	-	98.76
<b>Financial assets</b>				
(i) Investments	-	2,778.67	(2,331.27)	447.40
(ii) Other financial assets	0.90	37.03	-	37.93
Other non-current assets	233.10	33.89	-	266.99
<b>Total non-current assets</b>	<b>2,650.82</b>	<b>14,133.67</b>	<b>(2,331.27)</b>	<b>14,453.22</b>
<b>Current assets</b>				
Inventories	-	5,578.05	-	5,578.05
<b>Financial assets</b>				
(i) Investments	-	1,563.27	-	1,563.27
(ii) Trade receivables	-	6,801.37	-	6,801.37
(iii) Cash and cash equivalents	1.61	133.04	-	134.65
(iv) Bank balances other than (iii) above	-	-	-	-
(v) Loans	-	3.93	-	3.93
(vi) Other financial assets	-	-	-	-
Other current assets	0.06	120.40	-	120.46
<b>Total current assets</b>	<b>1.67</b>	<b>14,200.06</b>	<b>-</b>	<b>14,201.73</b>
<b>Total Assets</b>	<b>2,652.49</b>	<b>28,333.73</b>	<b>(2,331.27)</b>	<b>28,654.95</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	2,000.00	1,739.84	(2,000.00)	1,739.84
Other equity	270.80	15,927.85	(331.27)	15,867.38
<b>Total Equity</b>	<b>2,270.80</b>	<b>17,667.69</b>	<b>(2,331.27)</b>	<b>17,607.22</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	-	1,353.08	-	1,353.08
(ii) Lease liabilities	-	238.97	-	238.97
Provisions	-	273.20	-	273.20
Deferred tax liabilities (net)	-	883.10	-	883.10
<b>Total non-current liabilities</b>	<b>-</b>	<b>2,748.35</b>	<b>-</b>	<b>2,748.35</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	305.08	734.15	-	1,039.23
(ii) Lease liabilities	-	113.69	-	113.69
(iii) Trade payables	-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises	-	491.18	-	491.18
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1.00	5,341.38	-	5,342.38
(iv) Other financial liabilities	75.33	821.44	-	896.77
Other current liabilities	0.28	190.71	-	190.99
Provisions	-	225.14	-	225.14
<b>Total current liabilities</b>	<b>381.69</b>	<b>7,917.69</b>	<b>-</b>	<b>8,299.38</b>
<b>Total Equity and Liabilities</b>	<b>2,652.49</b>	<b>28,333.73</b>	<b>(2,331.27)</b>	<b>28,654.95</b>

## Notes to the Standalone Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### Movement in other equity

Particulars	Retained Earnings
<b>Balance as at April 1, 2023</b>	(60.47)
On account of composite scheme of arrangement	15,927.85
<b>Balance as at April 1, 2023 Restated</b>	<b>15,867.38</b>
Profit for the year	2,350.72
Other comprehensive income for the year net of tax	(39.74)
Allocation of Dividend	(648.76)
<b>Balance as at March 31, 2024</b>	<b>17,529.60</b>

50 On November 21, 2025, the Government of India notified four New Labour Codes by consolidating 29 existing labour laws. The Company has evaluated the provisions of the said Codes and confirms that it is in compliance with the applicable requirements. Based on the assessment carried out, the implementation of these Codes does not have any material impact on the financial statements. The Company continues to monitor the finalisation of Central and State Rules and any further clarifications issued by the Government, and will account for any impact, if required, in future periods.

51 Segments are identified in line with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act)) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organization and management structure as well as differential risk and return of the segment.

#### A. Operating segments

India  
Outside India

#### B. Identification of segments

The Company is in the business of manufacturing chemicals products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker ('CODM') for assessment of Company's performance and resource allocation.

#### C. Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallowable expenditure.

#### D. Segment assets

Segment assets includes respective amounts identifiable to each of the segments of non-current assets other than financial assets, deferred tax assets. Non-current assets are assets that include amounts expected to be recovered more than twelve months after the reporting period.

#### E. Summary of segmental information

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Segment revenue</b>		
India	36,053.70	38,565.60
Outside India*	2,501.37	4,371.59
<b>Total</b>	<b>38,555.07</b>	<b>42,937.19</b>

Revenue from operations have been allocated on the basis of location of customers.

\* Majorly cover the Europe

**F. Non current assets:** All non current assets of the company are located in India.

#### G. Information about major customers

There are two customers during financial year ended March 31, 2026 (March 31, 2025: One customer) which have contributed 10% or more to the Company's revenue.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from major customers	16,705.16	15,581.97
% of total revenue	43.66%	36.50%

52 The Company had a plot of land at Dahej, Gujarat on leasehold basis which has been sold during the current financial year. Based on the actual sale consideration realised, the loss on sale of land amounting to Rs. 309.84 lakh has been recognised in the Statement of Profit and Loss for the year.

Further, pursuant to the sale of the aforesaid land, the Company withdrew the GST refund application that had been filed earlier in relation to the asset. In view of the withdrawal of the refund claim and the consequent change in circumstances, the Company has reversed the related input tax credit amounting to ₹229.02 lakhs also in the books of account during the current year.

53 The Previous year figures have been regrouped, wherever necessary to confirm the respective year presentation.

As per our report of even date attached

For Kirtane & Pandit LLP

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr. Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670

To the Members of DCM Shriram Fine Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

1. We have audited the accompanying Consolidated Financial Statements of DCM Shriram Fine Chemicals Limited (hereinafter referred to as the "Holding Company" or the "Company" and its subsidiary) (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, 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 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, 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 ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

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. We have determined the matters described below to be the key audit matters to be communicated in our report on the standalone financial statements of the Holding Company.

1) Property, plant and equipment (including capital work in progress)	
Key audit matter	How our audit addressed the key audit matter

## INDEPENDENT AUDITOR'S REPORT (continued)

<p>As at March 31, 2026 the Company has Property, Plant and Equipment ('PPE') with carrying value of Rs. 9796.16 lakhs, as disclosed in note 3 of the accompanying Financial Statements. Refer note 2 for the material accounting policy information adopted by the Company for recognition and measurement of PPE.</p> <p>Determination of carrying values and their respective depreciation amounts of PPE requires considerable management judgement. These include the decisions to capitalise or expense costs, the annual asset life review, the timeliness of the capitalisation of assets and the use of management's assumptions and estimates for the determination and measurement of assets retired from active use, in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment ('Ind AS 16').</p> <p>Considering the significance of amounts involved in the context of the balance sheet of the Company and the level of judgements and estimates required, we consider this to be a key audit matter in the current year audit.</p>	<p>The procedures performed by us included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process of recording the transactions pertaining to capital expenditure incurred by the Company and evaluated the accounting policies adopted by the Company in accordance with the requirements of Ind AS 16.</li> <li>• Tested the amounts capitalized during the year, on a sample basis, by inspecting supporting documents and evaluating whether assets capitalized satisfied the recognition criteria and were recognized accurately in the correct periods and with correct amounts.</li> <li>• Reviewed the judgements made by management in determination of carrying values of PPE including the nature of underlying costs capitalized, determination of realizable value of the assets retired from active use, the appropriateness of useful lives applied in the calculation of depreciation as determined by technical assessment by management and external technical experts, where required.</li> <li>• Tested, on a sample basis, the completeness and accuracy of the source data used.</li> <li>• Evaluated the appropriateness and adequacy of the related disclosures in the financial statements in accordance with the applicable accounting standards.</li> </ul>
--	---

2) Valuation of inventory	
Key audit matter	How our audit addressed the key audit matter
<p>As at March 31, 2026, the Company has inventory of Rs. 4065.25 Lakhs as disclosed in Note 8. The inventory is valued at cost or net realizable value</p>	<p>The procedures performed by us included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of production process at each stage.</li> </ul>

<p>whichever is lower. Costs include direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but does not include borrowing costs. Cost of work-in-progress and finished goods are determined on a FIFO basis.</p>	<ul style="list-style-type: none"> <li>• Obtained and tested on sample basis the process cost of each production process.</li> <li>• Verified the calculations and basis of overhead allocation as per costing principles.</li> <li>• Further, we have tested on sample basis, net realizable value of finished goods based on subsequent sale value.</li> <li>• We have also checked the ageing report for identification of non-moving / slow moving finished goods on a sample basis.</li> <li>• Analytical review of production quantity and cost of finished goods.</li> <li>• Attended physical inventory counts on a sample basis and performed test counts to evaluate the existence and condition of inventories.</li> </ul>
---	---

5. The statutory auditor of the subsidiary company, (S. R. Dinodia & Co. LLP), has issued an unmodified opinion on the financial statements for the year ended March 31, 2026 vide its Independent Auditor's Report dated May 14, 2026 and has not reported any Key Audit Matters therein.

### Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows, and consolidated changes in equity of the Group 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 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 judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group 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.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the respective companies.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 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 to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company, 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.
13. 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

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

be thought to bear on our independence, and where applicable, related safeguards.

14. 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.

### **Report on Other Legal and Regulatory Requirements**

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (1) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the respective auditor in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these Consolidated Financial Statements.
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.
  - (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 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Holding Company, its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the

explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Act.

- (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 36 to the Consolidated Financial Statements.
  - ii. The Group did not have any long-term contracts including long term derivative contracts for which there were any material foreseeable losses
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary, incorporated in India during the year.
  - iv. (a) The respective managements of the Holding Company and its subsidiary which is a company 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 50 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 subsidiary 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 subsidiary ("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 subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Note 50 to the financial statements, no funds have been received by the Holding Company or any of such subsidiary 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 subsidiary 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 auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. As stated in note 15 (d) to the Consolidated Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.
- vi. Based on our examination, which included test checks and that performed by the respective auditor of the subsidiary which is a company incorporated in India whose financial statements have been audited under the Act, the Group, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the Group.

### **Other Matter**

17. The financial information of the subsidiary included in the Consolidated Financial Results, reflect total assets of Rs. 1,562.41 lakhs and net assets of Rs. 1,557.49 lakhs as at March 31, 2026, total revenues of Rs. 101.94 lakhs, and total comprehensive income (comprising of profit and other comprehensive income) of Rs. 72.44 lakhs for the year ended March 31, 2026, and net cash flows of Rs. (5.05) lakhs for the year ended March 31, 2026 has been considered in Consolidated Financial Statements. The financial information of subsidiary have been audited by other auditor whose report have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section(3) of section 143 of the Act including report on other information insofar as it relates to the aforesaid subsidiary, is based on the reports of the other auditor and the procedures performed by us.
18. We draw attention to Note 51 to the Consolidated Financial Statements. The corresponding figures for the year ended March 31, 2025, presented as comparative information in the accompanying Consolidated Financial Statements for the year ended March 31, 2026, have not been audited or reviewed by us and have been certified by the management. Accordingly, we do not express any opinion or any form of assurance on the corresponding figures for the year ended March 31, 2025.

Our opinion on the Consolidated Financial Statements for the year ended March 31, 2026 is not modified in respect of above matter.

### **For Kirtane & Pandit LLP**

Firm Registration Number: 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership Number: 540579

**UDIN: 26540579OPJRNH8567**

Place: New Delhi

Date: May 19, 2026

## **Annexure “A” to Independent Auditor’s Report**

Referred to in paragraph 16(f) of the Independent Auditor’s Report of even date to the members of DCM Shriram Fine Chemicals 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 clause (i) of sub-section 3 of Section 143 of the Companies Act,2013 (the “Act”)**

1. In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of DCM Shriram Fine Chemicals Limited (hereinafter referred to as “the Holding Company”) and its subsidiary, which are companies incorporated in India, as of that date.

### **Management’s Responsibilities for Internal Financial Control**

2. The respective Company’s management and Board of Directors of the Holding Company, its subsidiary to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Consolidated Financial Statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls 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 on Audit of Internal Financial Controls over Financial Reporting (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

## **INDEPENDENT AUDITOR'S REPORT (continued)**

---

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 and the audit evidence obtained by the other auditor in terms of their reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

6. A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Consolidated Financial Statements.

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

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

### **Opinion**

8. In our opinion, the Holding Company, its subsidiary, which is a company 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 controls over financial reporting criteria established by the company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

## Other Matter

9. Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to the subsidiary, which is a company incorporated in India, is based on the corresponding reports of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

### **For Kirtane & Pandit LLP**

Firm Registration Number: 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership Number: 540579

**UDIN: 26540579OPJRNH8567**

Place: New Delhi

Date: May 19, 2026

## DCM SHRIRAM FINE CHEMICALS LIMITED

CIN: U24296DL2021PLC387429

Consolidated Balance Sheet as at March 31, 2026 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2026	As at March 31, 2025#
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	9,773.03	12,775.62
Capital work-in-progress	3	23.13	2.45
Right of use assets	35	477.30	224.71
Intangible assets	4	30.59	39.09
Financial assets			
(i) Other financial assets	5	3.43	4.05
Income tax assets (net)	6	556.29	200.61
Other non-current assets	7	85.60	259.19
<b>Total non-current assets</b>		<b>10,949.37</b>	<b>13,505.72</b>
<b>Current assets</b>			
Inventories	8	4,065.25	5,040.07
Financial assets			
(i) Investments	9	3,334.13	2,264.28
(ii) Trade receivables	10	7,031.82	8,270.40
(iii) Cash and cash equivalents	11	2,119.89	33.11
(iv) Bank balances other than (iii) above	12	1,548.19	1,465.32
(v) Other financial assets	13	117.45	7.40
Other current assets	14	374.34	240.55
<b>Total current assets</b>		<b>18,591.07</b>	<b>17,321.13</b>
<b>TOTAL ASSETS</b>		<b>29,540.44</b>	<b>30,826.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,739.84	-
Shares pending for issuance	15	-	1,739.84
Other equity	16	19,360.51	19,753.99
<b>Total equity</b>		<b>21,100.35</b>	<b>21,493.83</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	-	271.25
(ii) Lease liabilities	35	381.01	135.39
Provisions	18	291.82	414.55
Deferred tax liabilities (net)	34	1,040.36	1,037.34
<b>Total non-current liabilities</b>		<b>1,713.19</b>	<b>1,858.53</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	19	783.06	798.06
(ii) Lease liabilities	35	108.59	130.18
(iii) Trade payables	20		
-Total outstanding dues of micro enterprises and small enterprises		908.29	627.69
-Total outstanding dues of creditors other than micro enterprises and small enterprises		4,037.67	4,793.16
(iv) Other financial liabilities	21	235.37	650.28
Other current liabilities	22	416.99	221.47
Provisions	23	236.93	184.62
Current tax liabilities (net)	24	-	69.03
<b>Total current liabilities</b>		<b>6,726.90</b>	<b>7,474.49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,540.44</b>	<b>30,826.85</b>

**Material accounting policies**

2A

The notes referred to above form an integral part of the consolidated financial statements.

# Restated, refer note 51.

As per our report of even date attached

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

For Kirtane &amp; Pandit LLP

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

Akshay Dhar

Managing Director &amp; CEO

DIN : 01078392

Sd/-

Urvashi Tilakdhar

Sr Managing Director

DIN: 00294265

Sd/-

Chirag Garg

Partner

Membership No. 540579

Sd/-

Naresh Handa

Chief Financial Officer

Membership No. 500725

Sd/-

Kokila Arora

Company Secretary

Membership No. A21670

Place: New Delhi

Date: May 19, 2026

Place: New Delhi

Date: May 19, 2026



Particulars	Notes	Year ended March 31, 2026	Year ended March 31, 2025#
<b>Income</b>			
Revenue from operations	25	38,555.07	42,937.19
Other income	26	317.81	388.87
<b>Total income</b>		<b>38,872.88</b>	<b>43,326.06</b>
<b>Expenses</b>			
Cost of materials consumed	27	22,395.23	25,140.07
Changes in inventories of finished goods and work-in-progress	28	706.17	(365.28)
Employee benefits expense	29	5,010.75	5,482.80
Finance costs	30	145.49	205.56
Depreciation and amortisation expenses	31	850.19	879.97
Other expenses	32	10,078.79	9,391.31
<b>Total expenses</b>		<b>39,186.62</b>	<b>40,734.43</b>
<b>(Loss)/Profit before tax</b>		<b>(313.74)</b>	<b>2,591.63</b>
<b>Tax expenses</b>	34		
Current tax		26.01	592.18
Deferred tax charge/ (credit)		16.42	80.59
Income tax adjustment for earlier years		(2.51)	-
<b>Total tax expenses</b>		<b>39.92</b>	<b>672.77</b>
<b>(Loss)/Profit for the year</b>		<b>(353.66)</b>	<b>1,918.86</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement expenses on defined benefit obligation		(53.21)	(38.89)
Income tax pertaining to items that will not be reclassified to profit or loss		13.39	9.79
<b>Total other comprehensive income (net of taxes)</b>		<b>(39.82)</b>	<b>(29.10)</b>
<b>Total comprehensive income for the year</b>		<b>(393.48)</b>	<b>1,889.76</b>
<b>Profit for the year attributable to</b>	43		
- Owners of the Company		(353.66)	1,918.86
- Non-controlling Interest		-	-
<b>Other comprehensive income for the year attributable to</b>	43		
- Owners of the Company		(39.82)	(29.10)
- Non-controlling Interest		-	-
<b>Total comprehensive income for the year attributable to</b>	43		
- Owners of the Company		(393.48)	1,889.76
- Non-controlling Interest		-	-
<b>(Loss)/Earnings per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	37	(0.41)	2.21
<b>Material Accounting Policies</b>	2A		

The notes referred to above form an integral part of the consolidated financial statements.

# Restated, refer note 51.

As per our report of even date attached

For Kirtane & Pandit LLP

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Urvashi Tilakdhar**

Sr Managing Director

DIN: 00294265

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670

DCM SHRIRAM FINE CHEMICALS LIMITED

CIN: U24296DL2021PLC387429

Statement of Consolidated Changes in Equity for the year ended March 31, 2026 (All amounts in Indian Rupees in lakhs, unless otherwise stated)

a) Equity Share Capital and Shares pending for Issuance\*#

Particulars	Equity Share Capital	Shares pending for Issuance
Balance as at April 1, 2024	-	1,739.84
Changes in equity share capital on account of composite scheme of arrangement	-	-
Balance as at March 31, 2025	-	1739.84
Changes in equity share capital on account of composite scheme of arrangement	1,739.84	(1,739.84)
Balance as at March 31, 2026	1,739.84	-

\* Restated, refer note 51.

# Shares of Rs. 2,000 lakh cancelled during the year pursuant to composite scheme of arrangement

b) Other equity

Particulars	Reserves and surplus		Total
	Capital Reserve	Retained Earnings	
Balance as on April 1, 2024	234.89	18,209.29	18,444.18
Profit for the year	-	1,918.86	1,918.86
Other comprehensive income for the year (net of tax)	-	(29.10)	(29.10)
<b>Transaction with shareholders, recorded directly in equity</b>			
<b>Distribution to shareholders</b>			
Interim dividend on equity share *	-	(579.95)	(579.95)
Balance as on March 31, 2025#	234.89	19,519.10	19,753.99
Balance as on April 1, 2025	234.89	19,519.10	19,753.99
Loss for the year	-	(353.66)	(353.66)
Other comprehensive income for the year (net of tax)	-	(39.82)	(39.82)
<b>Transaction with shareholders, recorded directly in equity</b>			
<b>Distribution to shareholders</b>			
Interim dividend on equity share *	-	-	-
Balance as on March 31, 2026	234.89	19,125.62	19,360.51

\* Interim dividend paid to shareholders of DCM Shriram Industries Limited

Material Accounting Policies

2A

The notes referred to above form an integral part of the consolidated financial statements.

# Restated, refer note 51.

As per our report of even date attached

For Kirtane & Pandit LLP

Chartered Accountants  
Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner  
Membership No. 540579

Place: New Delhi

Date: May 19, 2026

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO  
DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer  
Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr Managing Director  
DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary  
Membership No. A21670



Particulars	Year ended March 31, 2026	Year ended March 31, 2025#
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(313.74)	2,591.63
Adjustments for:		
Interest expenses (including other borrowing cost)	145.49	205.56
Interest income	(118.39)	(103.77)
Net gain on fair value of investments	(169.90)	(143.34)
Exchange fluctuation (net)	5.05	-
Profit on sale of investments	-	(44.02)
Loss on sale of property, plant and equipment (net)	335.87	-
Depreciation and amortisation expenses	724.15	739.88
Depreciation on right-to-use assets	126.04	140.09
<b>Operating profit before working capital changes</b>	<b>734.57</b>	<b>3,386.03</b>
<b>Changes in working capital:</b>		
(Increase)/decrease in trade receivables	1,252.36	(1,038.03)
(Increase)/decrease in inventories	974.82	(641.35)
(Increase)/decrease in other financial assets	(109.43)	11.62
(Increase)/decrease in other assets	39.80	(64.74)
Increase/(decrease) in trade payables	(493.74)	980.96
Increase/(decrease) in other financial liabilities	(414.91)	(228.26)
Increase/(decrease) in other liabilities and provisions	74.26	(3.56)
<b>Cash from operating activities</b>	<b>2,057.73</b>	<b>2,402.67</b>
Income taxes paid (net)	(450.76)	(950.92)
<b>Net cash from operating activities (a)</b>	<b>1,606.97</b>	<b>1,451.75</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of current investments	-	1,050.00
Purchase of property, plant and equipment	(163.98)	(254.82)
Proceeds from sale of property, plant and equipment	2,094.39	24.49
Change in bank deposit	(82.87)	(83.50)
Interest income	118.39	109.41
Purchase of investment in mutual funds	(899.95)	(799.96)
<b>Net cash from investing activities (b)</b>	<b>1,065.98</b>	<b>45.62</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(128.33)	(154.65)
Repayment of long term borrowings	(813.75)	(542.50)
Proceeds/(Repayment) from short term borrowings (net)	527.50	(1.05)
Interest expenses (including other borrowing cost)	(171.59)	(205.56)
Dividend paid	-	(579.95)
<b>Net cash used in financing activities (c)</b>	<b>(586.17)</b>	<b>(1,483.71)</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>2,086.78</b>	<b>13.66</b>
Cash and cash equivalents at the beginning of the year	33.11	19.45
<b>Cash and cash equivalents at the end of the year</b>	<b>2,119.89</b>	<b>33.11</b>

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Component of cash and cash equivalents (refer note 11)</b>		
Balances with schedule banks:		
- Current Account	45.17	31.67
- Term deposit with original maturity less than three months	2,073.51	-
- Cash in hand	1.21	1.44
<b>Cash and cash equivalents at the close of the year</b>	<b>2,119.89</b>	<b>33.11</b>

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-Current Borrowing*	Current Borrowing #	Lease Liability	Total
<b>Opening Balance as at April 1, 2024</b>	<b>1,356.25</b>	<b>256.61</b>	<b>420.23</b>	<b>2,033.09</b>
Cash flows during the year	(649.71)	(70.39)	(154.66)	(874.76)
<b>Non-cash changes due to:</b>				
-Interest expense (net of subvention)	107.21	69.34	-	176.55
-Finance cost on lease liabilities	-	-	-	-
-Lease liability recognised	-	-	-	-
<b>Closing Balance as at March 31, 2025</b>	<b>813.75</b>	<b>255.56</b>	<b>265.57</b>	<b>1,334.88</b>
<b>Opening Balance as at April 1, 2025</b>	<b>813.75</b>	<b>255.56</b>	<b>265.57</b>	<b>1,334.88</b>
Cash flows during the year	(863.73)	458.09	(229.62)	(635.26)
<b>Non-cash changes due to:</b>				
-Interest expense (net of subvention)	49.98	69.41	-	119.39
-Finance cost on lease liabilities	-	-	26.10	26.10
-Lease liability recognised	-	-	427.52	427.52
<b>Closing Balance as at March 31, 2026</b>	<b>-</b>	<b>783.06</b>	<b>489.57</b>	<b>1,272.63</b>

\* Includes current maturities of long term borrowings (refer note 17 and 19).

# This does not include current maturities of long term borrowings

**Notes:**

Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

The accompanying notes are an integral part of the consolidated financial statements

# Restated, refer note 51.

As per our report of even date attached

**For Kirtane & Pandit LLP**

Chartered Accountants

Firm's registration no. : 105215W/W100057

Sd/-

**Chirag Garg**

Partner

Membership No. 540579

Place: New Delhi

Date: May 19, 2026

For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited

Sd/-

**Akshay Dhar**

Managing Director & CEO

DIN : 01078392

Sd/-

**Naresh Handa**

Chief Financial Officer

Membership No. 500725

Place: New Delhi

Date: May 19, 2026

Sd/-

**Urvashi Tilakdhar**

Sr Managing Director

DIN: 00294265

Sd/-

**Kokila Arora**

Company Secretary

Membership No. A21670

## 1. Corporate information

DCM Shriram Fine Chemicals Limited (the "Parent Company" or the "Holding Company"), a Public Limited listed Company having CIN U24296DL2021PLC387429 is incorporated in India and has its registered office at 6th Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001. The Holding Company and its subsidiary (together "the Group") are primarily engaged in production and sale of chemicals. The Equity shares of the Holding Company are traded on BSE Limited (Script code 544703) and National Stock Exchange of India Limited (Symbol - DSFCL).

## 2. Principles of consolidation and basis of preparation

### 2.1 Principles of consolidation

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.

### **Subsidiary:**

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial

statements from the date on which control commences until the date on which control ceases.

Non-controlling interest in the results and equity of the subsidiary are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the statement of profit or loss.

The details of the subsidiary included in the consolidation and the Parent Group's holding therein is as under:

S. No.	Name of the entity	Nature of relation	Ownership in % either directly or through subsidiary		Country of Incorporation
			As at March 31, 2026	As at March 31, 2025	
1	Daurala Foods and Beverages Private Limited (DFBL)	Wholly Owned Subsidiary	100 (direct)	100 (direct)	India

**Consolidation procedure for subsidiaries:**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with that of its subsidiary. 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.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment ('PPE'), are eliminated in full). Intra-group 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 intra-group 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 statement of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity,

income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## 2.2 Basis of preparation of Consolidated Financial Statements

### a. Statement of compliance

These Consolidated Financial Statements (“Consolidated Financial Statements”) of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act, as applicable. The accounting policies are applied consistently in the financial statements.

These Consolidated Financial Statements of the Group for the year ended March 31, 2026, are approved by the Holding Company’s Audit Committee and by the Board of Directors of the Holding Company on May 19, 2026.

### b. Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group’s functional currency. All amounts are in Rupees lakhs with two decimal points rounded-off to the nearest thousands, unless otherwise stated.

### c. Basis of measurement

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention, except for the following items:

Items	Measurement Basis
Derivative financial instruments	Fair value through profit and loss (FVTPL)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Investments in Mutual Funds	Fair value through profit and loss (FVTPL)

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated, using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### d. Critical accounting estimates and judgements

In preparing these Consolidated Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income

and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The management believes that the estimates used in preparation of these financial statements are prudent and reasonable. 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.

In particular, information about significant areas of estimation/uncertainty and judgements in applying accounting policies that have the most significant effects on the consolidated financial statements includes:

- Recognition and estimation of tax expense including deferred tax- Note 2A(h) and 34.
- Assessment of useful life of property, plant and equipment and intangible assets- Note 2A(c) and (d).
- Estimation of obligations relating to employee benefits: key actuarial assumptions - Note 2A(i)
- Valuation of inventories- Note 2A(e)
- Fair value measurement of financial instruments- Note 2A (r)
- Lease classification- Note 2A(o)
- Determination of Right-of-use (ROU) assets and liabilities; incremental borrowing rate and lease term- Note 2A(o)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2A(m)
- Impairment of financial assets- Note 2A(r)
- Impairment of non-financial assets- Note 2A(l)

## **2A. Material accounting policies**

### **a) Operating cycle**

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purposes of classification of its assets and liabilities as current and non-current.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle,
- It is held primarily for the purpose of being traded,

- It is expected to be realised within 12 months after the reporting date, or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle,
- It is held primarily for the purpose of being traded,
- It is due to be settled within 12 months after the reporting date, or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred Tax Assets and Liabilities are classified as non-current only.

#### **b) Business Combinations under common control**

The Group accounts for business combinations involving entities or businesses under common control in accordance with Ind AS 103, Business Combinations. Such combinations are those in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after transaction, and such control is not transitory.

These transactions are accounted for using the pooling of interest method. Under this method, the assets and liabilities of the acquired entities or business are recognized at their existing carrying amounts as appearing in the books of transferor. No adjustments are made to reflect fair values, nor any new assets or liabilities are recognised. Adjustments, if any, are made only to align accounting policies with those of the Group.

The Components of equity of the acquired entities or businesses are aggregated with the corresponding components of the Group's equity. Any difference between the consideration paid (Share capital issued) and the share capital of the transferor is recognized in capital reserve.

The share issued by the Group as consideration are recognized from the date acquired entities or businesses are included in the Group's Financial Statements. Further, the financial statements are restated retrospectively as if the business combination had occurred from the beginning of the earliest period presented.

**c) Property, plant and equipment (PPE)**

**(i) Recognition and measurement**

All items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation/amortization and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The cost of an item of property, plant and equipment shall be recognised as an assets if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress is stated at cost, net of impairment loss, if any.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition and location for their intended use, and the estimated cost of dismantling and removing the items and restoring the site on which they are located. Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been used for the asset.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further economic benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gains or losses arising on disposal of property, plant and equipment are recognized in the Statement of Profit and Loss. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by management are recognised in the Statement of profit and loss.

Once classified as held-for-sale, property, plant and equipment are no longer depreciated. Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, as appropriate.

**(ii) Transition to IND AS**

The cost of property, plant and equipment vested and merged into Group was determined by DCMSR (the Demerged Company) as of April 01, 2016, DCMSR's date of transition to Ind AS, with reference to its carrying value recognised in its books of accounts as per the previous GAAP (deemed cost).

**(iii) Subsequent expenditure**

Subsequent expenditure is recognized as an increase in the carrying amount of the assets when it is probable that future economic benefits deriving from the cost incurred, will flow to the Company and the cost of the item can be measured.

**(iv) Depreciation**

Depreciation is provided on a pro-rata basis using the straight-line method as per the useful lives prescribed in Schedule II to the Companies Act, 2013. Leasehold land (being in the nature of perpetual lease) and freehold land are not depreciated.

Depreciation methods, useful lives and residual values are reviewed in each financial year, and changes, if any, are accounted for prospectively.

The estimated useful lives are as mentioned below:

Type of asset	Useful lives (in years)
Leasehold improvements	Lease term
Buildings	5-60 years
Plant and equipment	10-40 years
Vehicles	8-10 years
Office equipment	5 years
Furniture and fixtures	10 years

**d) Intangible assets**

**(i) Recognition and initial measurement**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Group. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses

arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

**(iii) Amortisation**

Intangible assets, being computer software are amortised in the Statement of Profit and Loss over the estimated useful life of five years using the straight line method.

The amortisation method and the useful lives of intangible assets are reviewed annually and adjusted, as necessary.

**e) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is ascertained on a 'weighted average' basis.

Cost includes direct materials, labour, freight inwards, other direct cost, a proportion of manufacturing overheads based on normal operating capacity, net of refundable duties, levies and taxes, wherever applicable.

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

Assessment of net realisable value is made at each reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

The cost of production (including cost of conversion) of joint products is allocated on such joint products, based on a rational and consistent basis, i.e., relative realisable value at the separation point, when the products become separately identifiable.

By-products are valued at estimated net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work in progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

**f) Revenue from contract with customers**

**i. Sale of goods**

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. The Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue. At contract inception, the Group assesses the goods or services promised in a contract with a customer and identify, as a performance obligation, each promise to transfer to the customer.

Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold. The timing of the transfer of control of products to customers at the time of dispatch, during shipment or receipt of goods by the customers which vary based on individual terms of the sales agreements.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration such as volume discounts, cash discounts, etc., as specified in the contract with the customer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which 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 received or due, whichever is earlier. Contract liabilities are recognised as revenue when the Group performs under the contract.

**ii. Rendering of services**

Revenue from rendering of services are recognised over a period of time as and when underline services are performed as the customer simultaneously receives and consumes the benefit provided by the Group's performance. Payment for the service rendered is received as per the credit terms in the agreements with the customers. Where the credit period is short term, no financing component is considered. Job work is recognized upon full completion of the job work.

Use of significant judgements in revenue recognition:

- Judgement is required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group's performance obligation under revenue contracts, is satisfied at a point in time and judgement is exercised in determining the same.

**g) Interest and dividend income**

Interest income are reported on an accrual basis using the effective interest method, when the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding. Dividends income from investments is recognised when the shareholder's right to receive payment has been established.

**h) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income (OCI).

- Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax is recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting

purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiary, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## **i) Employee benefits**

### **(i) Short-term benefits**

All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **(ii) Defined contribution plans**

The defined contribution plans, i.e., provident fund (administered through Regional Provident Fund Office), superannuation fund and employee state insurance corporation are post-employment benefit plans under which a Group pays fixed contributions and will have no legal and constructive

obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(iii) Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

*Gratuity*

The Group provides for gratuity, a defined benefit plan (the Gratuity Plan), covering all eligible employees. In accordance with The Payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment. These are funded by the Group and are managed by Life Insurance Corporation of India (LIC).

The calculation of defined benefit obligation is performed by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit (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 profit or loss in subsequent periods.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains

and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs

Provident fund (other than those made to the Regional Provident Fund Office of the Government)

Provident Fund Contributions other than those made to the Regional Provident Fund Office of the Government which are made to the Trusts administered by the Group are accounted for on the basis of actuarial valuation. The interest rate payable to the members of the Trust is not considered to be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and, shortfall, if any, based on actuarial estimate by an approved actuary, is made good by the Group.

**(iv) Other long-term employee benefits**

Benefits under the Group's privilege leaves and medical leave are other long term employee benefits. The Group's net obligation in respect of privilege leave and medical leave are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The obligation is measured on the basis of an actuarial valuation using the projected unit credit method.

Re-measurements are recognised in Statement of Profit and Loss in the period in which they arise.

**j) Government Grants**

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

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate, and presented within other income (operating or non-operating, as appropriate) other than export benefits which are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

A government grant that becomes receivable as compensation for expenses or losses incurred in a previous period, is recognised in profit or loss of the period in which it becomes receivable.

**k) Foreign currency transactions and translation**

The management has determined the currency of the primary economic environment in which the Group operates, i.e., functional currency, to be Indian Rupees (INR). The financial statements are presented in INR which is Group's functional and presentational currency.

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/ losses arising on account of realisation/ settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the Statement of Profit and Loss.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The derivative financial instruments such as forward exchange contracts to hedge its risk associated with foreign currency fluctuations are stated at fair value. Any gains or losses arising from changes in fair value are taken directly to Statement of Profit and Loss.

**l) Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets (other than inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is

determined in relation to the CGUs to which a corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **m) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting periods. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, appropriately, 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.

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on assets associated.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**n) Borrowing cost**

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

**o) Leases**

Group as a lessee

The Group recognizes a Right of Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term) and low-value assets in accordance with Ind AS 116, 'Leases'. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and the Group has the right to direct the use of the asset.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, etc. Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated

for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. For lease liabilities at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined. If that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The Group uses a single discount rate to a portfolio of leases with similar characteristics.

#### Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.

#### **p) Earnings per share (EPS)**

Basic earnings / (loss) per share are calculated by dividing the net profit or loss for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding at the end of the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus / rights issue, if any, 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 year 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.

#### **q) Operating Segments**

In accordance with Ind AS 108- "Operating Segments", the operating segments used to present segment information are identified on the basis of internal reports used by the Holding Company's Management to allocate resources to the segments and assess their performance.

The Holding Company has determined that the Chief Operating Decision Maker (CODM) is the Board of Directors (BoD), based on its internal reporting structure and functions of the BoD. All operating segment's operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Holding Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**r) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. It regularly reviews significant inputs and valuation adjustments.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes.

**Initial recognition and measurement**

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures financial asset at its fair value, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2A (f) Revenue recognition.

Purchases or sales of financial assets that require delivery of assets within

a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets of the Group are classified in three categories:

- a) At amortised cost
- b) At fair value through profit and loss (FVTPL)
- c) At fair value through other comprehensive income (FVTOCI)

Financial Asset is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

All those financial assets that are not classified as measured at amortised cost or FVTOCI, are measured at FVTPL. This includes all derivative financial assets and current investments in mutual funds. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Equity investments**

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are measured at fair value through profit and loss.

For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in other comprehensive income. This cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of such instruments.

Investments representing equity interest in associate are carried at cost less any provision for impairment.

### **Impairment of financial assets**

The Group recognizes loss allowances for expected credit losses on:

- Financial assets measured at amortized cost; and
- Financial assets measured at FVTOCI – debt instruments.

Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is recognised as an impairment gain or loss in the Statement of Profit and Loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 180 days past due;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

With regard to trade receivable, the Group has applied the simplified approach for initial recognition of expected lifetime losses.

### **Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the Statement of Profit and Loss. Other financial liabilities are subsequently measured at

amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

### **Derecognition**

#### *(i) Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *(ii) Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the Statement of Profit and Loss.

### **s) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

### **t) Research and development**

Expenditure on research activities is recognized in the Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of cost of the resulting

intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

**u) Dividend**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**v) Goods and services tax input credit**

Goods and services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing / utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii. When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

**w) Non-current assets held for sale**

Non-current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets or disposal groups held for sale are measured at the lower of carrying amount and fair value, less cost to sell.

A gain or loss of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

**2B. Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has notified below new standards or amendments that are applicable or may have a material impact to the Company.

- Amendment to Ind AS 21-Lack of exchangeability: The Amendments introduces requirement to assess when a currency is exchangeable into another currency and when it is not. The amendment requires an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. These amendments had no effect on the financial statements of the Company.
- Amendment to Ind AS 12 - Pillar-Two Tax Reforms: The Organization for Economic Co-operation and Development (OECD) has released model rules for a global minimum tax under the Pillar Two framework (Pillar Two model rules). The Company's ultimate parent entity (UPE) has consolidated revenues exceeding the threshold prescribed under the OECD framework, and accordingly the Company falls within the scope of Pillar Two. The Pillar Two legislation are not enacted by the Government of India, where the parent entity is incorporated. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions in which the Company operates. Based on the current assessment using the most recent country-by-country reporting and the financial statements of the constituent entities, the Company does not expect a material financial impact from the application of Pillar Two rules. In accordance with the amendments to Ind AS-12, the Company has applied the temporary mandatory relief from accounting for deferred tax that arises from implementing Pillar Two legislation. These amendments had no effect on the financial statements of the Company.
- Amendment to Ind AS 1 - Classification of liabilities as current or non-current and non-current liabilities with covenants: The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:
  - An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
  - If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
  - In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument. These amendments have no effect on the measurement of any items in the consolidated financial statements of the Company. The Company did not make retrospective adjustments because of adopting the amendments to Ind AS 1.

These amendments had no effect on the financial statements of the Company.

### 3. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Leasehold land	Leasehold improvement	Buildings	Plant and equipment	Vehicles	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
<b>Gross carrying amount</b>										
Balance as at April 1, 2024	131.83	2,290.50	260.89	1,362.35	11,642.43	314.84	259.87	74.23	16,336.94	118.10
Add: Additions during the year	-	-	-	29.73	256.14	20.76	15.88	3.52	326.03	16.45
Less: Disposals/Adjustments/Capitalised during the year	-	-	-	-	(32.88)	(17.25)	(8.99)	(1.45)	(60.57)	(132.10)
<b>Balance as at March 31, 2025</b>	131.83	2,290.50	260.89	1,392.08	11,865.69	318.35	266.76	76.30	16,602.40	2.45
Add: Additions during the year	-	-	-	3.43	43.51	57.43	22.72	4.30	131.39	95.06
Add/(Less): Disposals/Adjustments/Capitalised during the year	-	(2,290.50)	(143.19)	16.17	(1.29)	(43.14)	(3.05)	(1.34)	(2,466.34)	(34.38)
<b>Balance as at March 31, 2026</b>	131.83	-	117.70	1,411.68	11,907.91	332.64	286.43	79.26	14,267.45	23.13
<b>Accumulated depreciation</b>										
Balance as at April 1, 2024	-	-	86.76	416.75	2,324.73	79.82	199.08	42.39	3,149.53	-
Add: Depreciation expense during the year	-	-	25.45	37.08	576.94	39.59	27.07	7.20	713.33	-
Less: Disposals / adjustments during the year	-	-	-	-	(13.67)	(14.55)	(6.98)	(0.88)	(36.08)	-
<b>Balance as at March 31, 2025</b>	-	-	112.21	453.83	2,888.00	104.86	219.17	48.71	3,826.78	-
Add: Depreciation expense during the year	-	-	12.26	43.51	576.49	44.25	21.48	7.09	705.06	-
Less: Disposals / adjustments during the year	-	-	(12.18)	-	(1.23)	(20.71)	(2.25)	(1.05)	(37.42)	-
<b>Balance as at March 31, 2026</b>	-	-	112.29	497.34	3,463.26	128.38	238.40	54.75	4,494.42	-
<b>Net carrying value</b>										
As at March 31, 2026	131.83	-	5.41	914.34	8,444.65	204.26	48.03	24.51	9,773.03	23.13
As at March 31, 2025	131.83	2,290.50	148.68	938.25	8,977.69	213.49	47.59	27.59	12,775.62	2.45

**Ageing of Capital Work in Progress is as under:**

Capital Work in Progress	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2026</b>					
Projects in progress	23.13	-	-	-	23.13
<b>Total</b>	<b>23.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23.13</b>
<b>As at March 31, 2025</b>					
Projects in progress	2.45	-	-	-	2.45
<b>Total</b>	<b>2.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.45</b>

**Notes:**

- 1) For contractual commitments with respect to Capital work-in-progress, (refer note 36 (B)).
- 2) No borrowing costs has been capitalised during the year against qualifying assets.
- 3) Leasehold lands are in the nature of perpetual lease.
- 4) There is no capital work in progress project whose completion is overdue or has exceeded its cost compared to its plan.
- 5) 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 company), are yet to be endorsed in the name of the company (refer note 47 for details).
- 6) There is no revaluation of Property, plant and equipment during the year.
- 7) The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.
- 8) Property, plant and equipment have been pledged as security against certain bank borrowings, details relating (refer note 50(iii)).

**4. Intangible assets**

Particulars	Software	Total
<b>Gross carrying amount</b>		
<b>Balance as at April 1, 2024</b>	<b>180.48</b>	<b>180.48</b>
Add: Additions during the year	-	-
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>180.48</b>	<b>180.48</b>
Add: Additions during the year	31.11	31.11
Less: Disposals / adjustments during the year	(96.60)	(96.60)
<b>Balance as at March 31, 2026</b>	<b>114.99</b>	<b>114.99</b>

**Accumulated amortisation**

<b>Balance as at April 1, 2024</b>	<b>114.84</b>	<b>114.84</b>
Add: Amortisation expense during the year	26.55	26.55
Less: Disposals / adjustments during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>141.39</b>	<b>141.39</b>
Add: Amortisation expense during the year	19.09	19.09
Less: Disposals / adjustments during the year	(76.08)	(76.08)
<b>Balance as at March 31, 2026</b>	<b>84.40</b>	<b>84.40</b>

**Net carrying value**

<b>As at March 31, 2026</b>	<b>30.59</b>	<b>30.59</b>
<b>As at March 31, 2025</b>	<b>39.09</b>	<b>39.09</b>

**5 : Other financial assets**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
Security deposits (Unsecured, considered good)		
-Others	3.43	4.05
<b>Total other financial assets</b>	<b>3.43</b>	<b>4.05</b>

**6 : Income tax assets (net)**

Particulars	As at March 31, 2026	As at March 31, 2025
Advance income tax (net of provision)	556.29	200.61
<b>Total income tax assets (net)</b>	<b>556.29</b>	<b>200.61</b>

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 7: Other non-current assets

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(Unsecured, considered good unless otherwise stated)</b>		
Capital advances	43.00	6.55
Balance with government authorities	-	236.54
Advance to employees	3.68	10.07
Prepaid expenses	38.92	6.03
<b>Total other non-current assets</b>	<b>85.60</b>	<b>259.19</b>

### 8. Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
<b>(The inventory is valued at lower of cost or net realizable value)</b>		
Raw materials (including goods in transit)	2,148.66	2,253.13
Work-in-progress	133.27	127.35
Finished goods (including goods in transit)	357.96	1,070.05
Stores and spares	1,425.36	1,589.54
<b>Total Inventories</b>	<b>4,065.25</b>	<b>5,040.07</b>
<b>Goods-in-transit, included above:</b>		
(i) Raw materials	-	119.83
(ii) Finished goods	37.43	32.04

#### Note:

Inventories have been pledged as security against certain bank borrowings, details relating (refer note 50(iii)).

### 9. Investments

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
Investment in mutual funds measured at fair value through profit and loss		
Unquoted investment		
28,779.12 (March 31, 2025 : 23,977.48) SBI Liquid Fund - Growth Direct Plan Units of Rs. 1000 each	1,239.26	972.52
5,13,846.26 (March 31, 2025 : 3,36,488.29) ICICI Prudential Liquid Fund - Growth Direct Plan Units of Rs. 100 each	2,094.87	1,291.76
<b>Total current investments</b>	<b>3,334.13</b>	<b>2,264.28</b>
<b>Note:</b>		
Aggregate amount of unquoted investments	3,334.13	2,264.28

### 10: Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Trade receivables: (carried at amortized cost)</b>		
Unsecured, considered good	7,031.82	8,270.40
Unsecured, considered credit impaired	7.33	10.10
	7,039.15	8,280.50
Less : Loss allowance for trade receivables	7.33	10.10
<b>Total trade receivables</b>	<b>7,031.82</b>	<b>8,270.40</b>

#### Ageing of trade receivable as at March 31, 2026 is as under:

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	6,075.64	955.71	0.06	0.41	-	-	7,031.82
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	7.33	7.33
<b>Total</b>	<b>6,075.64</b>	<b>955.71</b>	<b>0.06</b>	<b>0.41</b>	<b>-</b>	<b>7.33</b>	<b>7,039.15</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

#### Ageing of trade receivable as at March 31, 2025 is as under:

Particulars	Not due	Outstanding for following periods from due date of payment*					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
- Undisputed Trade Receivables- considered good	7,815.04	455.11	0.25	-	-	-	8,270.40
- Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
- Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
- Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-	-
- Disputed Trade Receivables- credit impaired	-	-	-	-	-	10.10	10.10
<b>Total</b>	<b>7,815.04</b>	<b>455.11</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>10.10</b>	<b>8,280.50</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

Note:

a) The Group's exposure to credit and currency risks are disclosed (refer note 40(b)).

b) Trade receivable have been pledged as security against certain bank borrowings, details relating (refer note 50 (iii)).

c) There are no outstanding receivables due from directors or other officers of the Group.

#### 11: Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with bank:		
- On current account	45.17	31.67
- Term deposit with original maturity less than three months	2,073.51	-
Cash on hand	1.21	1.44
<b>Total cash and cash equivalents</b>	<b>2,119.89</b>	<b>33.11</b>

#### 12: Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Deposits with original maturity of more than three months but upto twelve months		
- in deposit accounts	1,548.19	1,465.32
<b>Total Other bank balances</b>	<b>1,548.19</b>	<b>1,465.32</b>

#### 13: Other financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
(Unsecured, considered good unless otherwise stated)		
Other receivable from related parties (refer note 39)	109.39	-
Security deposits		
-Others	8.06	7.40
<b>Total other financial assets</b>	<b>117.45</b>	<b>7.40</b>

#### 14: Other current assets

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers	34.49	79.00
Advance to employees	8.64	15.11
Balance with government authorities	207.58	47.94
Prepaid expenses	110.38	89.25
Others	13.25	9.25
<b>Total other current assets</b>	<b>374.34</b>	<b>240.55</b>

#### 15: Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
<b>a) Authorised</b>		
20,26,25,000 equity shares of Rs. 2 each (March 31, 2025 : 20,26,25,000 of Rs. 2 each)	<b>4,052.50</b>	<b>4,052.50</b>
<b>b) Issued, subscribed and fully paid-up</b>		
8,69,92,185 equity of Rs. 2 each fully paid up (March 31, 2025 : 8,69,92,185 of Rs. 2 each)	1,739.84	-
<b>Total</b>	<b>1,739.84</b>	<b>-</b>
<b>Share pending for issuance</b>		
Nil equity of Rs. 2 each fully paid up (March 31, 2025 : 8,69,92,185 of Rs. 2 each)	-	1,739.84
	-	<b>1,739.84</b>
<b>Shares to be cancelled</b>		
Nil equity of Rs. 2 each fully paid up (March 31, 2025 : 10,00,00,000 of Rs. 2 each)	-	2,000.00
	-	<b>2,000.00</b>

#### c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs in Lakh)	No. of shares*	(Rs in Lakh)
<b>Equity shares^</b>				
At the commencement of the year	-	-	-	-
Add/(Less): Change during the year	8,69,92,185	1,739.84	-	-
<b>At the end of the year</b>	<b>8,69,92,185</b>	<b>1,739.84</b>	<b>-</b>	<b>-</b>

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs in Lakh)	No. of shares*	(Rs in Lakh)
<b>Share pending for issuance<sup>^</sup></b>				
At the commencement of the year	8,69,92,185	1,739.84	8,69,92,185	1,739.84
Add/(Less): Transfer to equity share capital	(8,69,92,185)	(1,739.84)	-	-
<b>At the end of the year</b>	-	-	<b>8,69,92,185</b>	<b>1,739.84</b>

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	(Rs in Lakh)	No. of shares*	(Rs in Lakh)
<b>Share pending for issuance<sup>^</sup></b>				
At the commencement of the year	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Add/(Less): cancelled during the year	(10,00,00,000)	(2,000.00)	-	-
<b>At the end of the year</b>	-	-	<b>10,00,00,000</b>	<b>2,000.00</b>

<sup>^</sup>Refer note 51.

\* in absolute numbers

### d) Terms, rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the equity shares held by the shareholders.

The Holding Company declares and pays dividends in Indian Rupees. The Board of Director of the Holding Company has recommended in its meeting held on May 19, 2026, subject to shareholders' approval at the ensuing Annual General Meeting, distribution of final dividend of Rs 0.40 per equity share of the face value of Rs. 2 each for the financial year ended 2025. Total expected amount of cash outflow is Rs. 348 lakhs.

### e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of shares*	Holding %	No. of shares*	Holding %
Alok Bansidhar Shriram- Karta Lala Bansidhar & Sons (HUF)	1,20,28,267	13.83%	-	-
Mr. Alok B Shriram	89,42,540	10.28%	-	-
Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	-	-
Mrs. Urvashi Tilakdhar	58,89,611	6.77%	-	-
DCM Shriram Industries Limited	-	-	9,99,99,994	100.00%

### f) Details of shareholding of Promoters in the Holding Company is as under:#

S. No.	Promoter Name	As at March 31, 2026			As at March 31, 2025		
		Number of shares*	% of total shares	% Change during the year	Number of shares*	% of total shares	% Change during the year
1	Alok Bansidhar Shriram- Karta Lala Bansidhar & Sons (HUF)	1,20,28,267	13.83%	100%	-	-	-
2	Mr. Alok B Shriram	89,42,540	10.28%	100%	1	0.00%	-
3	Mrs. Suman Bansidhar	17,57,160	2.02%	100%	-	-	-
4	Mrs. Urvashi Tilakdhar	58,89,611	6.77%	100%	-	-	-
5	Mr. Akshay Dhar	15,26,766	1.76%	100%	-	-	-
6	Ms. Aditi Dhar	15,26,765	1.76%	100%	-	-	-
7	Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	100%	1	0.00%	-
8	Mrs. Divya Shriram	435	0.00	100%	-	-	-
9	Mr. Rohan Shriram	-	-	(100%)	1	0.00%	-
10	Akshay Foundation	29,76,389	3.42%	100%	-	-	-
11	Mr. Sushil Kumar Jain	318	0.00%	100%	-	-	-
12	Mr. Vineet Mankata	-	-	(100%)	1	0.00%	-
13	Mr. Yagya Datt Gupta	-	-	(100%)	1	0.00%	-
14	Mr. Ashish Jha	-	-	(100%)	1	0.00%	-
15	DCM Shriram Industries Limited	-	-	(100%)	9,99,99,994	100.00%	-

# Refer note 51.

\*In absolute numbers

### g) Issue of shares for other than cash:

There were no buy back of shares, issue of shares by way of bonus shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

## 16: Other equity

Capital Reserve	A	Amount
Balance as at the April 1, 2024		234.89
Add: Movement during the year		-
<b>Balance as at the March 31, 2025</b>		<b>234.89</b>
Add: Movement during the year		-
<b>Balance as at the March 31, 2026</b>		<b>234.89</b>

Retained earnings	B	Amount
Balance as at the April 1, 2024		18,209.29
Add: Profit for the year		1,918.86
Add: Other comprehensive income, (net of tax)		(29.10)
Less: Interim dividend on equity shares paid to shareholders of DCMSR*		(579.95)
<b>Balance as at the March 31, 2025</b>		<b>19,519.10</b>

Add: Loss for the year	(353.66)
Add: Other comprehensive income, (net of tax)	(39.82)
<b>Balance as at the March 31, 2026</b>	<b>19,125.62</b>

\*DCMSR refer here as DCM Shriram Industries Limited.

Total other equity	(A+B)	Amount
Balance as at the March 31, 2025		19,753.99
Balance as at the March 31, 2026		19,360.51

#### Nature and purpose of reserves

##### Retained Earnings :

Profit/(loss) in the statement of profit and loss are the profits that the Group has earned till date, less any payment of dividends or other distributions to shareholders. Profit/(loss) in the statement of profit and loss is a free reserve available to the Group which can be utilized in accordance with the provisions of the Companies Act, 2013.

##### Other Comprehensive Income :

It includes re-measurement loss / (gain) on defined benefit obligations, net of taxes that will not be reclassified to Statement of Profit and Loss.

#### 17: Borrowings (at amortised cost)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
<b>Secured loans</b>		
Term loans		
-From Banks	-	813.75
<b>Total</b>	-	<b>813.75</b>
Less: current maturities of non-current borrowings	-	542.50
<b>Total non-current borrowings</b>	-	<b>271.25</b>

#### Notes:

##### Secured Loans

###### a) From Banks

Rs. Nil (March 31, 2025: Rs. 813.75 Lakhs) carrying interest linked to lender's 1 year MCLR and spread thereon, repayable in 6 quarterly instalments. is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges.

b) The quarterly returns/statements filed by the company with the banks are in agreement with the books of account of the company.

#### 18: Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>		
Provision for employee benefits (refer note 38)		
- Compensated absences	291.82	414.55
<b>Total non current provisions</b>	<b>291.82</b>	<b>414.55</b>

#### 19: Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
<b>Secured loans</b>		
From banks - loans repayable on demand*	783.06	255.56
Current maturities of long term borrowings (refer note 17)	-	542.50
<b>Total current borrowings</b>	<b>783.06</b>	<b>798.06</b>

#### Note

\* Secured by first pari-passu charge against the company current and non-current assets (except company's property, plant and equipments), both present and future. Some of these are further secured by way of second pari-passu charge on the company's property, plant and equipment. These carry interest rate ranging from 6.50% to 9.50% p.a.(refer note 50 (iii))

#### 20: Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (MSME)*	908.29	627.69
Total outstanding dues other than micro enterprises and small enterprises #	4,037.67	4,793.16
<b>Total trade payables</b>	<b>4,945.96</b>	<b>5,420.85</b>

\* Refer note 45 for Micro and Small Enterprises details.

#### Ageing of trade payable as on March 31, 2026 is as under :

Particulars	Not due^	Outstanding for following periods from due date of payment**				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
- MSME	895.57	11.93	0.79	-	-	908.29
- Others	2,081.93	1,955.54	0.03	-	0.17	4,037.67
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>2,977.50</b>	<b>1,967.47</b>	<b>0.82</b>	<b>-</b>	<b>0.17</b>	<b>4,945.96</b>

\*\*In case no due date of payment is specified, disclosure is from the date of the transaction.

#### Ageing of trade payable as on March 31, 2025 is as under :

Particulars	Not due^	Outstanding for following periods from due date of payment**				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
- MSME	627.69	-	-	-	-	627.69
- Others	3,699.85	1,085.77	-	-	7.54	4,793.16
- Disputed dues - MSME	-	-	-	-	-	-
- Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,327.54</b>	<b>1,085.77</b>	<b>-</b>	<b>-</b>	<b>7.54</b>	<b>5,420.85</b>

**Notes to the Consolidated Financial Statements (continued)**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

\*\* In case no due date of payment specified, disclosure is from the date of the transaction.

\* Includes unbilled dues.

**Notes:**

# Includes payable to related parties Rs. 325.08 ( March 31, 2025, 273.25) (refer note 39 for details).

a) The Company's exposure to currency and liquidity risks related to trade payables (refer note 40 (b)).

b) There are no outstanding payables due to directors or other officers of the company (refer note 39) for details.

c) Trade payables are non interest bearing payables generally settled within operating cycle.

**21: Other financial liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
Creditors for capital goods	6.96	29.81
Security deposits	9.98	16.14
Employee related payable	217.33	229.26
Other payable*	1.10	375.07
<b>Total other financial liabilities</b>	<b>235.37</b>	<b>650.28</b>

\* This balance includes transactions with related parties amounting to Nil as at March 31, 2026 (March 31, 2025: 374 lakhs) (Refer Note 39).

**22: Other current liabilities**

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	337.07	137.83
Advances from customers	25.99	83.19
Other payables	53.93	0.45
<b>Total other current liabilities</b>	<b>416.99</b>	<b>221.47</b>

**23: Provisions**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Current</b>		
<b>Provision for employee benefits (refer note 38)</b>		
Gratuity	120.92	84.17
Compensated absences	116.01	100.45
<b>Total provisions</b>	<b>236.93</b>	<b>184.62</b>

**24: Current tax liabilities (net)**

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net of advance tax)	-	69.03
<b>Total current tax liabilities (net)</b>	<b>-</b>	<b>69.03</b>

**25: Revenue from operations**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Sale of products</b>		
Export	2,501.37	4,371.59
Domestic	33,591.34	36,236.45
<b>Sale of services</b>		
Processing charges	2,171.26	2,086.68
<b>Other operating revenue</b>		
Sale of scrap	283.68	224.53
Duty draw back, export benefits and other government assistance*	7.42	17.94
<b>Total revenue from operations</b>	<b>38,555.07</b>	<b>42,937.19</b>

\* refer note 46 for more information.

**Notes to revenue from contracts with customers:**

a) Ind AS 115 "Revenue from Contracts with Customers" applies, with limited exceptions, to all revenue arising from contracts with its customers.

**b) Revenue by location of customers**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
India	36,053.70	38,565.60
Outside India	2,501.37	4,371.59
<b>Total revenue from contract with customers</b>	<b>38,555.07</b>	<b>42,937.19</b>

**Contract balances**

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Contract Assets</b>		
Trade receivables (refer note 10)	7,031.82	8,270.40
<b>Contract liabilities</b>		
Advances from customers (refer note 22)	25.99	83.19

**Reconciliation of revenue recognised with the contracted price is as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Contracted price	38,632.83	43,056.14
Less: Discounts	368.86	361.42
<b>Total</b>	<b>38,263.97</b>	<b>42,694.72</b>

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer. Amounts disclosed as revenue are net of returns and allowances, trade discounts and rebates. Invoices are generated at that point in time. Invoices are usually payable upto 90 days.

**26: Other Income**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest income from financial assets measured at amortised cost:		
From deposits with bank	118.39	103.77
Unwinding of discount on security deposits	-	0.11
Profit on sale of current investments	-	44.02
Net change in fair value of financial assets measured at fair value through profit or loss	169.90	143.34
Gain on foreign exchange fluctuation (net)	15.12	86.24
Miscellaneous income	14.40	11.39
<b>Total other income</b>	<b>317.81</b>	<b>388.87</b>

**27: Cost of material consumed**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Raw material inventory at the beginning of the year	2,253.13	1,924.90
Add: Purchases	22,290.76	25,468.30
	<b>24,543.89</b>	<b>27,393.20</b>
Less: Raw material inventory at the end of the year	2,148.66	2,253.13
<b>Total cost of material consumed</b>	<b>22,395.23</b>	<b>25,140.07</b>

**28: Changes in inventories of finished goods and work-in-progress**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Opening stock</b>		
Finished goods	1,070.05	643.96
Work-in-progress	127.35	188.16
<b>Sub total</b>	<b>1,197.40</b>	<b>832.12</b>
<b>Closing stock</b>		
Finished goods	357.96	1,070.05
Work-in-progress	133.27	127.35
<b>Sub total</b>	<b>491.23</b>	<b>1,197.40</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>706.17</b>	<b>(365.28)</b>

**Notes to the Consolidated Financial Statements (continued)**

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

**29: Employee benefits expense**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, wages and bonus*	4,437.14	4,867.78
Contribution to provident and other funds (refer note 38)	426.77	509.56
Staff welfare expenses	146.84	105.46
<b>Total employee benefits expense</b>	<b>5,010.75</b>	<b>5,482.80</b>

\* (refer note 39 related parties disclosure for details of directors remuneration)

**30: Finance costs**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest expense #	106.75	176.47
Other borrowing costs*	38.74	29.09
<b>Total finance costs</b>	<b>145.49</b>	<b>205.56</b>

# includes Rs. 26.10 lakhs for the year March 31, 2026 (March 31, 2025: Rs 31.73 lakhs) as interest on lease liabilities.

\* Other borrowing cost mainly includes bank charges.

**31: Depreciation and amortisation expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on property, plant and equipment (refer note 3)	705.06	713.33
Amortisation on intangible assets (refer note 4)	19.09	26.55
Amortisation on right-of-use assets (refer note 35)	126.04	140.09
<b>Total depreciation and amortisation expenses</b>	<b>850.19</b>	<b>879.97</b>

**32: Other expenses**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spares	2,255.11	2,461.26
Power and fuel	3,605.62	3,108.55
Repair and maintenance		
- Buildings	63.75	107.18
- Plant and machinery	1,941.66	1,959.57
Legal and professional charges	156.28	101.86
Directors sitting fees	10.00	-
Rent (Refer note 35)	28.30	28.22
Payment to auditors		
- Statutory audit fee	16.59	22.30
- Limited review of unaudited financial results	30.97	12.50
- Certification of statements	0.25	0.33
- Out-of-pocket expenses	0.57	2.21
- Tax Audit	1.55	-
Insurance charges	120.09	102.37
Security expenses	151.65	124.56
Rates and taxes*	284.30	24.91
Travelling and conveyance expenses	51.54	63.37
Freight outwards	356.90	537.88
Commission to selling agents	72.38	64.28
Loss on sale of property, plant and equipment (net)	335.87	18.91
Donation	50.00	0.32
Corporate social responsibility (refer note 33)	36.63	105.69
Miscellaneous expenses	508.78	545.04
<b>Total other expenses</b>	<b>10,078.79</b>	<b>9,391.31</b>

\* This primarily includes the write-off of GST input tax credit amounting to ₹229.02 lakhs on land during the year ended March 31, 2026 (March 31, 2025: Nil) (refer note 54 for more details)

### 33. Information related to Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Holding Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are specified in Schedule VII of the Companies Act, 2013. The Details of current and brought forward CSR obligations are detailed as below:

#### Detail of CSR expenditure

Particulars	As at March 31, 2026
a) Gross amount required to be spent and approved by the Board	36.52
b) Total amount required to be spent during the year	36.52
c) Amount spent during the year	-
i) Construction/ acquisition of any assets	-
ii) On purpose other than (i) above	36.63
d) Nature of CSR activities	
Particulars	Year ended March 31, 2026
(i) Promoting health care including preventive health and sanitation	6.00
(ii) Promoting education, including special education and employment	16.16
(iii) Empowering women and support to senior citizen	1.00
(iv) Environment sustainability and conservation of natural resources and maintaining quality of soil, air and water	11.80
(v) Amount spent in administrative overhead	1.67
<b>Total</b>	<b>36.63</b>

#### Note:

The corresponding previous year's expense was incurred and settled by the Demerged Company prior to the effectiveness of the demerger.

### 34. Income tax expense

The Holding and subsidiary Companies are subject to income tax in India on the basis of financial statements. Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

#### Tax expenses

#### A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Current tax expense (including income tax adjustment for earlier years)	23.50	592.18
Deferred tax charge	16.42	80.59
<b>Income tax expense reported in the statement of profit and loss</b>	<b>39.92</b>	<b>672.77</b>

#### B. Amounts recognised in other comprehensive Income

The major components of income tax expense for the year ended March 31, 2026 and March 31, 2025 are:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	13.39	9.79
<b>Income tax charges to other comprehensive income/(expense)</b>	<b>13.39</b>	<b>9.79</b>

#### C. Reconciliation of effective tax rate

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2026 and March 31, 2025:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Profit before tax</b>	<b>(313.74)</b>	<b>2,591.63</b>
-Holding company	(413.79)	2,487.88
-Subsidiary company	100.06	103.75
Tax using the Company's domestic tax rate	25.17%	25.17%
Tax effect of:		
Computed tax expense	(78.96)	652.26
Non-deductible expenses	130.80	19.10
Others	(11.92)	1.41
<b>Income tax expense reported in the statement of profit and loss</b>	<b>39.92</b>	<b>672.77</b>

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### D. Deferred tax assets/ liabilities

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Accrued expense deductible on payment	149.97	175.99	-	-	149.97	175.99
Provision for gratuity, compensated absences and other employee benefits	22.08	21.19	-	-	22.08	21.19
Loss allowance for trade receivables	1.85	2.53	-	-	1.85	2.53
Loss allowance for other assets	-	-	-	-	-	-
Difference in book written down value and tax written down value of property, plant and equipment/ intangible assets	-	-	1,234.68	1,245.86	(1,234.68)	(1,245.86)
Others	63.18	53.63	42.76	44.82	20.42	8.81
<b>Net Deferred tax liabilities</b>	<b>237.08</b>	<b>253.34</b>	<b>1,277.44</b>	<b>1,290.68</b>	<b>(1,040.36)</b>	<b>(1,037.34)</b>

### E. Movement of temporary differences Year ended March 31, 2026

Particulars	Opening Balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	175.99	(26.02)	-	149.97
Provision for gratuity, compensated absences and other employee benefits	21.19	(12.50)	13.39	22.08
Loss allowance for trade receivables	2.53	(0.68)	-	1.85
Others	53.63	9.54	-	63.17
<b>A</b>	<b>253.34</b>	<b>(29.66)</b>	<b>13.39</b>	<b>237.07</b>
<b>Deferred Tax Liabilities</b>				
Difference in written down value as per books and as per tax laws of property, plant and equipment/ intangible assets	1,245.86	(11.19)	-	1,234.67
Others	44.82	(2.06)	-	42.76
<b>B</b>	<b>1,290.68</b>	<b>(13.25)</b>	<b>-</b>	<b>1,277.43</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(1,037.34)</b>	<b>13.39</b>	<b>(1,040.36)</b>

### Movement of temporary differences Year ended March 31, 2025

Particulars	Opening Balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing Balance
<b>Deferred Tax Assets</b>				
Accrued expense deductible on payment	169.45	6.54	-	175.99
Provision for gratuity, compensated absences and other employee benefits	33.92	(22.52)	9.79	21.19
Loss allowance for trade receivables	2.53	-	-	2.53
Others	40.76	12.87	-	53.63
<b>A</b>	<b>246.66</b>	<b>(3.11)</b>	<b>9.79</b>	<b>253.34</b>
<b>Deferred Tax Liabilities</b>				
Difference in written down value as per books and as per tax laws of property, plant and equipment/ intangible assets	1,195.84	50.02	-	1,245.86
Others	17.36	27.46	-	44.82
<b>B</b>	<b>1,213.20</b>	<b>77.48</b>	<b>-</b>	<b>1,290.68</b>
<b>Net deferred tax</b>	<b>(A)-(B)</b>	<b>(80.59)</b>	<b>9.79</b>	<b>(1,037.34)</b>

### 35. Leases

The details of the right-of-use asset held by the Holding Company is as follows:

Particulars	Opening as on April 1, 2025	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2026
Building	224.71	427.52	48.89	126.04	477.30
<b>Total</b>	<b>224.71</b>	<b>427.52</b>	<b>48.89</b>	<b>126.04</b>	<b>477.30</b>
Particulars	Opening as on April 1, 2024	Additions during the year	Deletions during the year	Depreciation during the year	Net Carrying amount as at March 31, 2025
Building	364.80	-	-	140.09	224.71
<b>Total</b>	<b>364.80</b>	<b>-</b>	<b>-</b>	<b>140.09</b>	<b>224.71</b>

The Group incurred Rs. 28.30 lakhs (March 31, 2025 Rs. 28.22 lakhs) toward expenses relating to leases of low value assets.

The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

**The reconciliation of lease liabilities is as follows:**

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	265.57	420.23
Additions	427.52	-
Deletions	(59.78)	-
Amount recognised in statement of profit and loss as interest expense	26.10	31.73
Payment of lease liability	(169.81)	(186.39)
<b>Closing balance</b>	<b>489.60</b>	<b>265.57</b>

**The following table presents a breakup of lease liabilities:**

Particulars	As at March 31, 2026	As at March 31, 2025
Current liability	108.59	130.18
Non-current liability	381.01	135.39
<b>Closing balance</b>	<b>489.60</b>	<b>265.57</b>

**The following are the contractual maturities of lease liabilities on an undiscounted basis:**

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one years	148.25	146.49
One to five years	459.15	151.48
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>607.40</b>	<b>297.97</b>
Impact of discounting	117.80	32.40
Lease liabilities included in the balance sheet:	489.60	265.57

**36. Contingent liabilities and commitments (to the extent not provided for)**
**A. Contingent liabilities\***

Particulars	As at March 31, 2026	As at March 31, 2025
Indirect tax matters	15.46	15.46
Claims against the Group not acknowledged as debts (excluding claims by employees, where amount is not ascertainable)	329.26	309.02
<b>Total contingent liabilities</b>	<b>344.72</b>	<b>324.48</b>

\* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded will not, in the opinion of the management, have a material effect on the results of the operations or financial position.

**B. Commitments**

**a. Capital commitments:** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount aggregating to Rs. 703.81 lakhs (March 31, 2025: Rs.15.28 lakhs) relating to Property, plant and equipment.

**b. Other commitments:** The Group has other commitments, for purchase / sales orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits including union agreement in the normal course of business. The Group does not have any long term commitments / contracts, including derivative contracts, with any material foreseeable losses.

**37. (Loss)/Earnings per share**
**Basic and diluted (loss)/earnings per share**

Basic and diluted earnings per share are calculated by dividing the (loss)/profit during the year attributable to equity shareholders of the Group, by the weighted average number of equity shares outstanding during the year.

Particulars	Unit	Year ended March 31, 2026	Year ended March 31, 2025#
(Loss)/Profit after tax attributable to equity shareholders	Rs. lakhs	(353.66)	1,918.86
Weighted average number of equity shares outstanding during the year	Numbers	8,69,92,185	8,69,92,185
Nominal value per share	Rs.	2	2
<b>Basic and diluted (loss)/earnings per share</b>	<b>Rs.</b>	<b>(0.41)</b>	<b>2.21</b>

# Shares pending for issuance and shares to be cancelled have been included for the purpose calculating of earnings per share.

**38. Employee benefits**
**A. Defined contribution plans**

Rs. 256.08 lakhs (March 31, 2025: Rs. 219.58 lakhs) for provident fund contributions and Rs. 60.90 lakhs (March 31, 2025: Rs. 108.57 lakhs) for superannuation and national pension scheme fund contributions have been charged to the Statement of Profit and Loss. The contributions towards these schemes are at the rates specified in the rules of the schemes.

**B. Defined benefit plans**

**a)** Liabilities for gratuity, privilege leaves and medical leaves are determined on actuarial basis. Gratuity liability is provided to the extent not covered by the funds available in the gratuity fund.

**Gratuity:**

Gratuity scheme provides for a lump sum payment to vested employees at retirement, death, while in employment, or on termination of employment. Vesting occurs upon completion of five years of service, except death while in employment.

**The following table sets out the status of gratuity obligation**

Particulars	As at March 31, 2026	As at March 31, 2025
Non current	-	-
Current	120.92	84.17
<b>Net defined benefit asset- Gratuity</b>	<b>120.92</b>	<b>84.17</b>

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### (i) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation between opening and closing balances of gratuity liability and its components:

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1,566.82	1,510.33
Current service cost	88.30	87.21
Acquisition adjustment	19.87	-
Interest cost	108.58	104.17
Actuarial loss / (gain) arising from changes in financials assumptions	(36.27)	31.94
Actuarial loss arising from changes in experience adjustments	33.48	21.11
Benefits paid	(143.80)	(187.94)
<b>Balance at the end of the year</b>	<b>1,636.98</b>	<b>1,566.82</b>

### (ii) Reconciliation of the plan assets

The following table shows a reconciliation between opening and closing balances of the plan assets and its components:

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Balance at the beginning of the year	1,482.65	1,375.77
Expected return on plan assets	102.75	99.46
Contribution by the Holding Company	19.87	(6.75)
Benefits paid	(33.20)	-
Actuarial gains / (losses) recognised in other comprehensive income	(56.00)	14.17
<b>Balance at the end of the year</b>	<b>1,516.07</b>	<b>1,482.65</b>

### iii) Expense recognized in profit or loss

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Current service cost	88.30	87.21
Interest cost	108.58	104.17
Expected return on plan assets	(102.75)	(99.46)
<b>Total</b>	<b>94.13</b>	<b>91.92</b>

### iv) Constitution of plan assets

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Funded with Life Insurance Corporation of India*	1,516.07	1,482.65

\*The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by Life Insurance Corporation are not made available and have, therefore, not been disclosed.

### v) Remeasurements recognized in other comprehensive income

Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025
Actuarial gain / (loss) on plan assets	(56.00)	14.17
Actuarial (loss) / gain arising from changes in financials assumptions	36.27	(31.94)
Actuarial (loss) arising from changes in experience adjustments	(33.48)	(21.11)
<b>Total</b>	<b>(53.21)</b>	<b>(38.88)</b>

### vi) Actuarial assumptions

Principal actuarial assumptions (expressed as weighted averages):

Particulars	As at March 31,	As at March 31,
	2026	2025
<b>Financial assumptions</b>		
Discount rate	7.29%	6.93%
Future salary growth	5.00%	5.00%
Rate of return on plan assets	6.93%	8.28%
Expected average remaining working lives of employees (years)	14.87	17.66
<b>Demographic assumptions</b>		
Mortality rate	IALM (2012-14)	IALM (2012-14)
Withdrawal rate	Up to 30 years- 3%	Up to 30 years- 3%
	31 to 44 years- 2%	31 to 44 years- 2%
	Above 44 years- 1%	Above 44 years- 1%
Retirement age	58 years and 60 years	58 years and 60 years

a) The weighted average duration of the defined benefit obligations as on March 31, 2026 is 13.43 years (March 31, 2025: 14.13 years)

b) Expected contributions to post-employment benefit plans for the financial year 2026-27 are Rs. 83.73 lakhs (2025-26: Rs. 99.77 lakhs).

The cost of the defined benefit plans and other long term benefits are determined using actuarial valuations. Actuarial valuations involve making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases and mortality rate. Due to the complexities involved, the valuation is highly sensitive to the changes in assumptions. All assumptions are reviewed at each reporting date. The present value of the defined benefit obligation and the related current service cost and planned service cost were measured using the projected unit cost method.

The Holding Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance the liabilities of the gratuity plan. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

**vii) Sensitivity analysis**

The significant actuarial assumptions for the determination of defined benefit obligations are discount rate and expected salary increase.

**In case of change in significant assumptions, sensitivity of gross benefit obligation would be as under:**

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate variation of 0.50%	(53.45)	55.93	(50.37)	54.01
Future salary growth variation of 0.50%	57.49	(59.36)	54.59	(51.55)

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding all other assumptions constant.

Sensitivities due to mortality and withdrawals are insignificant, hence not considered in sensitivity analysis disclosed.

**viii) Maturity profile**

The table below shows the expected cash flow profile of the benefits to be paid to the current members of the plan, based on past service as at the valuation date:

Particulars	As at March 31, 2026	As at March 31, 2025
Within 1 year	437.98	159.95
1 year to 5 years	258.19	362.28
More than 5 years	940.85	1,044.59

**C. Compensated absences:**

The obligation of compensated absence in respect of the employees of the Company as at March 31, 2026 works out to Rs. 407.83 lakhs (March 31, 2025: Rs. 515.00 lakhs)

**D. Risk exposure**

These defined benefit plans typically expose the Holding Company to actuarial risks as under:

**a) Investment Risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**b) Interest rate risk**

A decrease in bond interest rate will increase the plan liability. However, this shall be partially off-set by increase in return as per debt investments.

**c) Longevity risk**

The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy will increase the plan's liability.

**d) Salary risk**

Higher than expected increase in salary will increase the defined benefit obligation.

**39. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Names of related parties and nature of related party relationships:**
**Holding Company**

DCM Shriram Industries Limited (Upto December 16, 2025)

**Key management personnel**

Mrs. Urvashi Tilakdhar, Director (upto December 23, 2025) & Senior Managing Director (w.e.f. December 24, 2025)  
 Mr. Akshay Dhar, Whole Time Director & CEO (upto December 23, 2025) & Managing Director & CEO (w.e.f. December 24, 2025)  
 Mr. Naresh Handa, CFO (w.e.f. December 24, 2025)  
 Ms. Kokila Arora, Company Secretary & Compliance Officer (w.e.f. May 19, 2025)  
 Dr. Sandeep Bajaj, Director- BD (w.e.f. December 24, 2025)  
 Ms. Aditi Dhar, Non- Executive Non Independent Director (w.e.f. December 24, 2025)  
 Mr. Siddhartha Mukherjee, Independent Director (w.e.f. December 01, 2025)  
 Mr. Venkata Rama Subbu Behara, Independent Director (w.e.f. December 01, 2025)  
 Mr. Vijay Anand, Independent Director (w.e.f. December 01, 2025)  
 Ms. Rama Sanjay Kirloskar, Independent Director (w.e.f. December 01, 2025)  
 Mr. Rohit Bhandari, Independent Director (w.e.f. December 01, 2025)  
 Mr. Alok Bansidhar Shriram, Non Executive Non Independent Director (w.e.f. March 03, 2026)  
 Mr. Sunil Behari Mathur, Non Executive Non Independent Director (w.e.f. March 03, 2025)  
 Mr. Pawan Kumar Lakhota, Company Secretary (upto April 24, 2025)  
 Mr. Vineet Manaktala, Director & CFO (upto December 24, 2025)

**Relative/HUF of Key management personnel**

M/s Laia Bansi Dhar & Sons (HUF)

**Trust**

Daurala Organics Limited Employees' Provident Fund Trust

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Other (enterprises over which key management personnel or their relatives are able to exercise significant influence)

DCM Shriram Industries Limited (w.e.f. December 17, 2025)  
Breinworks Services Private Limited (w.e.f. December 17, 2025)  
DCM Shriram International Limited (w.e.f. December 17, 2025)

### B. Transactions with related parties:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Rent Expenses</b>		
Breinworks Services Pvt. Ltd.	39.28	13.09
Relatives/HUF of key management personnel	47.60	56.73
<b>Total</b>	<b>86.88</b>	<b>69.82</b>
<b>Allocation of dividend</b>		
DCM Shriram Industries Limited	-	579.95
<b>Purchase of Steam, Power and Raw Material</b>		
DCM Shriram Industries Limited	3,593.51	3,108.55
<b>Reimbursement of expenses</b>		
DCM Shriram Industries Limited	212.22	226.98
<b>Sales of Raw Material</b>		
DCM Shriram Industries Limited	13.42	9.12
<b>Management and professional consultancy</b>		
DCM Shriram Industries Limited	60.59	-
<b>Total</b>	<b>3,879.74</b>	<b>3,924.60</b>

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Salaries and bonus including contribution made to provident fund</b>		
<b>Key management personnel</b>		
Mrs. Urvashi Tilakdhar	125.11	510.63
Mr. Akshay Dhar	55.65	40.94
Mr. Naresh Handa	11.35	-
Ms. Kokila Arora	20.11	-
Dr. Sandeep Bajaj	22.23	-
<b>Total</b>	<b>234.45</b>	<b>551.57</b>
<b>Post -Employment defined benefit plan Gratuity</b>		
<b>Key management personnel</b>		
Mrs. Urvashi Tilakdhar	-	2.88
Mr. Akshay Dhar	17.65	1.82
Mr. Naresh Handa	0.94	-
Dr. Sandeep Bajaj	3.75	-
<b>Total</b>	<b>22.34</b>	<b>4.70</b>
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
Mrs. Urvashi Tilakdhar	1.63	5.99
Mr. Akshay Dhar	11.55	0.69
Mr. Naresh Handa	1.93	-
Ms. Kokila Arora	0.80	-
Dr. Sandeep Bajaj	1.17	-
<b>Total</b>	<b>17.08</b>	<b>6.68</b>
<b>Remuneration /commission Paid</b>		
Sitting fees to Independent Directors	10.00	-
<b>Total</b>	<b>10.00</b>	<b>-</b>
<b>Total compensation paid to key management personnel</b>	<b>283.87</b>	<b>562.95</b>

### Balances with related parties

Particulars	As at March 31,2026	As at March 31, 2025
<b>Trade Payable</b>		
DCM Shriram Industries Limited	325.08	273.25
Sitting fees to Independent Directors	0.25	-
<b>Total</b>	<b>325.33</b>	<b>273.25</b>
<b>Other Receivable/(Payable)</b>		
DCM Shriram Industries Limited	109.39	(374.00)
	<b>109.39</b>	<b>(374.00)</b>

**Note:**

- 1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates, to be settled in cash.
- 2) As per the Approved Scheme of Arrangement, the Holding Company has merged the operations of the Chemical undertaking (demerged unit) with effect from the appointed date. Accordingly, inter se transactions between the Holding Company and the Demerged Company in relation to the Chemical undertaking including transfer of goods, assets, employees, and funds, as well as reimbursement of expenses, transfer of income and expenses for the relevant period have been included, considering their relationship with the Holding Company.

Further, pursuant to approval of the Scheme, dividends declared by the Demerged Company and attributable to the Chemical undertaking, now merged with the Group for the respective period, have also been included above, as transactions with the Demerged Company and considered as related party disclosure.

**40. Financial Instruments – Fair values and risk management**
**a. Financial Instruments – by category and fair values hierarchy**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**i) As on March 31, 2025**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Other financial assets*	-	-	4.05	<b>4.05</b>	-	-	-
<b>Current</b>							
(i) Investments*							
Debt instruments (Mutual funds)	2,264.28	-	-	<b>2,264.28</b>	2,264.28	-	-
(ii) Trade receivables*	-	-	8,270.40	<b>8,270.40</b>	-	-	-
(iii) Cash and cash equivalents*	-	-	33.11	<b>33.11</b>	-	-	-
(iv) Bank balances other than (iii) above*	-	-	1,465.32	<b>1,465.32</b>	-	-	-
(v) Other financial assets*	-	-	7.40	<b>7.40</b>	-	-	-
<b>Total</b>	<b>2,264.28</b>	<b>-</b>	<b>9,780.28</b>	<b>12,044.56</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	271.25	<b>271.25</b>	-	-	-
(ii) Lease liabilities*	-	-	135.39	<b>135.39</b>	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	798.06	<b>798.06</b>	-	-	-
(ii) Lease liabilities*	-	-	130.18	<b>130.18</b>	-	-	-
(iii) Trade payables*	-	-	5,420.85	<b>5,420.85</b>	-	-	-
(iv) Other financial liabilities*	-	-	650.28	<b>650.28</b>	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,406.01</b>	<b>7,406.01</b>			

**i) As on March 31, 2026**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
(i) Other financial assets*	-	-	3.43	<b>3.43</b>	-	-	-
<b>Current</b>							
(i) Investments*							
Debt instruments (Mutual funds)	3,334.13	-	-	<b>3,334.13</b>	3,334.13	-	-
(ii) Trade receivables*	-	-	7,031.82	<b>7,031.82</b>	-	-	-
(iii) Cash and cash equivalents*	-	-	2,119.89	<b>2,119.89</b>	-	-	-
(iv) Bank balances other than (iii) above*	-	-	1,548.19	<b>1,548.19</b>	-	-	-
(v) Other financial assets*	-	-	117.45	<b>117.45</b>	-	-	-
<b>Total</b>	<b>3,334.13</b>	<b>-</b>	<b>10,820.78</b>	<b>14,154.92</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	-	<b>-</b>	-	-	-
(ii) Lease liabilities*	-	-	381.01	<b>381.01</b>	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	783.06	<b>783.06</b>	-	-	-
(ii) Lease liabilities*	-	-	108.59	<b>108.59</b>	-	-	-
(iii) Trade payables*	-	-	4,945.96	<b>4,945.96</b>	-	-	-
(iv) Other financial liabilities*	-	-	235.37	<b>235.37</b>	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,453.99</b>	<b>6,453.99</b>			

# The Group's borrowings have been contracted at both floating and fixed rates of interests. The borrowings at floating rates reset at short intervals. Accordingly, the carrying values of such borrowings (including interest accrued but not due) approximate fair values. The fair values of long-term borrowings with fixed rates of interest is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities to discount the future payout).

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

\* The carrying amounts of trade receivables, trade payables, lease liabilities, cash and cash equivalents, investments, bank balances other than cash and cash equivalents, and other financial assets and liabilities, approximate the fair values, due to their short-term nature. The other non-current financial assets represents security deposits given to various parties, loans and advances to employees and officers and bank deposits (due for maturity after twelve months from the reporting date), lease liabilities and other non-current financial liabilities, the carrying values of which approximate the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended March 31, 2026 and March 31, 2025.

### Valuation

Following financial instruments are remeasured at fair value as under :

The fair values of investments in mutual fund 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 fund, and the price at which issuers will redeem such units.

### b. Risk Management

The Group manages risks arising from financial instruments as under :

#### (i) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet:

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Investments	3,334.13	2,264.28
(ii) Trade receivables	7,031.82	8,270.40
(iii) Cash and cash equivalents	2,119.89	33.11
(iv) Bank balances other than (iii) above	1,548.19	1,465.32
(v) Other financial assets	120.88	11.45

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due, causing financial loss to the Group. It arises from cash and cash equivalents, financial instruments and principally from credit exposure to customers relating to receivables. The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables are from parties with whom the Group has long standing satisfactory dealings.

The Group's exposure to credit risk for trade receivables is as follows:

Particulars	Carrying amount	
	As at March 31, 2026	As at March 31, 2025
1-90 days past due *	955.71	455.01
91 to 180 days past due	-	0.10
More than 180 days past due #	0.47	0.25
Not due	6,075.64	7,815.04
	<b>7,031.82</b>	<b>8,270.40</b>

\* The Group believes that the unimpaired amounts are collectible in full, based on historical payment behaviour.

# The Group continuously reviews the credit to be given and the recoverability of amounts due. Majority of the trade receivables, both domestic and overseas, are from parties with whom the Group has long standing satisfactory dealings. The Group also makes provision for lifetime expected credit loss, based on its previous experience of provisions/write offs in previous years.

Movement in the allowance for impairment in respect of trade receivables is given below:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	10.10	10.10
Impairment loss (reversal) / recognised	(2.77)	-
<b>Balance at the end of the year</b>	<b>7.33</b>	<b>10.10</b>

#### Note

##### Cash and cash equivalents

Credit risk on cash and cash equivalents is limited as the Group generally transacts with the banks with high credit ratings assigned by domestic and international credit rating agencies.

##### Other financial assets

Other financial assets do not have any significant credit risk.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of Rs. 2119.89 lakhs as at March 31, 2026 (March 31, 2025 Rs. 33.11 lakhs), anticipated future considering internally generated funds from operations fully available and revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements, as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

#### I. Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
From banks	2,216.94	2,744.44

#### II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date.

As at March 31, 2025	Carrying amount	Contractual cash flows			
		0-1 year	More than 1 but upto 5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	271.25	-	271.25	-	271.25
Lease liabilities	135.39	-	135.39	-	135.39
<b>Current liabilities</b>					
Borrowings	798.06	798.06	-	-	798.06
Lease liabilities	130.18	130.18	-	-	130.18
Trade payables	5,420.85	5,420.85	-	-	5,420.85
Other financial liabilities	650.28	650.28	-	-	650.28
<b>Total</b>	<b>7,406.01</b>	<b>6,999.37</b>	<b>406.64</b>	<b>-</b>	<b>7,406.01</b>

As at March 31, 2026	Carrying amount	Contractual cash flows			
		0-1 year	More than 1 but upto 5 years	More than 5 years	Total
<b>Non-current liabilities</b>					
Borrowings*	-	-	-	-	-
Lease liabilities	381.01	-	381.01	-	381.01
<b>Current liabilities</b>					
Borrowings	783.06	783.06	-	-	783.06
Lease liabilities	108.59	108.59	-	-	108.59
Trade payables	4,945.96	4,945.96	-	-	4,945.96
Other financial liabilities	235.37	235.37	-	-	235.37
<b>Total</b>	<b>6,453.99</b>	<b>6,072.98</b>	<b>381.01</b>	<b>-</b>	<b>6,453.99</b>

\* Contractual cash flows do not include interest expense.

\*The opening balance of long term borrowings amounting to Rs. 271.25 lakhs was prepaid during the current year.

#### (iii) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risks: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Group.

#### Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies, from the Group's operating, investing and financing activities.

#### Exposure to currency risk

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	Rs.	USD	Rs.
<b>Financial assets</b>				
Trade receivables*	2.56	238.53	8.29	706.55
<b>Financial liabilities</b>				
Trade payables	6.72	635.96	10.95	968.81

#### Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against below currencies at March 31, 2026 (previous year ended as on March 31, 2025) would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Profit or (loss)		Equity, net of tax	
	Weakening	Strengthening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended March 31, 2026</b>				
USD	(3.97)	3.97	(2.97)	2.97
	<b>(3.97)</b>	<b>3.97</b>	<b>(2.97)</b>	<b>2.97</b>
<b>For the year ended March 31, 2025</b>				
USD	(2.62)	2.62	(1.71)	1.71
	<b>(2.62)</b>	<b>2.62</b>	<b>(1.71)</b>	<b>1.71</b>

### Foreign exchange derivative

The Group has not entered in to any foreign exchange derivatives contracts during the reporting period and does not apply hedge accounting. Accordingly, there were no outstanding derivative financial instrument as at the reporting date.

### Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

### Exposure to interest rate risk

The Group's interest rate risk arises mainly from the borrowings (including Cash Credit) from banks carrying floating rate of interest. These obligations expose the Group to cash flow interest rate risk. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period along with the interest rate profile are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial Liabilities</b>		
<b>Variable-rate instruments</b>		
Term loans	-	813.75
Cash Credit	783.06	255.56
<b>Total</b>	<b>783.06</b>	<b>1,069.31</b>

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>For the year ended March 31, 2026</b>				
Interest on term loans	-	-	-	-
Interest on cash credits	(7.83)	7.83	(5.86)	5.86
<b>For the year ended March 31, 2025</b>				
Interest on term loans	(8.14)	8.14	(5.29)	5.29
Interest on cash credits	(2.56)	2.56	(1.66)	1.66

## 41. Capital management

For the purposes of the Group's capital management, capital includes issued equity share capital, securities premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the management of the Group's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital. This also considers the desirable financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in the economic/ business conditions and requirements.

The Group also monitors its capital structure through gearing ratio, represented by debt-equity ratio (Net debt/Total equity). The gearing ratio for the Group as at the end of reporting period is as follows:

Particulars	As at March 31, 2026*	As at March 31, 2025
Borrowings	783.06	1,069.31
Less : Cash and cash equivalents	(2,119.89)	(33.11)
<b>Adjusted net debt (A)</b>	<b>(1,336.83)</b>	<b>1,036.20</b>
<b>Total equity (B)</b>	<b>21,100.35</b>	<b>21,493.83</b>
<b>Adjusted net debt to total equity ratio (A/B)</b>	<b>-</b>	<b>4.82%</b>

\* The Debt-Equity Ratio has not been computed as at March 31, 2026 as the Group had a negative net debt position on the reporting date, with cash and cash equivalents exceeding its total borrowings.

**42 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'**
**Subsidiary company**

The Group's subsidiary as at March 31, 2025 is set below. The subsidiary has share capital consisting solely of equity shares that are held directly by the Group, and the proportion of the ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Place of business/country of incorporation	Ownership interest held by the group as at		Ownership interest held by non-controlling interests as		Principal activities
		As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	
Daurala Foods and Beverages Private Limited	India	100.00	100.00	-	-	The entity deploys its surplus funds in permitted securities such as short term funds in mutual funds, bank deposits etc.

**43 Disclosure as per schedule III to the Companies Act, 2013**

Name of the entity group	Net Assets i.e. total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in profit or loss for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
<b>Holding company</b>								
DCM Shriram Fine Chemicals Limited								
March 31, 2026	92.77%	19,990.26	121.65%	(430.27)	100.00%	(39.82)	119.45%	(470.03)
March 31, 2025	93.23%	20,456.20	96.01%	1,842.26	100.00%	(29.10)	95.95%	1,813.16
<b>Subsidiary company</b>								
Daurala Foods and Beverages Private Limited								
March 31, 2026	7.23%	1,567.49	(21.64%)	76.54	-	-	(19.45%)	76.54
March 31, 2025	6.77%	1,485.05	3.99%	76.60	-	-	4.05%	76.60
<b>Total</b>								
March 31, 2026	100.00%	21,547.76	100.00%	(353.66)	100.00%	(39.82)	100.00%	(393.48)
March 31, 2025	100.00%	21,941.24	100.00%	1,918.86	100.00%	(29.10)	100.00%	1,889.76
<b>Adjustment due to consolidation</b>								
March 31, 2026		447.41		-		-		-
March 31, 2025		447.41		-		-		-
<b>Consolidated Net Asset / Profit after Tax</b>								
March 31, 2026		21,100.35		(353.66)		(39.82)		(393.48)
March 31, 2025		21,493.83		1,918.86		(29.10)		1,889.76

44. Research and development expenses amounting to Rs. 20.28 lakhs (Rs. 34.86 lakhs March 31, 2025) have been charged to the respective revenue accounts. Capital expenditure relating to research and development amounting to Rs. 27.93 lakhs (Rs. 26.90 March 31, 2025) has been included in property, plant and equipment.

45. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmation received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Amount remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	906.76	627.69
- Interest due thereon	1.53	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>Total</b>	<b>908.29</b>	<b>627.69</b>

**46. Disclosures related to government grant**

The government grants/assistance recognised are as under:

Nature of Grant/assistance	Income/expense head	Year ended March 31, 2026	Year ended March 31, 2025
Duty drawback and other incentive (net of provision)	Other operating revenue	7.42	17.94

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

### 47. Immovable properties yet to be endorsed in the name of the Holding Company are as under :

Particulars	Amount as at March 31, 2026	Amount as at March 31, 2025	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since	Reason for not being held in the name of the Holding Company
<b>Property, Plant and Equipment</b>					
<b>Freehold Land</b>					
Land situated at Daurala, Uttar Pradesh (UP)	86.88	86.88	No	2025	Vested in the Holding Company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
Land situated at Daurala, Uttar Pradesh (UP)	44.95	44.95	No	2005	Vested in the Holding Company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
<b>Buildings</b>					
Buildings situated at Daurala, Uttar Pradesh (UP)	1,354.91	1,335.32	No	2025	Vested in the Holding Company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.
Buildings situated at Daurala, Uttar Pradesh (UP)	86.91	86.91	No	2005	Vested in the Holding Company pursuant to scheme of arrangement between transferee company (DCMSR) and resultant company.

### 48. Financial Ratios:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	Variance
(a) Current Ratio	Current assets	Current liabilities	2.76	2.30	20.2%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.06	0.07	(7.2%)
(c) Debt Service Coverage Ratio <sup>*</sup>	Earnings available for debt service <sup>*</sup>	Scheduled Debt Service	(0.29)	3.86	(107.5%)
(d) Return on Equity Ratio <sup>*</sup>	Net Profits after taxes	Shareholders' Equity	(1.66%)	8.90%	(118.7%)
(e) Inventory Turnover Ratio	Cost of goods sold	Closing Inventory	4.92	5.33	(7.7%)
(f) Trade Receivable Turnover Ratio	Revenue	Trade Receivables	5.04	5.19	(2.9%)
(g) Trade Payable Turnover Ratio <sup>***</sup>	Purchases and other expenses	Trade Payables	4.46	5.44	(30.8%)
(h) Net Capital Turnover Ratio	Revenue	Working Capital	3.25	4.30	(24.4%)
(i) Net Profit Ratio <sup>**</sup>	Net Profit	Total Income	(0.92%)	4.40%	(120.8%)
(j) Return on Capital Employed <sup>*</sup>	Earning before interest	Capital Employed #	(0.72%)	12.10%	(105.9%)
(k) Return on Investment <sup>**</sup>	Income generated from investments	Time weighted average investments	5.40%	7.32%	(26.3%)

#### Notes:

- \* PBT + Depreciation + Interest on Term Loan - Taxes.
- # Tangible net worth + Long term debt + Deferred tax liabilities.
- <sup>\*</sup> Due to loss incurred during the year
- <sup>\*\*</sup> Lower due to investment made during the end of year
- <sup>\*\*\*</sup> Lower due to increase in trade payables

### 49. Audit Trail

Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement, where a company used an accounting software, of only using such accounting software w.e.f April 01, 2023 which has a feature of recording audit trail of each and every transaction.

The Group has assessed all of its IT applications including supporting applications considering the guidance provided in "Implementation guide on reporting on audit trail under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" issued by the Institute of Chartered Accountants of India in February 2024, and identified applications that are relevant for maintaining books of accounts.

The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

## 50. Additional regulatory information:

- i) The Group does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Group does not have any transactions with struck off companies.
- iii) The charges relating to the borrowings are yet to be registered in the name of DCM Shriram Fine Chemicals Limited (Holding Company) with the Registrar of Companies. The Holding Company is in the process of completing the necessary filings and compliances in this regard. Pending such registration, the related charges continue to appear in the records of the Registrar of Companies in the name of the DCM Shriram Industries Limited.
- iv) The Group has not traded or invested in crypto currency or any virtual currency during the financial year.
- v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- vi) 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 to or on behalf of the ultimate beneficiaries.
- vii) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Group has not been declared as a willful defaulter by any banks or any other financial institution at any time during the financial year or after the end of the reporting period but before the date when the financial statements are approved by the Board of Directors.
- ix) The Group is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- x) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of companies Act, 2013 as at the year end.
- xi) The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

## 51 Business combination

- a) The Hon'ble National Company Law Tribunal, New Delhi bench, vide Order dated November 21, 2025, approved the Composite Scheme of Arrangement between DCM Shriram Industries Limited (DCMSR) and DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited (wholly owned subsidiaries of DCM Shriram Industries Limited) and Lily Commercial Private Limited, for amalgamation of Lily Commercial Private Limited with DCM Shriram Industries Limited, and subsequent demerger of Chemical and Rayon businesses of DCM Shriram Industries Limited into DCM Shriram Fine Chemicals Limited and DCM Shriram International Limited, respectively, with effect from the appointed date of April 01, 2023 ('the Scheme'). The Scheme after approval from BSE and NSE, was filed with the Hon'ble NCLT, New Delhi as required under Section 230-232 of the Companies Act, 2013. The Hon'ble NCLT after due process and hearings has approved the Scheme by Order dated November 21, 2025. Subsequently, certified copies of the Order and the Scheme were received on December 05, 2025. As required under the Companies Act, 2013, certified copies were filed by the companies with the Registrar of Companies between 5th December to 17th December, 2025. Accordingly, the Scheme is deemed to have come into effect from December 17, 2025 in terms of Clause 7.1(v) of the Scheme. The Scheme is applicable from the Appointed Date i.e. April 01, 2023. Accordingly, due effect of the Scheme has been incorporated from the Appointed Date. From the Appointed Date, the Business of Chemical Undertaking (along with all assets and liabilities thereof) were transferred to the Company on a going concern basis. The transaction has been accounted for using the common control method under Ind AS 103 - Business Combinations, with all identified assets and liabilities recorded at their carrying values. Accordingly, the business combination has been reflected in the books of account from the beginning of financial year 2023-24, i.e., April 01, 2023 (Appointed date). The Company has given effect to the scheme in accordance with the accounting treatment specified in the scheme as per applicable accounting standards (IND AS) as under:

1. All the assets, liabilities and reserves pertaining to the Chemical Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, DCM Shriram Fine Chemicals Limited at their respective carrying amount and in the same form and manner as appearing in the books of accounts of the DCMSR.
2. Issued 8,69,92,185 Equity Shares of face and paid up value of Rs. 2 each to the shareholders of DCMSR.
3. Difference between the consideration paid by way of issue of equity shares at face value and assets and liabilities including reserves transferred from DCMSR and cancellation of investment done by DCMSR in the Resultant Company has been adjusted through retained earnings.

The previous year figures of Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of Cash Flows have been restated as if the amalgamation has taken place from the first day of the earliest period presented as required under Appendix C of Ind AS 103. Accordingly, the comparative figures for the financial year ended March 31, 2025 represent the restated financial information certified by the management.

## Notes to the Consolidated Financial Statements (continued)

(All amounts in Indian Rupees in lakhs, unless otherwise stated)

Pursuant to the Scheme, the following assets and liabilities were transferred to the Company as on 1st April, 2023 (Appointed date):

Particulars	Pre business combination	Impact of business combination	Eliminations / Adjustments	Post business combination
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,416.82	10,886.26	-	13,303.08
Capital work-in progress	-	9.24	-	9.24
Right-of-use assets	-	289.82	-	289.82
Intangible assets	-	98.76	-	98.76
<b>Financial assets</b>				
(i) Investments	-	2,778.67	(2,331.27)	447.40
(ii) Other financial assets	0.90	37.03	-	37.93
Other non-current assets	233.10	33.89	-	266.99
<b>Total non-current assets</b>	<b>2,650.82</b>	<b>14,133.67</b>	<b>(2,331.27)</b>	<b>14,453.22</b>
<b>Current assets</b>				
Inventories	-	5,578.05	-	5,578.05
<b>Financial assets</b>				
(i) Investments	-	1,563.27	-	1,563.27
(ii) Trade receivables	-	6,801.37	-	6,801.37
(iii) Cash and cash equivalents	1.61	133.04	-	134.65
(iv) Bank balances other than (iii) above	-	-	-	-
(v) Loans	-	3.93	-	3.93
(vi) Other financial assets	-	-	-	-
Other current assets	0.06	120.40	-	120.46
<b>Total current assets</b>	<b>1.67</b>	<b>14,200.06</b>	<b>-</b>	<b>14,201.73</b>
<b>Total Assets</b>	<b>2,652.49</b>	<b>28,333.73</b>	<b>(2,331.27)</b>	<b>28,654.95</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	2,000.00	1,739.84	(2,000.00)	1,739.84
Other equity	270.80	15,927.85	(331.27)	15,867.38
<b>Total Equity</b>	<b>2,270.80</b>	<b>17,667.69</b>	<b>(2,331.27)</b>	<b>17,607.22</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	-	1,353.08	-	1,353.08
(ii) Lease liabilities	-	238.97	-	238.97
Provisions	-	273.20	-	273.20
Deferred tax liabilities (net)	-	883.10	-	883.10
<b>Total non-current liabilities</b>	<b>-</b>	<b>2,748.35</b>	<b>-</b>	<b>2,748.35</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	305.08	734.15	-	1,039.23
(ii) Lease liabilities	-	113.69	-	113.69
(iii) Trade payables	-	-	-	-
-Total outstanding dues of micro enterprises and small enterprises	-	491.18	-	491.18
-Total outstanding dues of creditors other than micro-enterprises and small enterprises	1.00	5,341.38	-	5,342.38
(iv) Other financial liabilities	75.33	821.44	-	896.77
Other current liabilities	0.28	190.71	-	190.98
Provisions	-	225.14	-	225.14
<b>Total current liabilities</b>	<b>381.69</b>	<b>7,917.69</b>	<b>-</b>	<b>8,299.37</b>
<b>Total Equity and Liabilities</b>	<b>2,652.49</b>	<b>28,333.73</b>	<b>(2,331.27)</b>	<b>28,654.95</b>

### Movement in other equity

Particulars	Retained Earnings
<b>Balance as at April 1, 2023</b>	(60.47)
On account of composite scheme of arrangement	15,927.85
<b>Balance as at April 1, 2023 Restated</b>	<b>15,867.38</b>
Profit for the year	2,350.72
Other comprehensive income for the year net of tax	(39.74)
Allocation of Dividend	(648.76)
<b>Balance as at March 31, 2024</b>	<b>17,529.60</b>

52 On November 21, 2025, the Government of India notified four New Labour Codes by consolidating 29 existing labour laws. The Group has evaluated the provisions of the said Codes and confirms that it is in compliance with the applicable requirements. Based on the assessment carried out, the implementation of these Codes does not have any material impact on the financial statements. The Group continues to monitor the finalisation of Central and State Rules and any further clarifications issued by the Government, and will account for any impact, if required, in future periods.

53 Segments are identified in line with Ind AS-108, "Operating Segment" [specified under the section 133 of the Companies Act 2013 (the Act)] read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act, taking into consideration the internal organization and management structure as well as differential risk and return of the segment.

**A. Operating segments**

India  
 Outside India

**B. Identification of segments**

The Holding Company is in the business of manufacturing chemicals products having similar economic characteristics, primarily with operations in India and regularly reviewed by the Chief Operating Decision Maker ("CODM") for assessment of Holding Company's performance and resource allocation.

**C. Segment revenue and results**

The expenses and income which are not directly attributable to any business segment are shown as unallowable expenditure.

**D. Segment assets**

Segment assets includes respective amounts identifiable to each of the segments of non-current assets other than financial assets, deferred tax assets. Non-current assets are assets that include amounts expected to be recovered more than twelve months after the reporting period.

**E. Summary of segmental information**

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
<b>Segment revenue</b>		
India	36,053.70	38,565.60
Outside India*	2,501.37	4,371.59
<b>Total</b>	<b>38,555.07</b>	<b>42,937.19</b>

Revenue from operations have been allocated on the basis of location of customers.

\* Majorly cover Europe

**F. Non current assets:** All non current assets of the Group are located in India.

**G. Information about major customers**

There are two customers during financial year ended March 31, 2026 (March 31, 2025: One customer) which have contributed 10% or more to the Company's revenue.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from major customers	16,705.16	15,581.97
% of total revenue	43.66%	36.50%

54 The Holding Company had a plot of land at Dahej, Gujarat on leasehold basis which has been sold during the current financial year. Based on the actual sale consideration realised, the loss on sale of land amounting to Rs. 309.84 lakh has been recognised in the Statement of Profit and Loss for the year.

Further, pursuant to the sale of the aforesaid land, the Holding Company withdrew the GST refund application that had been filed earlier in relation to the asset. In view of the withdrawal of the refund claim and the consequent change in circumstances, the Holding Company has reversed the related input tax credit amounting to ₹229.02 lakhs also in the books of account during the current year.

55 The Previous year figures have been regrouped, wherever necessary to confirm the respective year presentation.

**As per our report of even date attached**

**For Kirtane & Pandit LLP**  
 Chartered Accountants  
 Firm's registration no. : 105215W/W100057

Sd/-  
**Chirag Garg**  
 Partner  
 Membership No. 540579

Place: New Delhi  
 Date: May 19, 2026

**For and on behalf of the Board of Directors of  
 DCM Shriram Fine Chemicals Limited**

Sd/-  
**Akshay Dhar**  
 Managing Director & CEO  
 DIN : 01078392

Sd/-  
**Naresh Handa**  
 Chief Financial Officer  
 Membership No. 500725

Place: New Delhi  
 Date: May 19, 2026

Sd/-  
**Urvashi Tilakdhar**  
 Sr Managing Director  
 DIN: 00294265

Sd/-  
**Kokila Arora**  
 Company Secretary  
 Membership No. A21670

**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**

(Information in respect of each subsidiary to be presented with amounts in ₹ )

<b>Sr. No.</b>	<b>Particulars</b>	
1.	Name of the Subsidiary	Daurala Foods and Beverages Private Limited
2.	The date since when subsidiary was acquired	as on 17 <sup>th</sup> December, 2025
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
5.	Share capital	7,50,00,000
6.	Reserves and surplus	8,07,49,060
7.	Total assets	15,62,41,160
8.	Total Liabilities	4,92,100
9.	Investments	-
10.	Turnover	1,01,93,510
11.	Profit before taxation	1,0005,650
12.	Provision for taxation	27,61,320
13.	Profit after taxation	72,44,330
14.	Proposed Dividend	-
15.	% of shareholding	100%

**Part B – Associates and Joint Ventures: None**

**Notes: No Subsidiaries are yet to commence operations.**

**For and on behalf of the Board of Directors of  
DCM Shriram Fine Chemicals Limited**

Sd/-  
**Akshay Dhar**  
Managing Director & CEO  
DIN : 01078392

Sd/-  
**Urvashi Tilakdhar**  
Sr Managing Director  
DIN: 00294265

Sd/-  
**Naresh Handa**  
Chief Financial Officer  
Membership No. 500725

Sd/-  
**Kokila Arora**  
Company Secretary  
Membership No. A21670

Place: New Delhi  
Date: May 19, 2026



**DCM SHRIRAM**  
**FINE CHEMICALS LTD.**