



**DCM SHRIRAM  
INTERNATIONAL**

# ANNUAL REPORT

2025-26



**Strong Roots • Strong Bonds • Stronger Together**

**DCM Shriram International Limited**

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<b>Board of Directors</b>	Mr. Sanjay C. Kirloskar	Chairman – Non Executive
	Mr. Alok B. Shriram	Managing Director & CEO
	Ms. Kanika Shriram	Deputy Managing Director
	Mr. Rudra Shriram	Deputy Managing Director
	Mr. Purushottam Das Bagla	WTD & CFO
	Mr. Suman Jyoti Khaitan	Independent Director
	Mr. Mukesh Gupta	Independent Director
	Mrs. Meeta Makhan	Independent Director
Mr. Sunil B. Mathur	Non-Executive Director	

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<b>Senior Management</b>	Mr. Narinder Singh Walia	Sr. Vice President
	Mr. Paresh Johari	Vice President

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<b>Company Secretary</b>	Mr. Ashish Jha	Compliance Officer
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<b>Bankers</b>	State Bank of India Axis Bank Ltd.
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<b>Auditors</b>	B S R & Co., LLP Gurugram
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<b>Registered Office</b>	Kanchenjunga Building,	CIN : L17299DL2022PLC404291
	6 <sup>th</sup> Floor,	Tel. No. : (011) 4374 5000
	18, Barakhamba Road,	E-mail : investorservices@dcmsil.com
	New Delhi - 110 001	Website: <a href="https://www.dcmsil.com">https://www.dcmsil.com</a>

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**Stock Exchanges where the securities of the Company are listed**

NSE of India Ltd.	BSE Limited
Exchange Plaza, C-1, Block G,	Phiroze Jeejeebhoy Towers,
Bandra-Kurla Complex,	Dalal Street,
Bandra (East), Mumbai – 400051	Mumbai – 400001

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# DCM SHRIRAM INTERNATIONAL LIMITED

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Regd Office: 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi-110001

CIN: L17299DL2022PLC404291, Telephone :(011) 43745000

Email: [investorservices@dcmstil.com](mailto:investorservices@dcmstil.com) Website : <https://www.dcmstil.com>

## NOTICE

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The 4th Annual General Meeting of the Company will be held on Thursday, the 16th July, 2026 at 11:00 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM), to transact the following businesses:

### Ordinary Business:

#### 1. To consider and adopt:

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

#### 2. To declare dividend of Re. 0.40 (20%) per equity share of Rs. 2 each for the financial year ended 31st March, 2026.

#### 3. Appointment of director liable to retire by rotation:

To appoint a director in place of Ms. Kanika Shriram (DIN:00998758), who retires by rotation and being eligible, offers herself for re-appointment.

### Special Business:

#### 4. Cost Auditors – Ratification of Remuneration:

To consider and, if thought fit, to pass the following resolution, with or without modification(s), 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, the remuneration of Rs. 1.00 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.

#### 5. Acceptance of Public Deposits

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

RESOLVED that pursuant to Section 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 consent of the Company be and is hereby accorded to the Board of Directors to invite and accept unsecured deposits from members and public as per Scheme approved by the Board of Directors from time to time.

RESOLVED further that the total of such deposits together with the existing deposits and the long term borrowings shall not exceed the limit under Section 180(1)(c) of the Companies Act, 2013

## 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, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for payment of commission to the "Non-Executive Directors" 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 Act.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized 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.

**RESOLVED FURTHER THAT** the payment of commission shall be in addition to the sitting fees paid to the Non-Executive Directors for attending meetings of the Board or Committees thereof, and reimbursement of expenses incurred for participation in such meetings.

## 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, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the 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 of the Company 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 INTERNATIONAL LIMITED



(Ashish Jha)

Company Secretary & Compliance Officer

**FCS 11326**

New Delhi  
May 21, 2026

# DCM SHRIRAM INTERNATIONAL LIMITED

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## 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 **Tuesday, the 7<sup>th</sup> July, 2026 to Thursday, the 16<sup>th</sup> July, 2026** (both days inclusive) for the purpose of the AGM.

A dividend of Re. 0.40 (20%) per equity share of Rs. 2 each has been recommended by the Board of Directors for the year ended 31.03.2026. Subject to the approval of the shareholders at the ensuing AGM, the dividend is proposed to be paid on or before Saturday, 15th August, 2026 to those members whose names appear in the Register of Members of the Company or Register of Beneficial Owners as on the cut-off date, i.e., Monday, the 6th July 2026.

3. Pursuant to the Scheme of Arrangement for the demerger of the Rayon Undertaking of DCM Shriram Industries Limited ("Demerged Company") into DCM Shriram International Limited (Resulting Company), which was duly sanctioned by the Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench via its Order dated 21st November 2025 the Resulting Company was required to allot equity shares to the shareholders of the Demerged Company in the ratio of 1:1.

As on the Record Date i.e., 26th 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 Resulting Company has duly allotted the proportionate shares to the IEPF Authority.

To claim shares credited to the IEPF Authority following the demerger, eligible shareholders must initiate the recovery process by filing an online application in **Form IEPF-5** on the MCA portal, 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 DCM Shriram International Limited 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.

4. Pursuant to the approval of Composite Scheme of Arrangement, shareholders of DCM Shriram Industries Limited as of the Record Date, 26th December 2025, were allotted equity shares in DCM Shriram International Limited in a 1:1 ratio. In compliance with SEBI regulations, the Company had not issued any physical share certificates for this allotment. Consequently, shares belonging to shareholders 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, shareholders 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).
5. 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 furnished, to their Depository Participants with whom they are maintaining their demat accounts.
6. The information with regard to Ms. Kanika Shriram (DIN:00998758) whose re-appointments as director liable to retire by rotation, comes up in the AGM for approval, is given in Note 25 hereunder and forms an integral part of this Notice.

7. The Central Government by General Circular No. 03/2025 dated 22.09.2025 has allowed general meetings to be held through Video Conference/ Other Audio-Visual Means by following procedures laid down in the circulars, Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020 (collectively referred to as "MCA Circulars"). Accordingly, this meeting is convened as e-AGM, to be held through Video Conference.
8. **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.
9. Pursuant to the provisions of the MCA Circulars regarding holding e-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 [investorservices@dcmsil.com](mailto:investorservices@dcmsil.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.
10. The Members can join the e-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.
11. Up to 2500 members will be able to join the e-AGM on FIFO basis.
12. No restrictions on account of FIFO entry into e-AGM will be there for large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.
13. The attendance of the Members (members login) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. **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 Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through e-Voting agency, M/s KFin Technologies Limited.
15. **Voting at the e-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 Ltd.

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16. 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://dcmsil.com/financial-results-annual-reports/#>. 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 M/s KFin Technologies Limited at their website address (<https://evoting.kfintech.com/public/Downloads.aspx>).

**17. Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form):**

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

Those shareholders 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 Ltd. in case the shares are held in physical form.

Physical shareholders who have not registered their email address download the ISR 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 [investorservices@dcmsil.com](mailto:investorservices@dcmsil.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 in case shares are held in physical form for Notice of the AGM, the Annual Report of the Company for the financial year 2025-26 and the e-voting instructions for ensuing AGM.

However, Members holding shares in electronic form, will have to once again register their email address and mobile number with their DPs, 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.

Shareholders are also requested to visit the website of the Company <https://www.dcmsil.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 e-AGM.

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

1. Members holding shares as on the cut-off date i.e. **Monday, 6<sup>th</sup> July, 2026** can attend the AGM through VC, by following the instructions, as mentioned below:

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

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

- (iii.) The remote e-voting credentials will either be received through email from the Company/ Kfintech or can be retrieved by following the procedure as mentioned in Note No. 19 (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.

2. **Speaker Registration during e-AGM session:** Members who wish to ask questions during the AGM, can 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 Wednesday, 08<sup>th</sup> July , 2026 at 9.00 a.m. and shall close on Saturday, 11<sup>th</sup> July, 2026 at 5.00 p.m.

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.

3. **AGM questions prior to e-AGM:** Members who wish to post their queries may log into [https://emeetings.kfintech.com](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 shareholders/members shall commence from Wednesday, 08<sup>th</sup> July , 2026 at 9.00 a.m. and shall close on Saturday, 11<sup>th</sup> July, 2026 at 5.00 p.m.
4. 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.
5. 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.
6. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. 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 [investorservices@dcmsil.com](mailto:investorservices@dcmsil.com) . They may contact KFIN at toll free number: 1800 309 4001.
8. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM.

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## **19. The details of the process and manner for remote e-Voting and e-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 Listing Regulations and Secretarial Standard 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 Kfintech, on all the resolutions set forth in this Notice.

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 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 Saturday, 11<sup>th</sup> July, 2026 at 9.00 A.M. and will end on Wednesday, 15<sup>th</sup> July, 2026 at 5.00 P.M.**

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 following 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 "KFintech" and you will be re-directed to the e-Voting page of KFintech 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 following 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 "KFintech" and you will be re-directed to the e-Voting page of "KFintech" 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 <https://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 name on the next screen.
  - iv. Click on the e-Voting link available against Company name or select e-Voting service provider "Kfintech or Karvy" and you will be re-directed to the e-Voting page of Kfintech 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 following 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.

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2. Users may directly access the e-Voting module of CDSL as per the following procedure:
  - i. Type in the browser / Click on the following links: <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 name or select e-Voting service provider "KFintech or Karvy" and you will be re-directed to the e-Voting page of KFintech.

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

- 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 "KFintech" and you will be redirected to the e-Voting page of KFintech 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 Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
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 shareholder receives an e-mail from the Company / KFintech [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 KFintech 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. to 6:00 p.m. 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 International 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 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".

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- 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 instruction in Note No. 17 to the Notice.

**Any Member who has forgotten the User ID and Password, may obtain/generate/retrieve the same from KFinTech 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 KFinTech'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 KFinTech's 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 : **Saturday, 11th July, 2026 (9:00 A.M.)**

End of remote e-voting : **Wednesday, 15th July, 2026 (5:00 P.M.)**

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. **Monday, 6th 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 KFinTech 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 e-AGM:**

- i. Members who could not vote through remote e-Voting may avail the e-Voting system provided at the e-AGM ("Insta Poll") by KFin Technologies Limited.
- ii. Only those Members/ Shareholders who will be present in the e-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 e-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 e-AGM proceedings. Shareholders 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 e-AGM shall be the same person mentioned for remote e-voting.

20. Mr. Kamaljit Singh (C.P. No. 16847) 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 later than 48 hours before the scheduled time of the commencement of the Meeting.

# DCM SHRIRAM INTERNATIONAL LIMITED

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21. The Scrutinizer shall immediately after conclusion of the e-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 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 Chairman or a person authorized by him in writing, who shall counter-sign the report and declare the results forthwith.
22. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website "<https://www.dcmsil.com>" and on the website of KFin Technologies Ltd. i.e. <https://evoting.kfintech.com> within two working days of the conclusion of the meeting. The said Results will also be displayed at the Registered and Corporate Offices of the Company, in accordance with the Secretarial Standards-2 on General Meetings, issued by the Institute of Company Secretaries of India.
23. 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.

**24. KPRISM – Mobile Service application by KFin Technologies Ltd:**

Members are requested to note that, 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 shareholders.

Members can download the mobile application, register yourself (onetime) for availing host services viz., consolidated portfolio view serviced by KFin Technologies, Dividends status 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.

**25. Profile of the Director retiring by rotation (Item no.3):**

Ms. Kanika Shriram serves as Deputy Managing Director on the Board of DCM Shriram International Limited. She headed the Shriram Rayons Division of DCM Shriram Industries Ltd., now vested in the Company prior to the effectuation of the Scheme of Arrangement.

Ms. Kanika Shriram is an accomplished communications and marketing professional with extensive experience in brand management, public relations, and strategic communications.

Her professional journey includes significant roles at Harley-Davidson Motor Company India Pvt Ltd and Edelman India. At Harley-Davidson, serving as Assistant Manager - Marketing, she played a pivotal role during the company's set-up phase in India. She spearheaded the establishment of the Harley Owners Group (H.O.G) program for existing and new owners , managed communications with the press, industry bodies, and global affiliates , and set up Customer Relationship Management (CRM) and Corporate Social Responsibility (CSR) programs.

Brief particulars of Ms. Kanika Shriram are as follows:

<b>Particulars</b>	
Age	41 YEARS
Qualification	MA in Corporate Communications & Marketing, Kingston University, London, UK BA(Hons) Philosophy, Lady Shri Ram College
Experience	17 years
Other Directorships	PHD Chamber of Commerce and Industry
Committee Membership/Chairmanship	CSR Committee of the Company – Member
Shareholding in the Company (Equity/Rs.2 each)	14,56,332 (1.67%)
Original Date of Appointment	07.09.2022
Board Meetings attended in 2025-26	Attended all 5 meetings of the Board i.e. on 29th May 2025, 08th August 2025, 30th October 2025, 23rd December 2025 and 06th March 2026.

Her appointment, term and conditions as Deputy Managing Director w.e.f 24.12.2025 for five years was approved by the shareholders through Postal Ballot by special resolution dated 12th May,2026.

Ms. Kanika Shriram , 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 SEBI Listing Regulations, she had further confirmed that she is not debarred or disqualified from being appointed or from continuing to act as Directors of companies by any statutory authorities.

Considering her contribution to the growth of the Company, the Directors recommend the resolutions.

Except Ms. Kanika Shriram, Shri Alok Bansidhar Shriram and Shri Rudra Shriram, being related to each other none of the other Director or Key Managerial Personnel of the Company or their relative(s) are interested financially or otherwise in the resolutions.

***For remuneration last drawn in FY26 by the above Director, please refer to the Corporate Governance Report which is a part of this Annual Report.***

26. 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 [investorservices@dcmsil.com](mailto:investorservices@dcmsil.com).

27. Since the AGM is being held through VC, the route map for the AGM venue is not attached.

# DCM SHRIRAM INTERNATIONAL LIMITED

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28. 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 International Limited**

'Investor Service Section'  
5<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi – 110001  
E-mail ID – [investorservices@dcmsil.com](mailto:investorservices@dcmsil.com)  
Tel: 011-43745000

**KFIN Technologies Ltd.**

Unit: DCM Shriram International 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:**

Shri Ashish Jha  
Company Secretary

**Contact Person:**

Shri S.R. Ramesh,  
Deputy Vice President – Corporate Registry

Investor Support Centre

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

KFINTECH Corporate Website

<https://www.kfintech.com>

RTA Website

<https://ris.kfintech.com>

KPRISM (Mobile Application)

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

29. **Senior Citizens - Investor Support**

As part of the initiative, KFINTECH, 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) have to provide 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.

## Annexure

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

#### **Item No. 4**

The Board of Directors in its meeting held on 21.05.2026 appointed M/s. Ramanath Iyer & Co., Cost Auditors (Regn. No.000019), 808, Pearls Business Park, Netaji Subhash Place, Delhi – 110034 as Cost Auditors of the Company for the year 2026-27 at a remuneration of Rs. 1.00 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 shareholders as required under Rule 14 of the Companies (Audit & Auditors) Rules, 2014.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No.4.

#### **Item No. 5**

##### **Background and Rationale**

Historically, DCM Shriram Industries Limited (the Demerged Company) maintained a successful and long-standing practice of accepting fixed deposits. This arrangement served as a reliable and cost-effective source of working capital for the business, while concurrently offering a trusted and safe avenue for prospective depositors particularly members and employees to place their funds gainfully. Following the composite scheme of arrangement and the vesting of the Rayon undertaking into DCM Shriram International Limited (the "Company"), the management intends to continue this mutually beneficial legacy.

Consequently, the Board of Directors at its meeting held on 21.05.2026, approved a proposal to invite and accept unsecured fixed deposits from the Members, employees of the Company and the general Public, subject to the approval of the shareholders. The acceptance of these deposits will be classified as borrowings. As specified in the proposed Ordinary Resolution, the total amount of these fixed deposits, when aggregated with the Company's existing deposits, long-term borrowings, and other debt facilities, shall strictly remain within the overall borrowing limits previously authorized by the shareholders under Section 180(1)(c) of the Companies Act, 2013.

As an eligible company, the maximum statutory limits for accepting deposits on the basis of net worth are as follows:

Limit for Public Deposits (25%)	Rs. 65.80 Crores
Limit for Deposits from Members (10%)	Rs. 26.32 Crores

However, based on the evaluation for the credit rating CARE has put a Public Deposit limit of Rs.15 crore based on the Company's financials and assigned "Care A -; Stable" Rating.

# DCM SHRIRAM INTERNATIONAL LIMITED

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The Board of Directors considers the acceptance of deposits to be in the interest of the Company and recommends the Resolution set out at Item No. 5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel (KMP) of the Company, or their respective relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of any deposits they may choose to place with the Company under the scheme on the same terms and conditions applicable to the general public and other members.

## **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 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 shareholders.

Accordingly, approval of the shareholders is sought to authorize the Board of Directors to pay a 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 2026-27. The distribution of the commission among the Non-Executive Directors will be decided by the Board of Directors based on their specific contributions and committee memberships.

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 may be payable to them.

None of the Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the aforementioned resolution.

## **Item No 7**

The Board of Directors at its meeting held on December 23, 2025, approved a proposal to seek approval of shareholders to amend the Articles of Association (AoA) to align with changing corporate philosophies.

Under 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 provide otherwise. The Company's current Articles do not contain this enabling provision. To provide flexibility in leadership, the Board proposes to amend Article 74(ii) and insert Article 74(iii) to allow this dual role.

Additionally, the insertion of Article 74(iv) will ensure that the Managing Director & CEO 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 passing of this Special Resolution.

None of the Directors except Mr. Alok Bansidhar Shriram (being the Managing Director) and his relatives are concerned or interested in this resolution.

# DIRECTORS' REPORT

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The Directors have pleasure in presenting the 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.

## Economic scenario

The global socio-economic environment remained in turmoil throughout 2025 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 and possible global recession.

Against this global backdrop, the Indian economy has demonstrated fragile 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

Turnover at Rs. 451.17 crore, compared to Rs. 573.68 crore in the previous year is lower by 21.36% due to international market scenario. Gross profit at Rs. 26.43 crore, is also lower from Rs. 97.31 crore in the previous year, while net profit also saw a decline to (-) Rs. 12.12 crore from Rs. 62.12 crore. A special provision of Rs. 20.83 Crore made in this year also impacted the PBT adversely.

## Appropriation and Dividend

The Board of Directors is happy to recommend a dividend of Rs.0.40 (20%) per equity share of Rs.2 for the year ended 31.03.2026. The payout of dividend for the year under review is Rs.3.48 cr.

The closing balance of Rs 245.80 Cr. including Rs 258.88 Cr. brought forward from the previous years has been carried forward in the P&L account without accounting for the proposed dividend of Rs. 3.48 crore for the financial year 2025-26, which will be recognized, as an appropriation in the current financial year on approval by the shareholders.

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

<https://dcmsil.com/wp-content/uploads/2026/01/Dividend-Distribution-Policy.pdf>

### **Auditors' Report**

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 31.03.2026.

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

### **Secretarial Audit Report**

The shareholders of the Company, through a postal ballot process, have accorded their approval for the appointment of M/s. Chandrasekaran Associates, Company Secretaries, as the Secretarial Auditors of the Company for a term of five consecutive years commencing from the financial year 2025-26.

Accordingly, M/s. Chandrasekaran Associates 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 – 1** to this Report. There are no qualifications, reservations, or adverse remarks in the said Report.

## **THE STATE OF COMPANY'S AFFAIRS**

### **Rayon**

The Unit is engaged in the manufacturing and marketing of rayon tyre yarn, greige fabric and treated fabric, which are primarily used as reinforcement material in high speed tyres.

The Unit's performance during the year was impacted by a declining global economic environment. The downturn was primarily driven by prevailing geopolitical uncertainties and a slowdown in the automobile industry, which adversely affected demand conditions. In response to the subdued market scenario, production levels were appropriately rationalized to optimize operational efficiency and manage costs/stocks effectively. The Company continues to closely monitor the external developments and remains focused on strengthening its business outlook and improving performance in this environment.

Raw material and energy costs increased during the year and continued to show an upward trend. In the current year, logistic and insurance prices are expected to rise further on account of ongoing geopolitical tensions in the Middle East. The Company will continue to focus on mitigating cost pressures through stringent cost control measures, improvement in operational efficiencies.

The Unit's product portfolio comprises Nylon Chafer Fabric, which primarily caters to the demand of domestic tyre manufacturers, along with limited exports to overseas markets. It also produces Carbon Disulphide (CS<sub>2</sub>), which is used for captive consumption as well as domestic sales. Both product lines continue to maintain a strong customer base and a stable market presence.

The Unit's initiative to use agro fuel as a replacement for fossil fuels has been successful. To further enhance operational efficiency and reduce impurities in husk, a husk pellet machine was installed during the year. In addition, a project for the installation of a 40 TPH agro fuel boiler is

# **DIRECTORS' REPORT** (continued)

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currently under progress to address pollution compliance requirements, grid power disturbances and ensure optimal fuel utilization. Further, additional energy conservation measures are being implemented in view of the rising cost of agro fuel.

The Unit has previously received appreciation and awards from various forums for achieving the highest exports in its segment, demonstrating business excellence and being recognized as a best employer. During the current year, the Unit was conferred the Best Employer Award, marking a significant milestone in its continued commitment to outstanding personnel management and workplace excellence.

The Unit remains committed to maintaining the highest standards in quality, environmental stewardship, responsible supply chain management, occupational health and safety. The Unit is certified to internationally recognized management system standards, including Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), Occupational Health and Safety Management System (ISO 45001:2018), Automotive Quality Management System (IATF 16949:2016), Forest Stewardship Council Chain of Custody (FSC CoC) and ISCC PLUS sustainability certification covering the supply chain.

The Unit actively participates in globally recognized sustainability assessments conducted by independent organizations, including EcoVadis and the Carbon Disclosure Project (CDP), reinforcing its commitment to sustainability, transparency, continuous improvement and responsible business practices across environmental, social and governance parameters. Continued sustainability initiatives undertaken by the unit contributed towards reduction in its carbon footprint, thereby enhancing its competitive advantage. The same has been assessed by independent authorized agencies.

The Unit's effluent and emission control facilities, equipped with real-time monitoring systems, are maintained and continuously upgraded to ensure compliance with applicable regulatory norms. Consistent efforts are undertaken to reduce, recycle, and reuse effluents, with a focus on minimizing overall water consumption.

In this direction, a 300 KLD system for the recovery of hazardous materials from effluent streams is now operational. This system contributes to a reduction in the Unit's hazardous waste generation and supports improved environmental performance.

## **Engineering Projects**

Engineering and Defence Equipment Manufacturing projects are moving forward. We have managed some revenue generation in the Engineering Project Section (EPS) in the financial year 2025-26. For the defence products we are now getting out of the R&D phase and manufacturing efficient prototypes. The products are undergoing No Cost No Commitment (NCNC) trials and in-house testing at various levels.

Light Bullet Proof Vehicles (LBPV), prototyping is complete on the new Ford Ranger platform and the vehicle has performed commendably in the NCNC trials of the Indian Air Force. Collaboration with Ford Motor Company, USA and RMA, Thailand (Ford's Global Export Distributor) is working well. The Company is sourcing spares and other details of vehicles for the leads from across the world.

DCMSIL and GAIA, Israel will also be manufacturing five MPVs (AMIR) for overseas market at Kota. All stores and three chassis have been received at Kota. Initial procurement of the parts for making the AMIR Vehicle has also started.

The investment and technology arrangement with Zyrone Dynamics, Turkiye (ZD) is on course. The Company has so far paid three tranches for subscription of 9797 shares representing 14.04% equity in ZD. On its part ZD commenced development of the Minimum Viable Product of Variable Volume Concept UAV Platform. Presently, we are working on transfer of shares holding in ZD from DCM Shriram Industries Limited to DCM Shriram International Limited.

EPS has set up a full manufacturing and fabrication facility in Kota, Rajasthan. The facility is operational and has ISO 9001, ISO 14001, ISO 45001 and UL 142 Certifications.

EPS had received 29 x POs from USA for manufacturing FCP1000 (safe storage of Flammable & Combustible fluids) in 2025-26. All 29 loads have been completed and dispatched. The total revenue for 2025-26 is Rs 5.06, Cr. plus taxes.

EPS is manufacturing Atlantium water treatment solutions in Kota. Training of the team has been carried out in Israel and Kota. 88 systems have been manufactured in 2025-26. The total revenue for 2025-26 is Rs 71.53Lakh plus taxes.

DCMSIL and Tadiran Telecom, Israel has signed an agreement to assemble IP Phones. We have assembled 2638 x TAD3 and 2615 x TAD6 phones. The total revenue for 2025-26 is Rs 28.71Lakh plus taxes.

EPS is settled in the assembly of engineering projects and striving to achieve excellence in the products. For the defence products we are aggressively pursuing sales. We will be participating in many tenders in the coming year. With the coming into effect of the Scheme, this segment of operations will be given more focus and a result oriented approach.

### **Material changes and commitments**

The Hon'ble National Company Law Tribunal, Delhi Bench on November 21, 2025 has approved the Scheme of Arrangement with the appointed date 1st April, 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 as on the record dated i.e., 26<sup>th</sup> December, 2025.

Pursuant to the NCLT-sanctioned Scheme, the Rayon Undertaking—which includes the Rayon business, Defence, and the Engineering Projects Section—has been demerged and vested into DCM Shriram International Limited. Consequently, DCM Shriram International Limited has emerged as an independent corporate entity specifically focused on the growth and expansion of the Rayon and Engineering businesses effective from 17<sup>th</sup> December, 2025. DCM Shriram International Limited is now strategically positioned to pursue independent growth strategies, attract specialized collaborations, and maximize shareholders' value within its specific sectors.

Except for the implementation and financial effects of the aforementioned Scheme, 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.

# **DIRECTORS' REPORT** (continued)

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## **Subsidiary/ Associate Companies**

The Company has no subsidiary.

Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal (NCLT), DCM Hyundai Limited, which was formerly an associate of DCM Shriram Industries Limited, became an associate of the Company during the year under review.

The required information regarding the performance and financial position of the associate company are given in Form AOC - I as annexure to the Annual Financial Statements for the year ended 31.03.2026.

Except the above, there has been no change in relationship of subsidiaries/ associate company during the year.

## **Annual Return**

A copy of Annual Return for the year 2024-25, is available on the Company's web link .  
<https://dcmsil.com/wp-content/uploads/2026/06/Annual-Return.pdf>

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

## **BOARD MEETINGS AND DIRECTORS**

### **Meetings of the Board**

During the year 2025- 26, five board meetings were held. The dates of the meetings, attendance, etc., are given in the Corporate Governance Report annexed hereto.

### **Declaration u/s 149(6) of the Act**

All the Independent Directors (IDs) have given declarations u/s 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations confirming that they meet the criteria of independence as laid down under the said Section/ Regulation.

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 23.12.2025 had approved a Policy on Board Diversity, as required under the SEBI Listing Regulations. A copy of the same has been posted on the Company's weblink –  
<https://dcmsil.com/wp-content/uploads/2026/01/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 identifies and recommends to the Board, persons for appointment on the Board, after considering the necessary and desirable competencies. 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(l) 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 or KMPs

The Company was incorporated in September 2022, with its founding Board of Directors comprising Mr. Alok Bansidhar Shriram , Ms. Kanika Shriram , and Mr. Rudra Shriram.

In preparation for the 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 Independent Directors:** At the Board meeting held on October 30, 2025, the Board inducted four Independent Directors with effect from November 15, 2025. The appointed Independent Directors are Mr. Sanjay Chandrakant Kirloskar, Mr. Suman Jyoti Khaitan, Mr. Mukesh Gupta, and Mrs. Meeta Makhan.
- **Appointment of Executive Directors, KMPs, and Chairman:** Subsequently, on December 23, 2025, the executive directors and Key Managerial Personnel (KMPs) were appointed. These included the appointment of Mr. Alok Bansidhar Shriram as Managing Director & Chief Executive Officer (CEO), Ms. Kanika Shriram and Mr. Rudra Shriram as Deputy Managing Directors, and Mr. Purushottam Das Bagla as Whole Time Director & Chief Financial Officer (CFO). Mr. Sanjay Chandrakant Kirloskar was appointed as the Chairman of the Board.
- To further strengthen the Board, Mr. Sunil Behari Mathur, who is a non-executive Chairman of DCM Shriram Industries Limited was appointed as a Non-Executive Non-Independent Director with effect from March 7, 2026. This will also strengthen the concept of common control.

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.

# **DIRECTORS' REPORT** (continued)

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In compliance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company subsequently sought the approval of its shareholders for the aforementioned appointments through Postal Ballot process. The remote e-voting process for the Postal Ballot was successfully concluded on May 12, 2026 and all the resolutions have been approved with requisite majority.

## **Annual Evaluation of Board and Directors**

Pursuant to the provisions of Section 134(3)(p) and Section 178 of the Companies Act, 2013, read with Regulation 17(10) and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board is required to conduct an annual performance evaluation of the Board, its Committees, and individual Directors, and also in a separate meeting of Independent Directors are required etc., to review the performance of 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 evaluation, such an evaluation will be done 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;
- 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**

A comprehensive and effective internal financial control system is followed by the Company at all its establishments. This is further strengthened by an internal audit process under the overall supervision of the Audit Committee of the Board. Services for internal audit are outsourced. Qualified and experienced professionals are engaged to ensure effective and independent evaluation of, inter alia, the internal financial controls.

The Audit Committee lays down the schedule for internal audits. Internal audit reports are placed before the Committee along with management comments. Suggestions are implemented and subsequently reported back to the Audit Committee.

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. The operating results are compared and monitored against the approved budgets periodically. An Executive Committee comprising the senior management team meets every month to review all aspects of operations and formulate remedial measures and strategies. Monthly operations review reports comparing budgets with actual performances are placed before the Executive Committee for internal assessment, and also before the Board on a quarterly basis.

An effective communication and reporting system operates between the Units, Divisions, and the Corporate Office to keep various establishments abreast of regulatory changes and ensure seamless compliances.

To further strengthen Internal Financial Controls, ensure high availability of data, and drive business transformation through digitization, the Company has adopted the "RISE with SAP" (SAP Private Cloud) solution which has been successfully implemented across all business segments. This system is functioning effectively to mitigate any risk of information loss, streamline processes, and provide robust, real-time operational oversight.

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

The particulars of loans given by the Company are given in Note no. **5** of the Standalone Financial Statements for the year ended 31.03.2026.

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, or the relatives except for those disclosed in the financial statements – Note No.33 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 weblink:

<https://dcmsil.com/wp-content/uploads/2026/01/Policy-on-Related-Party-Transactions-1.pdf>

### **CSR Activities**

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 year 2025-26 in the prescribed proforma is annexed – **Annexure 2**. The Company was required to spend Rs.148.19 lakh, being 2% of the average net profits of the preceding 3 years based on recasted financials during the year under review which has been fully utilized. The CFO has confirmed to the Board that funds mandated were spent as per approval of the CSR Committee and Board.

# DIRECTORS' REPORT (continued)

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## Risk Management

The Board of Directors in its meeting held on 06.03.2026 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. Such a report in respect of all the operations of the Company is now being placed before the Board.

In view of the diversified business, there are no significant elements of risk, which in the opinion of the Board may threaten the existence of the Company.

## Public Deposits

Continuing the trusted legacy of the erstwhile DCM Limited and DCM Shriram Industries Limited i.e., the predecessor company, your Company proposes to invite and accept fixed deposits from its members, employees, and the general public. This initiative not only provides a safe investment avenue with attractive returns for our stakeholders but also supplements the Company's working capital requirements.

Following the successful implementation of the Composite Scheme of Arrangement, your Company qualifies as an "Eligible Company" under Section 76 of the Companies Act, 2013, read with Rule 2(1)(e) of the Companies (Acceptance of Deposits) Rules, 2014, having met the stipulated net worth and turnover criteria. Furthermore, the Company has been assigned a credit rating of "CARE A-; Stable" by CARE Ratings. The rating is based on deposit limit of Rs. 15 Crore.

Accordingly, your Board of Directors proposes to seek the approval of the shareholders at the ensuing Annual General Meeting (AGM) to invite and accept Public Deposits.

## 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, Foreign Exchange Earnings and Outgo

The required information as per Rule 8 (3) A, B & C of Companies (Accounts) Rules, 2014 is annexed – **Annexure 3 hereto.**

## REMUNERATION POLICY

The Board of Directors in its meeting held on 23.12.2025 had laid down a Remuneration Policy relating to remuneration of the Directors, Key Managerial Personnel (KMP), 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 posted on the Company's weblink. <https://dcmsil.com/wp-content/uploads/2026/01/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 Rs.50,000 per Board meeting and Rs.25,000 per Committee meeting. In addition, Non-executive Directors are paid commission on profits of up to 1% of the net profit of the Company, computed in the manner laid down u/s 198 of the Companies Act, 2013, in such amount and proportion as may be decided by the Board of Directors.

To adequately compensate the Non-Executive Directors for their sustained contributions, the Board of Directors, has proposed the payment of remuneration by way of a commission to the Non-Executive Directors, subject to a maximum aggregate limit of 1% (one percent) 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 shareholders 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(s) is fixed by the Board of Directors on the recommendation of the NRC, subject to the approval of the shareholders. 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 and cessation of service of Sr. Management Personnel are approved by the Managing Director(s) on the recommendation of the concerned Executive 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 – **Annexure 4** hereto. It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

# DIRECTORS' REPORT (continued)

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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 Rs.102 lakh or more per annum in aggregate during the year 2025-26 is annexed – **Annexure 5** hereto.

## Audit Committee

The Audit Committee presently comprises of four members, all of them being Independent Directors . Mr. Suman Jyoti Khaitan is the Chairman and Mr. Sanjay C. Kirloskar, Mr. Mukesh Gupta and Mrs. Meeta Makhan are Members. 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 Listing 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 put on the weblink of the Company:

<https://dcmsil.com/wp-content/uploads/2026/03/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 National Company Law Tribunal, Delhi Bench, by order dated 21.11.2025, the authorized capital of the Company stood increased from Rs.5,00,000 (Rupees Five Lakh) 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.

The Board Committee, for Implementation of Scheme of arrangement in exercise of the authority conferred by the Board has approved extinguishment of the 50,000 Equity Shares of Face Value of Rs. 2/- each aggregating to Rs. 100,000, in terms of the Scheme of Arrangement in exercise of the authorisations accorded by the Board of directors.

The Committee also has approved allotment of 8,69,92,185 Equity Shares of Rs. 2 each of DCM Shriram International Limited to the Equity Shareholders of the DCM Shriram Industries Limited, as on 26th December, 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 the listing approval for the shares was received from BSE Limited and National Stock Exchange of India Limited on 21.01.2026. Trading approval for the said number of shares was received from NSE and BSE on 13.02.2026 and trading started from 17.02.2026.

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 shareholders in their meeting held on 15.07.2023 had appointed M/s. B S R & Co., LLP, Chartered Accountants, Gurugram (Firm Registration No.101248W/W100022), for a term of 5 years i.e., to hold office till the conclusion of the AGM in the year 2028.

## 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, due for filing on or before 27.09.2026, to the Central Government. 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 23.12.2025 had laid down a policy on Orderly Succession for Appointments to the Board and Senior Management . The policy can be accessed on the company website through <https://dcmsil.com/wp-content/uploads/2026/03/Succession-Policy.pdf>

## Corporate Governance

Reports on Corporate Governance and Management Discussion & Analysis are annexed – **Annexure 6.**

## 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. The Committees were constituted effective from 01.02.2026 for 3 years.

The details are as follows:

Particulars	Status
Number of complaints of sexual harassment received in the year	Nil
Number of complaints disposed off during the year	None
Number of cases pending for more than ninety days	None

# **DIRECTORS' REPORT** (continued)

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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 IB Code**

Neither any application was made, nor any proceedings were pending under the Insolvency & Bankruptcy Code 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**

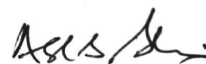
The Directors acknowledge the continued co-operation and support received from the Banks and various government agencies, and all our business associates.

The Directors also place on record their appreciation of 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



Kanika Shriram  
DIN: 00998758  
**Deputy Managing Director**



Alok B. Shriram  
DIN: 00203808  
**Managing Director & CEO**

Place: New Delhi  
Date: 21<sup>st</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 International 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 International 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;

## DIRECTORS' REPORT (continued)

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- (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 to the **extent applicable**;
  - (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) Essential Commodities Act 1955
  - b) Prevention of Food Adulteration Act 1954
  - c) FSS Act, 2006
  - d) The Legal metrology Act 2009 and Rules 2011

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.

### **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 1st April, 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 National Company Law Tribunal, Delhi Bench, by order dated 21.11.2025, the authorized capital of the Company stood increased from Rs.5,00,000 (Rupees Five Lakh) 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 23rd December 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(iii) and 74(iv) after Clause 74(ii). 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 Board Committee for Implementation of Scheme of arrangement has approved extinguishment of the 50,000 Equity Shares of Face Value of Rs. 2/- each aggregating to Rs. 100,000, in terms of the Scheme of Arrangement in exercise of the authorisations accorded by the Board of directors.

# **DIRECTORS' REPORT** (continued)

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5. The Board Committee for Implementation of Scheme of arrangement has approved the allotment of 8,69,92,185 Equity Shares of Rs. 2 each of DCM Shriram International Limited to the Equity Shareholders of the DCM Shriram Industries Limited, as on 26th December, 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 21.01.2026 and trading approval for the said number of shares was received from NSE and BSE on 13.02.2026 and trading in shares started from 17.02.2026.

**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: FO11919HOO0315332

Date: 11.05.2026  
Place: Delhi

**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.*

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## **Annexure-A**

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

### **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: F011919H000315332

Date: 11.05.2026  
Place: Delhi

## REPORT ON CSR 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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Alok B. Shriram	MD & CEO	1	1
2.	Kanika Shriram	DMD		1
3.	Rudra Shriram	DMD		1
4.	Meeta Makhan	Independent Director		1
5.	Purushottam Das Bagla	WTD & CFO		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://dcmsil.com/board-committees-composition-2/">https://dcmsil.com/board-committees-composition-2/</a>
CSR Policy	<a href="https://dcmsil.com/wp-content/uploads/2026/01/Corporate-Social-Responsibility-Policy.pdf">https://dcmsil.com/wp-content/uploads/2026/01/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, if applicable – **N.A.**

5.

S. No	Particulars	Amount (Rs.)
(a)	Average net profit of the company as per sub-section (5) of section 135	<b>74,09,50,000</b>
(b)	Two percent of average net profit of the company as per section 135(5)	<b>1,48,19,000</b>
(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)]	<b>1,48,19,000</b>

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):  
**Rs. 1,40,79,000**
- (b) Amount spent in Administrative Overheads: **Rs.7,40,000**
- (c) Amount spent on Impact Assessment, if applicable: **Not Applicable.**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs.1,48,19,000**
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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
<b>1,48,19,000</b>	NA	NA	NA	NA	NA

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

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	<b>1,48,19,000</b>
(ii)	Total amount spent for the Financial Year	<b>1,48,19,000</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	–
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	–

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

1	2	3	4	5	6		7	8
Sl. No	Pre- ceding Finan- cial Year	Amount transferred to Unspent CSR Ac- count under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub- section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount remaining to be spent in suc- ceeding financial years. (in Rs.)		Amount remain- ing to be spent in succeed- ing Finan- cial Years (in Rs)	Deficiency, if any
					Amount (in Rs).	Date of transfer		
Not Applicable								

# DIRECTORS' REPORT (continued)

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**

Sl. 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		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

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**

*Kanika Shriram*

Kanika Shriram  
DIN: 00998758  
**Deputy Managing Director**

*Alok B. Shriram*

Alok B. Shriram  
DIN: 00203808  
**Managing Director & CEO**

Date: 21.05.2026  
Place: New Delhi

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) read with Rule 8(3) of Companies (Accounts) Rules, 2014

### **A. CONSERVATION OF ENERGY**

#### **I. Steps taken and impact on conservation of energy :**

- Installed an energy efficient motor on main exhaust fan in the Spinning hall.
- Installed a new energy efficient axial flow pump with a mechanical seal in the ASSR plant.
- Installed an efficient booster and nozzle in the VRR vacuum ejector system to save steam.
- Installed a condensate recovery system in the Spin Bath, Spinning and CS2 plant.
- Optimized the air conditioning TR load in Viscose and Textile plant.
- Installed additional hoppers between the Economizer and Air Pre Heater along with a rotary feeder to improve ash handling, prevent tube chocking and reduce SPM levels.
- Stopped the collection bath transfer pump in the Spin Bath lower basement after header modification.
- Optimized Spinning hall air washer speeds to maintain temperature and humidity efficiently.
- Installed VFD in Boiler No. 4 secondary air fan, PT pump, and RO-4 high pressure pump for energy saving.

#### **II. Steps taken by the Company for utilizing alternate sources of energy:**

- 100% Utilization of Agro waste as a boiler fuel.
- Harnessing of solar power 2.11 MW capacity.

#### **III. Capital investment on energy conservation equipments :**

Rs. 1.46 Cr.

#### **IV. Impact of the above measures :**

- Reduction in energy consumption.
- Cost saving.
- Reduced consumption of natural resources.
- Improved sustainability of operations.

# DIRECTORS' REPORT (continued)

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## B. TECHNOLOGY ABSORPTION:

### I. Efforts made towards technology absorption:

- 1) Installed a 300KLD Zinc recovery system based on the precipitation process to recover zinc from influent streams.
- 2) Installation a dust collection system in the ASSR plant to reduce fugitive emission.
- 3) Installed a screw feeder on the ASSR dryer for consistent feed and reduced reprocessing of Glauber salt.
- 4) Installed a 30 KLD STP Plant based on MBR technology near the CS<sub>2</sub> plant.
- 5) Constructed a concrete road within the factory using waste sludge, FRP and fly ash.
- 6) Installed a palletization plant in the power house to enable pellet usage in boilers.
- 7) Replaced oil-driven actuators with motorized actuators in the 2 MW turbine to enhance reliability.
- 8) Developed an Indigenous source for the requirement of aluminum bobbins for Spinning and Textile plant.

### 9) **Bullet Proof Vehicles (BPV)**

- i. The new Light BPV being manufactured on the Ford Ranger platform by DCMSIL is compliant to all the Central Motor Vehicle Rules and industry standards. We are also working on a Medium BPV which will comply to all the international standards. We have all the statutory certifications for manufacturing of the BPV vehicles.
- ii. **Unmanned Aerial Vehicles**  
DCM UAV Trishul has been Type Certified by DGCA wherein all the governments statutory compliances are checked. DCMSIL is using battery operated drones and contributing to reducing the carbon foot print. Efforts are made to promote recyclable materials and rely on new materials.

### II. Benefits derived like product improvement, cost reduction, product development or import substitution :

- Improved Pollution control.
- Enhanced energy efficiency.
- Quality Improvement.
- Time Saving.
- Cost Reduction.
- Reduced equipment breakdowns.

- Increased productivity and capacity utilization.
- Improved safety.
- Reduced Carbon Footprint.
- Enhanced sustainability.
- BPV. Vehicles with latest technology are fit for the Indian and International markets.
- UAV. We have refined the use of energy saving processes and using the knowhow for developing different category of UAV prototypes.

### III. Particulars of the technologies imported during last 3 years :

In BPVs we have upgraded our design and engineering technology to be compliant to Indian and international standards. In UAVs we have absorbed the battery-operated drones technology.

### IV. Expenditure incurred on Research and Development : Rs. 6.96 Cr.

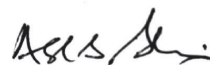
## C. FOREIGN EXCHANGE EARNINGS & OUTGO 2025-26:

Total foreign exchange earned Rs. 396.16 Cr. and used Rs. 148.36 Cr.

For and on behalf of the Board



Kanika Shriram  
DIN: 00998758  
Deputy Managing Director



Alok B. Shriram  
DIN: 00203808  
Managing Director & CEO

Place: New Delhi  
Date: 21<sup>st</sup> May, 2026

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

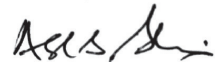
As on 31.03.2026 there were 1037 permanent employees on the rolls of the company.

Pursuant to the approval of the Scheme of Arrangement, the company becomes operational effective from December 17, 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, this information under the said rule is not available for the year 2025-26.

For and on behalf of the Board



Kanika Shriram  
DIN: 00998758  
**Deputy Managing Director**



Alok B. Shriram  
DIN: 00203808  
**Managing Director & CEO**

Place: New Delhi  
Date: 21<sup>st</sup> May, 2026

**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 Report of Directors for the year ended March 31, 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 Rs.1,02,00,000/- .

Name	Designation and nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (years)	Date of commencement	Age (years)	Particulars of last employment.
Alok Bansidhar Shriram	Managing Director & CEO	1,43,69,879	B.Com. (Hons.)	46	08.07.2022	65	DCM Shriram Industries Limited
Purushottam Das Bagla	WTD & CFO	89,19,387	B.Sc & ICWA	45	24.12.2025	66	DCM Shriram Industries Limited
Narinder Singh Walla	Sr. VP	75,41,154	B.Tech (Chem), MBA	29	01.01.2026	51	DCM Shriram Industries Limited
Rudra Shriram	DMD	57,65,059	B. S. Economics	13	08.07.2022	35	DCM Shriram Industries Limited
Kanika Shriram	DMD	49,41,567	MA (Corp. Conn. & Marketing)	17	08.07.2022	41	DCM Shriram Industries Limited
Gagan Nigam	Vice President (Strategy)	47,35,706	Master of Management Studies (Marketing)	21	01.01.2026	46	DCM Shriram Industries Limited
Amit Kumar Khandelwal	Vice President	42,39,277	B.Tech	32	01.01.2026	55	DCM Shriram Industries Limited
Paresh Johari	Vice President	42,22,152	B.E. (Mech)	38	01.01.2026	62	DCM Shriram Industries Limited
Saiduzzaman Haque	Sr. Gen. Manager	40,68,161	B. Tech (Chem Engg.)	32	01.01.2026	55	DCM Shriram Industries Limited
Abhimanyu Shekhawat	General Manager	39,32,927	Post Graduate Diploma in Tank Technology (TTC), Defence Institute of Advance Technology	25	01.01.2026	49	DCM Shriram Industries Limited

- 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 Rs.8,50,000/- per month – NONE

*Kanika Shriram*

Kanika Shriram  
DIN: 00998758

Deputy Managing Director

*Alok B. Shriram*

Alok B. Shriram  
DIN: 00203808

Managing Director & CEO

Place: New Delhi  
Date: 21<sup>st</sup> May, 2026

## CORPORATE GOVERNANCE REPORT

### (A) Corporate Governance Philosophy

At DCM Shriram International Limited, 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 the century-old legacy of the DCM Group, we recognize that our purpose extends far beyond mere profit generation to 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.

Our corporate governance philosophy is anchored in five key pillars: the equitable treatment and protection of shareholder rights, the safeguarding of all stakeholder interests, clearly defined roles and responsibilities for our Board of Directors, unwavering ethical conduct at every organizational level, and a commitment to timely disclosure and environmental stewardship. 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.

The CG Report in respect of the year ended 31.03.2026 is given below:

### (B) Board of Directors (as on 31.03.2026)

The Company's Board comprised of an ideal combination of executive and non-executive directors, headed by a non-executive Chairman. Of the nine (9) directors, four (4) were executive directors. Three (3) executive directors represented the promoters. Of the five (5) non-executive directors, four (4) were independent directors and one (1) non-independent. 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 LODR Regulations and Section 149(4) of the Companies Act, 2013.

#### **Board Meetings, attendance and other directorships**

During the year, Five (5) Board meetings were held on 29th May 2025, 08th August 2025, 30th October 2025, 23rd December 2025 and 06th March 2026. Attendance and other details are given below:

S. No	Name of Directors	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Other Director-ships*	No. of Committee Memberships ** (other companies)	
							Member	Chairperson
1.	Mr. Sanjay C. Kirloskar	00007885	Chairman (Non-Executive- Independent)	2	No	3	2	1
2.	Mr. Alok B. Shriram	00203808	Sr. MD & CEO (Promoter & Executive Director)	5	Yes	2	0	0
3.	Ms. Kanika Shriram	00998758	Dy. MD (Promoter & Executive Director)	5	Yes	0	0	0
4.	Mr. Rudra Shriram	08617576	Dy. MD (Promoter & Executive Director)	4	Yes	0	0	0
5.	Mr. PD Bagla	11354856	WTD & CFO (Executive Director)	1	No	0	0	0
6.	Mr. Mukesh Gupta	06638754	Non-Executive Independent Director	2	No	2	3	0
7.	Mrs. Meeta Makhan	07135150	Non-Executive - Independent Director	2	No	3	1	3
8.	Mr. Suman Jyoti Khaitan	00023370	Non-Executive - Independent Director	2	No	4	4	2
9.	Mr. S.B. Mathur	00013239	Non-Executive Non Independent Director	0	No	3	2	1

\* 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.

Mr Alok B. Shriram, Ms Kanika Shriram and Mr Rudra Shriram being relatives are related to each other. None of the other Directors are related to any other Director on the Board.

#### Details of Directorships in other listed entities:

S. No.	Name of Directors	Other Directorship in Listed Entities	Category of Directorship
1	Mr. Sanjay C. Kirloskar	Kirloskar Brothers Limited	Managing Director
		DCM Shriram Industries Ltd.	Independent Director
2	Mr. Alok B. Shriram	DCM Shriram Fine Chemicals Limited	Additional Director
3	Ms. Kanika Shriram	—	—
4	Mr. Rudra Shriram	—	—
5	Mr. PD Bagla	—	—
6	Mr. Mukesh Gupta	ITC Hotels Limited	Independent Director

# DIRECTORS' REPORT (continued)

7	Mrs. Meeta Makhan	Kanoria Chemicals & Industries Limited	Independent Director
		Timex Group India Limited	Independent Director
8	Mr. Suman Jyoti Khaitan	Khaitan Chemicals and Fertilizers Limited	Independent Director
		Maral Overseas Limited	Independent Director
		OCCL Limited	Independent Director
		RSWM Limited	Independent Director
9	Mr. S.B. Mathur	DCM Shriram Industries Limited	Non-Independent Director
		DCM Shriram Fine Chemicals Limited	Additional Director

## **Meeting of Independent Directors:**

The Independent Directors of the Company were formally inducted onto the Board with effect from November 15, 2025. Furthermore, the Company commenced its independent business operations only towards the end of December 2025, following the effective vesting of the Rayon Undertaking pursuant to the NCLT-sanctioned Composite Scheme of Arrangement, and subsequently achieved its listed status on February 17, 2026.

Given this truncated 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 management and the Board could not be practically undertaken. Consequently, the separate meeting of the Independent Directors was not convened during the year under review.

The Independent Directors will commence holding their mandatory separate meetings and undertake the requisite performance evaluations from the financial year 2026-27 onwards. Similarly, the Board will also undertake annual evaluation from the financial year 2026-27.

None of the Non-Executive Director hold any Equity Shares in the Company. There are no convertible instruments in the Company, presently.

## **The Familiarization programme for Independent Directors**

The Board of Directors had laid down a Familiarization Programme for Independent Directors, copy of which is placed on the Company's website – <https://dcmsil.com/wp-content/uploads/2026/01/Familiarisation-Policy-for-IDs.pdf>

The Board will organize familiarization programme from the current financial year.

## **Core Skills, expertise and competence of Board of Directors**

The Board comprises of highly qualified and experienced members who possess required skills, expertise and competence which allow them to make effective contributions to the functioning of the Board and its Committees. 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.
Mr. Sanjay C. Kirloskar	•	•	•	•	•
Mr. Alok B. Shriram	•	•	•	•	•
Ms Kanika Shriram	•	•	•	•	•
Mr. Rudra Shriram	•	•	•	•	•
Mr. Purushottam Das Bagla	•	•	•	•	•
Mr. Suman Jyoti Khaitan	•	•	•	•	•
Mrs. Meeta Makhan	•	•	•	•	•
Mr. Mukesh Gupta	•	•	•	•	•
Mr. S. B. Mathur	•	•	•	•	•

### Independent Directors

The Board of Directors confirms that in its opinion the Independent Directors fulfill 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) 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 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 in hybrid mode on 23.12.2025 and 06.03.2026.

The Audit Committee as on 31.03.2026 comprised of four (4) members, all are Non-Executive Independent Directors. The Company Secretary is the Secretary of this Committee. The attendance at these meetings during the year was as follows:

# DIRECTORS' REPORT (continued)

Name of the Member	Status	No. of Meetings attended
Mr. Suman Jyoti Khaitan	Chairman	2
Mr. Sanjay Chandrakant Kirloskar	Member	2
Mrs. Meeta Makhan	Member	2
Mr. Mukesh Gupta	Member	2

All the Members have extensive financial and accounting knowledge/ background. Apart from the members, all the Executive Directors, CFO, Head of Internal Audit, and representative(s) of the Statutory Auditors attended the meetings of the Committee.

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

## (D) 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 31.03.2026 comprised of four (4) Non-Executive Independent Directors. The Company Secretary is the Secretary of this Committee. During the year two (2) meetings of the NRC were held on 23.12.2025 and 06.03.2026. The attendance at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Mukesh Gupta	Chairman	2
Mr. Suman Jyoti Khaitan	Member	2
Mrs. Meeta Makhan	Member	2
Mr. Sanjay Chandrakant Kirloskar	Member	2

As the NRC was constituted in December 2025, all members will attend their inaugural AGM in the upcoming 2026. The minutes of the meetings of the NRC are placed before the Board.

### (iii) Performance Evaluation Criteria

The NRC, inter alia, in its meeting held on 21<sup>st</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 05.01.2017. The criteria will be followed by the Board and the Independent Directors in the evaluation process from 2026-27 onwards.

#### (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 put on the website of the Company – <https://dcmsil.com/wp-content/uploads/2026/01/Remuneration-Policy.pdf>

#### (E) Stakeholders' Relationship Committee

The Committee monitors shareholders' complaints, if any. The Committee meets on need basis.

During the year one (1) meeting of the Committee was held on 06.03.2026, which was attended by all members. The composition of the Committee is as under:

Name of the Member	Status
Mrs Meeta Makhan	Chairperson
Mr Alok B. Shriram	Member
Mr. Rudra Shriram	Member
Mr. Suman Jyoti Khaitan	Member

As the SRC was constituted in December 2025, all members will attend their first AGM in the upcoming 2026 . Mr. Ashish Jha, Company Secretary is the Compliance Officer of the Company.

During the year 2025-26, the Company has not received any complaints.

#### (F) Risk Management Committee (RMC)

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

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

S. No.	Name of Senior Management	Designation
1.	Mr. Narinder Singh Walia	Senior Vice President
2.	Mr. Paresh Johari	Vice President
3.	Mr. Ashish Jha	Company Secretary & Compliance Officer

#### (H) 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:

## DIRECTORS' REPORT (continued)

Non-Executive Directors are paid sitting fees for attending the Board and Committee meetings. Presently the sitting fee is Rs. 50,000 per Board meeting and Rs.25,000 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 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 paid for the year 2025-26 to Non-Executive Directors are given below:

(Amount in Rs.)

Name of Non-Executive Director	Sitting fees (Rs.)
Mr. Mukesh Gupta	2,00,000
Mr. Suman Jyoti Khaitan	3,50,000
Mrs. Meeta Makhan	2,50,000
Mr. Sanjay Chandrakant Kirloskar	2,00,000

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 31.03.2026 are given below:

(Amount in Rs.)

Name of Executive Directors	Salary	Commission/ Reward	Perquisites	Retirement benefits
Mr. Alok B. Shriram (MD & CEO)	1,21,56,129	-	8,10,249	14,03,501
Ms. Kanika Shriram (DMD)#	16,29,032	-	2,43,247	4,39,839
Mr. Rudra Shriram (DMD)#	22,04,081	-	2,49,044	4,39,839
Mr. Purushottam Das Bagla (WTD & CFO)#	23,89,247	-	1,49,968	1,56,387

# w.e.f 24.12.2025

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.

## (I) General Body Meetings

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

Financial Year	Date	Time	Venue
2022-23	15.07.2023	12:30 PM	Physically at 6th floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi
2023-24	06.07.2024	12:30 PM	Physically at 6th floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi
2024-25	05.07.2025	12:30 PM	Physically at 6th floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi

The 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 06.07.2024.

1. Increased the borrowing limits up to ₹500 Crores pursuant to Section 180(1)(c) of the Companies Act, 2013
2. Increased the limit for creating charge up to ₹500 Crores pursuant to Section 180(1)(a) of the Companies Act, 2013

### **AGM 2023**

No special resolution was passed in the AGM held on 15.07.2023.

### **Postal Ballot**

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

## (J) 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 put on the Company's website <https://dcmsil.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.

# DIRECTORS' REPORT (continued)

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As the Company was listed pursuant to the approval of the Composite Scheme of Arrangement effective December 17, 2025, it made its first formal communication to shareholders through an intimation letter dated February 16, 2026, regarding the allotment and trading of equity shares. The Company will convene its fourth 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 Annual 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 they occur. Disclosures with regard to shareholding patterns, changes in major shareholding, quarterly share capital audit reports, CG compliance reports, etc., are also sent to the Stock Exchanges as required under various Regulations. The Company maintains a website – [www.dcmsil.com](http://www.dcmsil.com) – where general information about the Company, the Code of Business Conduct and Ethics, Remuneration Policy, Shareholding Pattern, Related Party Transaction Policy, Quarterly/Annual results, the Code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015, etc., are posted. Particulars of unclaimed shares, etc., will also be posted on the website for the information of investors.

## (K) General Shareholder Information

- i. The ensuing AGM will be held on Thursday, the 16<sup>th</sup> July 2026 at 11:00 A.M. through Video Conferencing / Other Audio Video Visual Means as permitted by the Ministry of Corporate Affairs.

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

- ii. **Financial Year:** The Company follows 1<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 Monday, the 06<sup>th</sup> July, 2026.

### iv. Dividend

A dividend of Rs. 0.40 (20%) per equity share of Rs. 2 each was recommended by the Board on 21.05.2026 for the year 2025-26.

### v. Investor Education and Protection Fund

29,46,484 (3.39%) equity shares were allotted as on the record dated 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 31<sup>st</sup> March, 2026 and details of "Scrip Code / Symbol" are as mentioned below:

Name of the Stock Exchange	SCRIP Code / Symbol
BSE Ltd.	544702
National Stock Exchange of India Ltd.	DCMSIL

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 Ltd. 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 040-67161500/ 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 shareholders/ 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

Sl. no	Category (Shares)	No.of Holders	% To Holders	No.of Shares	% To Equity
1	1 - 5000	43926	98.47	12369278	14.22
2	5001 - 10000	358	0.80	2652109	3.05
3	10001 - 20000	148	0.33	2122622	2.44
4	20001 - 30000	57	0.13	1417121	1.63
5	30001 - 40000	30	0.07	1036133	1.19
6	40001 - 50000	19	0.04	884623	1.02
7	50001 - 100000	28	0.06	1937905	2.23
8	100001 and above	44	0.10	64572394	74.23
	TOTAL:	44610	100.00	86992185*	100.00

\* Included shares transferred to IEPF.

# DIRECTORS' REPORT (continued)

## B. Shareholding Pattern as on 31<sup>st</sup> March, 2026

Category	No. of shares held	% of Shareholding
Promoters	4,35,90,115	50.11
Insurance Companies, AIF, Banks, Mutual funds & Other Financial Institutions	1,10,51,696	12.70
Foreign Portfolio Investor	12,95,896	1.49
IEPF	29,46,484	3.39
Others (Public)	2,81,07,994	32.31
<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 December 26, 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 INE00U201013.

### (xi) Outstanding instruments

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

### (xii) Plant locations

#### **Shriram Rayons**

Shriram Nagar  
Kota (Raj.)

### (xiii) Address for correspondence with the Company

'Investor Service Section'  
5<sup>th</sup> Floor, Kanchenjunga Building,  
18, Barakhamba Road, New Delhi – 110001  
CIN – L17299DL2022PLC404291  
E-mail ID – [investorservices@dcmsil.com](mailto:investorservices@dcmsil.com)  
Tel: 011-43745000

### (xiv) Credit Ratings

Credit ratings obtained by the Company are as under:

Instrument / Facility	Amount (Rs. Crore)	Rating Assigned	Rating Action
<b>Long-term Bank Facilities</b>	125.44	Care A -; Stable	Assigned
<b>Short-term Bank Facilities</b>	127.22	Care A2+	Assigned
<b>Fixed Deposits (FD)</b>	15.00	Care A -; Stable	Assigned

(xv) **Other Disclosures**

- a) There have been no materially significant related party transactions that may have potential conflict with the interest of the Company at large.
- b) There has been no instance of non-compliance by the Company of any requirements related to capital markets during the last 3 years.
- c) 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.
- d) 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.
- e) The policy regarding determination of material subsidiary is available on the Company's website <https://dcmsil.com/wp-content/uploads/2026/01/Material-Subsidiary-Policy.pdf> . The Company has no material subsidiary.
- f) The policy on dealing with related party transactions is available on the Company's website <https://dcmsil.com/wp-content/uploads/2026/01/Policy-on-Related-Party-Transactions-1.pdf> .
- g) The Company is not engaged in commodity trading on the Commodity Exchange/s, except in Renewable Energy Certificate (REC).
- 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 subsidiaries to the Statutory Auditors of the respective companies during the year 2025-26 are given below:

<b>Auditors</b>	<b>Audit</b>	<b>Amount (in Rs./ Lakh)</b>
BSR & Co. LLP	- Statutory Audit	33.00
	- Others	17.75

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.

## DIRECTORS' REPORT (continued)

- 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 listed entities: **None**
- o) During the year under review, no agreement covered under Regulation 30A of LODR Regulations, was entered into, requiring under Clause 5A of paragraph A of Part A of Schedule III of LODR Regulations.

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.

### (L) 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:

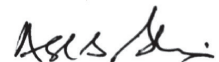
Particulars	No. of Folios	No. of Shares
Outstanding shares in the suspense Account as on 01.01.2026.	13272	10,78,060
Number of shareholders approached the Company for transfer of shares from suspense account during the period.	0	0
Number of shareholders to whom shares were transferred from suspense account during the year 2025-26	13272	10,78,060
Shares transferred to IEPF as per IEPF Rules 2016 from suspense account.	40593	29,46,484
Outstanding shares lying in the suspense account at the end of 31.03.2026.	40593	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



Kanika Shriram  
DIN: 00998758  
Deputy Managing Director



Alok B. Shriram  
DIN: 00203808  
Managing Director & CEO

Place: New Delhi  
Date: 21<sup>st</sup> May, 2026

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## CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To,  
The Members  
DCM Shriram International Limited

We have examined the relevant records of DCM Shriram International Limited, for the purpose of certifying compliance with the conditions of Corporate Governance for the financial year ended 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"). 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 statements 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.

**For K Singh and Associates  
Company Secretaries**

**Sd/-  
(KAMALJIT SINGH)  
Membership No. F11335  
C.P. NO 16847  
UDIN: F011335H000400614  
Peer Review no. 6002/2024**

**Place: Faridabad**

**Date: 19/05/2026**

# **DIRECTORS' REPORT** (continued)

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## **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.



**Alok B. Shiram**

**Managing Director & CEO**

**DIN: 00203808**

Dated: May 21, 2026

## 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 International 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 International Limited** and having CIN: U17299DL2022PLC404291 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:

S. No.	Name of the Director	DIN	Date of appointment in Company
1.	Alok Bansidhar Shriram	00203808	07/09/2022
2.	Kanika Shriram	00998758	07/09/2022
3.	Rudra Shriram	08617576	07/09/2022
4.	Purushottam Das Bagla	11354856	24/12/2025
5.	Sanjay Chandrakant Kirloskar	00007885	15/11/2025
6.	Suman Jyoti Khaitan	00023370	15/11/2025
7.	Mukesh Gupta	06638754	15/11/2025
8.	Meeta Makhan	07135150	15/11/2025
9.	Sunil Behari Mathur	00013239	07/03/2026

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.

# **DIRECTORS' REPORT** (continued)

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## **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:F011919H0003 1 5398

Date: 11.05.2026

Place: Delhi

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

The Company's business comprises of industrial fibre and defence-related products. Its manufacturing facility is located at Kota (Rajasthan). Directors' Report gives segment-wise/product-wise performance and outlook of these operations and also deals with internal financial controls, their adequacy, risks, and concerns.

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

### **Rayons**

The unit exports its products to major international tyre manufacturers across multiple geographies and has established itself as a specialized supplier of technically demanding reinforcement materials.

The Unit is actively expanding its customer base across additional geographies and diversifying into new applications beyond tyres, with high-strength yarn and fabrics developed for non-tyre industrial applications with improved realization compared to traditional products and this segment offers long term growth potential.

In the industrial rayon yarn segment, the Company maintains a meaningful market presence alongside established international producers. The industry is characterized by high entry barriers due to lengthy customer approval, field trial and certification processes, typically spanning two to three years, as well as substantial capital investment requirements for greenfield manufacturing facilities and pollution control infrastructure, which significantly increases project costs. These factors limit the entry of new participants and contribute to enhance long-term stability due to strong customer demand for established players. In this context, the Unit continues to expand its market share through the acquisition of additional approvals from both existing and new customers.

The current prices of agro-fuel are contributing to higher energy costs, which are expected to remain a continuing challenge. To address this, the Unit is actively exploring and implementing following additional energy conservation measures by:-

- Installation of a new 40 TPH boiler, which will enhance fuel efficiency, increase captive power generation and reduce reliance on grid supply, thereby mitigating the risk of supply interruptions.
- Installed a husk pellet machine to convert loose mustard husk into pellets, offering key benefits such as removal of dust and stones during processing, the ability to store pellets in bunkers, reduced open storage requirements, continuous conveyor-based fuel feeding, lower manpower requirements and reduced suspended particulate matter emissions, this initiative reduces operating costs while improving environmental performance.
- A 2.11 MW solar power plant, commissioned earlier, continues to operate successfully, supplementing captive and grid power while reducing the carbon footprint.
- Giving a Hydrogen Gas Project for R & D to a Research Centre.

These initiatives contribute to improved revenue generation, greater cost efficiency, reduced energy dependence and enhanced environmental sustainability. Overall profitability is expected to improve as these measures progress.

The Unit has the capability to supply treated fabric, a ready-to-use product widely preferred by tyre manufacturers, and this capability has been further strengthened through the upgradation of the dipping facility, resulting in improved product quality and operational efficiency. During the year share of treated (dipped) fabric in total exports to tyre Companies was more than 80%, reflecting a strong base of high-value-added products, overall product mix and profitability profile.

On the raw material side, due to middle east situation prices of sulphur and sulphuric acid increased significantly during the year, with further increases expected in the coming period. Prices of caustic soda and charcoal also saw a marginal rise and are expected to remain at similar levels. Husk prices were higher during the year, though some softening is expected in the current year.

Logistics/insurance costs had increased due to macroeconomic conditions and geopolitical factors. These are being monitored closely.

The global economy has faced supply chain disruptions, geopolitical uncertainties and tariff-related challenges, however, despite these headwinds, India has demonstrated resilient economic growth momentum.

The Company has expanded its scope from the production of industrial yarn to engineering capabilities. During the year, it partnered for the supply of fuel cubes to the Europe and USA markets. Additionally, the Company entered into a contract manufacturing agreement for the supply of hydro-optic disinfectant UV water treatment solutions for Israel based customer.

## EPS

### Industry Structure and Developments

The Indian defence sector is transitioning into a self-reliant industry, achieving a production milestone of ₹1.51 lakh crore in 2025. Over 65% of defence equipment is now produced domestically to reduce foreign import reliance. Exports hit a record ₹38,424 crore in FY26, primarily driven by aerospace, electronics, and land systems.

# DIRECTORS' REPORT (continued)

The government has introduced 5x Positive Indigenisation Lists to restrict imports and allows 74% FDI via the automatic route. To boost local manufacturing, Defence Industrial Corridors (DICs) have been established in Uttar Pradesh and Tamil Nadu. The industry is driven by couple of government-managed Defence Public Sector Undertakings (DPSUs) and major private corporations like Tatas, Adani, and L&T.

## Opportunities and Outlook

Rising government expenditures and the "Make in India" policy present significant growth potential, especially in high-value segments like aerospace and electronics. A growing focus on exporting to Southeast Asia and Africa is establishing India as an emerging global player. Increased participation from startups and the private sector is enhancing innovation in emerging fields like AI, drones, and cyber warfare. Expansive modernization plans and long-term capital acquisitions for India's large security forces provide a steady pipeline of opportunities.

## Risks, Threats, and Concerns

India remains heavily reliant on foreign suppliers, such as Russia, France, Israel, and the United States, for critical technologies on advanced materials and engines. This import dependence exposes the country to supply chain disruptions, geopolitical risks, and high lifecycle costs. Bureaucratic procurement processes, multiple approval layers, and complex compliance requirements lead to significant delays.

Projects led by institutions like the Defence Research and Development Organisation frequently experience cost overruns and missed deadlines, risking technological obsolescence by the time of deployment. The continued dominance and preferential treatment to public sector entities, such as Hindustan Aeronautics Limited, creates an uneven playing field that discourages private investment and competition. The domestic ecosystem is still hindered by skill gaps, regulatory uncertainty, and technological lags in areas like jet engines and advanced electronics.

## Internal Control Systems

Robust internal controls remain a cornerstone of our operational efficiency, accountability, and overall preparedness. We are continuously building upon our established digital tracking systems for sensitive inventory, with targeted initiatives underway to implement real-time monitoring and seamless cross-unit integration, which will further elevate our operational agility. Similarly, our core financial control framework is firmly in place, and management is proactively strengthening forecasting capabilities and accountability measures to optimize cost efficiencies and drive value. Recognizing that our people are the driving force behind these systems, we are actively investing in comprehensive training programs and collaborative change-management initiatives. These efforts are designed to empower our workforce, overcome transitional hurdles, and foster a highly adaptive, resilient control environment.

Your company is fully engaged in taking advantage of the Liberalised industrial atmosphere of the Sector.

## Financial Ratios

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

S. No.	Ratio Description	Unit	2024-25	2025-26	Change %
1	Debtors turnover	No. of times	3.68	3.79	2.90
2	Inventory turnover	No. of times	1.36	1.26	-7.92
3	Interest coverage ratio	No. of times	17.25	1.96	-8.64

4	Current ratio	No. of times	<b>1.93</b>	<b>1.99</b>	<b>3.01</b>
5	Debt equity ratio	No. of times	<b>0.19</b>	<b>0.16</b>	<b>-14.67</b>
6	Operating profit margin	%	<b>18.01</b>	<b>7.15</b>	<b>-60.31</b>
7	Net profit margin	%	<b>11.00</b>	<b>-2.16</b>	<b>-124.76</b>
8	Return on Net worth	%	<b>16.49</b>	<b>-3.34</b>	<b>-120.25</b>

Note: During the current year, the sales volume declined due to lower demand and the geopolitical situation in the Middle East, resulting in reduced profitability and consequently impacting the Company's net profit and related financial ratios.

### **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 RISE 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 31.03.2026, the total number of employees on the company's payroll was 1037.

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 2024-25, the Company has spent Rs.148.19 lakh.

### **Environment protection**

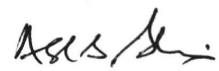
The Company is committed to our motto: "Green, breathe clean, stop polluting the environment, and save our planet." This aligns with the global call to address climate change. We prioritize environmental protection in all areas of our operations. Alongside installing state-of-the-art effluent treatment and waste disposal plants, we focus on tree plantation in Kota to improve air quality and reduce greenhouse gas emissions. Our emphasis remains on using environmentally friendly agrofuels for power generation instead of fossil fuels. We have progressively shifted from fossil fuels to agrofuels.

We actively pursue research and innovation to find solutions that minimize emissions and maintain our environmental responsibility.

For and on behalf of the Board



Kanika Shriram  
DIN: 00998758  
**Deputy Managing Director**



Alok B. Shriram  
DIN: 00203808  
**Managing Director & CEO**

Place: New Delhi  
Date: 21<sup>st</sup> May, 2026

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

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**TO THE MEMBERS OF**

**Dcm Shriram International Limited**

**Report on the Audit of the Standalone Financial Statements**

## **Opinion**

We have audited the standalone financial statements of DCM Shriram International Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 on the standalone financial statements.

## **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, 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.

**Demerger of Rayon Undertaking from DCM Shriram Industries Limited to the Company (See note 43 to standalone financial statements)**

The key audit matter	How the matter was addressed in our audit
<p>The National Company Law Tribunal ("NCLT"), vide its order dated 21 November 2025, has approved the Composite Scheme of Arrangement ('the Scheme') between DCM Shriram Industries Limited and the Company, for the demerger of rayon undertaking ("Demerged Undertaking") of DCM Shriram Industries Limited ("Demerged Company"), on a going concern basis with effect from 1 April, 2023 (i.e. the appointed date).</p> <p>The Company accounted for this demerger as a common control business combination transaction as per Ind AS 103- Appendix C.</p> <p>We have determined this to be a key audit matter due to its nature as a non-recurring transaction and its significance to standalone financial statement in the current year, along with the magnitude, the significant estimate and judgement involved in identification and allocation of assets, liabilities and related equity balances transferred under the Scheme.</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the key terms and conditions of the Scheme and final order passed by the Hon'ble NCLT;</li> <li>• Evaluated the design and implementation and tested the operating effectiveness of the internal financial controls relating to identification, recording and disclosures of assets, liabilities and related equity balances of Demerged Undertaking according to the accounting treatment mentioned in the Scheme;</li> <li>• Evaluated the accounting for demerger transaction, and reasonableness of judgements and assumptions used by the demerged undertaking in identification assets and liabilities and related equity balances transferred under the scheme;</li> <li>• Examined the appropriateness of financial information related to the demerged undertaking, as extracted from the underlying financial statements of the Demerged Company, and agreed the assets, liabilities and related equity balances recorded in the Company's books of account with such information;</li> <li>• Examined the underlying agreements to assess the appropriateness of costs related to the Scheme recognised by the Company;</li> <li>• Assessed the accounting treatment applied for the transfer of demerged undertaking is consistent with the accounting treatment specified in the Scheme; and</li> <li>• Assessed the adequacy of the disclosures made in standalone financial statements with respect to accounting of the Scheme in accordance with the requirements of the applicable Ind AS.</li> </ul>

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

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## **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements 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.

# INDEPENDENT AUDITOR'S REPORT (continued)

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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - 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 Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 (v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 44 (vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) 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 (i) and (ii) above, contain any material misstatement.
- e. As stated in Note 14 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. Further, the Company did not declare or paid any interim dividend during the year.
- f. Based on our examination which included test checks, the Company has used an accounting softwares 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 except as noted below:
- (i) the Company has used an accounting software, which is operated by a third-party software service provider, for maintaining its books of account. In the absence of reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

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

# INDEPENDENT AUDITOR'S REPORT (continued)

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C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Date: 21 May 2026

Membership No.: 098297

ICAI UDIN:26098297AIIIGUE5140

## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of DCM Shriram International Limited for the year ended 31 March 2026

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all property, plant and equipment are verified in phased manner over a period of three years. In accordance with this programme, no property, plant and equipment were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us by the management, all the immovable properties included in property, plant and equipment (PPE) and properties where the Company is a lessee (together referred to as "immovable properties") were acquired pursuant to the Scheme for Demerger of the Rayon Business of DCM Shriram Industries Limited into the Company, as approved by the NCLT vide its order dated 21 November 2025. As explained by the management in Notes 3A and 39 to the standalone financial statements, these immovable properties stand vested in, or are deemed to have been vested in, the Company automatically, without any further act or deed, with effect from the Appointed Date. Accordingly, all the immovable properties of the Demerged Company forming part of the Demerged Undertaking have vested in the Company with effect from 01 April 2023. The Company is also in the process of filing the necessary applications with the concerned authorities for updation of the name in the relevant records, wherever required, in due course.

Further, the details of immovable properties vested in the Company pursuant to the demerger, are set out below:

Description of property	Gross carrying value as at 31 March 2026 (Rs in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Kota, Rajasthan- Leasehold Land	465.00	DCM Limited	No	Since 2025	Refer note 39 of the standalone financial statements
Palhera, Uttar Pradesh- Freehold Land	28.55	DCM Limited	No	Since 2025	Refer note 39 of the standalone financial statements

# INDEPENDENT AUDITOR'S REPORT (continued)

Description of property	Gross carrying value as at 31 March 2026 (Rs in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Delhi, Freehold flats	608.25	DCM Shriram Industries Limited	No	Since 2025	Refer note 39 of the standalone financial statements
Kota, Rajasthan- Freehold Land	170.23	DCM Shriram Industries Limited	No	Since 2025	Refer note 39 of the standalone financial statements

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of delivery of goods has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnerships or other parties during the year. The Company has granted unsecured loans to its employees and made investments, 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.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

<b>Particulars</b>	<b>Loans (Rs. in lakhs)</b>
Aggregate amount during the year	
Others (employees)	9.81
Balance outstanding as at balance sheet date	
Others (employees)	8.05

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year, are not prejudicial to the interest of the Company. Further, the Company has not made any investments, provided guarantees, given security and granted any advance in the nature of loan during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loans given by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

# INDEPENDENT AUDITOR'S REPORT (continued)

- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities though there has been slight delay in few cases of Income Tax and Provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (Rs. in lakhs)
GST Act, 2017	GST	55.30	2020-21	Deputy Commissioner, Rajasthan	2.94
Central Excise Act, 1944	Excise Duty	3.54	June 1998 to February 1999	High Court, Rajasthan	-
Central Excise Act, 1944	Excise Duty	3.22	1995-96	CESTAT	-

\* Amounts as per demand orders, including interest and penalty, wherever indicated in the demand orders.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

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- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its associate company (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

# INDEPENDENT AUDITOR'S REPORT (continued)

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- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and 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) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Membership No.: 098297

Date: 21 May 2026

ICAI UDIN:26098297AIIIGUE5140

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**Annexure B to the Independent Auditor's Report on the standalone financial statements of DCM Shriram International Limited for the year ended 31 March 2026****Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Opinion**

We have audited the internal financial controls with reference to financial statements of DCM Shriram International Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

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

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

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

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

## **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Membership No.: 098297

Date: 21 May 2026

ICAI UDIN:26098297AIIIGUE5140

# DCM SHRIRAM INTERNATIONAL LIMITED

CIN : L17299DL2022PLC404291

Standalone Balance Sheet as at March 31, 2026



Particulars	Note	As at	As at
		March 31, 2026	March 31, 2025
		Rs. lakhs	Rs. lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	22,022.91	21,413.13
Capital work-in-progress	3A	1,118.01	294.15
Right-of-use assets	3B	1,412.14	585.95
Intangible assets	3C	105.34	42.11
Intangible assets under development	3C	-	19.40
<b>Financial assets</b>			
(i) Investments	4	480.50	480.50
(ii) Loans	5	275.87	261.28
(iii) Other financial assets	6	369.68	323.32
Other tax assets (net)	7	834.15	807.12
Other non-current assets	8	206.06	596.38
<b>Total non-current assets</b>		<b>26,824.66</b>	<b>24,823.33</b>
<b>Current assets</b>			
Inventories	9	13,445.30	16,134.20
<b>Financial assets</b>			
(i) Trade receivables	10	10,544.33	13,284.00
(ii) Cash and cash equivalents	11	21.91	30.28
(iii) Bank balances other than (ii) above	12	3,596.24	3,560.37
(iv) Loans	5	25.64	8.91
(v) Other financial assets	6	1,151.26	1,211.55
Other current assets	13	1,768.06	1,905.46
<b>Total current assets</b>		<b>30,552.74</b>	<b>36,134.77</b>
<b>TOTAL ASSETS</b>		<b>57,377.40</b>	<b>60,958.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	14	1,739.84	-
Shares pending for Issuance	14	-	1,739.84
Other equity	15	34,686.30	35,994.67
<b>Total equity</b>		<b>36,426.14</b>	<b>37,734.51</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	16	1,074.54	1,067.92
(ii) Lease liabilities	3B	1,198.98	461.55
Provisions	17	709.71	508.76
Deferred tax liabilities (net)	29	2,444.05	2,459.20
Other non-current liabilities	18	153.86	-
<b>Total non-current liabilities</b>		<b>5,581.14</b>	<b>4,497.43</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	16	4,886.55	6,169.18
(ii) Lease liabilities	3B	256.62	183.25
(iii) Trade payables	19	-	-
- Total outstanding dues of micro enterprises and small enterprises; and		192.96	302.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,576.78	10,305.71
(iv) Other financial liabilities	20	825.63	1,266.92
Other current liabilities	18	260.62	225.35
Provisions	17	2,370.95	273.37
<b>Total current liabilities</b>		<b>15,370.11</b>	<b>18,726.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,377.40</b>	<b>60,958.10</b>
<b>Material Accounting Policies</b>	2A		

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

# Represented, refer note 43.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

Adhir Kapoor

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

For and on behalf of the Board of Directors

DCM Shriram International Limited

Alok B. Shriram

Managing Director & CEO

DIN: 00203808

P.D. Bagla

WTD & CFO

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

Kanika Shriram

Dy Managing Director

DIN: 00998758

Ashish Jha

Company Secretary

Membership No. F11326

**DCM SHRIRAM INTERNATIONAL LIMITED**

CIN : L17299DL2022PLC404291

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

Particulars	Note	For the year ended March 31, 2026 Rs. lakhs	For the year ended March 31, 2025 Rs. lakhs
Revenue from operations	21	45,116.74	57,367.68
Other income	22	1,377.63	1,647.88
<b>Total Income</b>		<b>46,494.37</b>	<b>59,015.56</b>
<b>Expenses</b>			
Cost of materials consumed	23	15,513.57	22,633.50
Changes in inventories of finished goods and work-in-progress	24	3,073.32	(4,099.66)
Employee benefits expense	25	8,257.70	8,067.31
Finance costs	26	582.10	598.80
Depreciation and amortisation expense	27	1,418.18	1,431.58
Other expenses	28	16,425.13	22,084.56
<b>Total expenses</b>		<b>45,270.00</b>	<b>50,716.09</b>
<b>Profit/ (Loss) before exceptional item and tax</b>		<b>1,224.37</b>	<b>8,299.47</b>
<b>Exceptional item</b>	43 (b)	<b>2,082.50</b>	-
<b>Profit/ (Loss) before tax and after exceptional item</b>		<b>(858.13)</b>	<b>8,299.47</b>
<b>Tax expense</b>			
Current tax	29	336.13	2,099.07
Deferred tax charge/(credit)	29	17.38	(11.47)
		<b>353.51</b>	<b>2,087.60</b>
<b>Profit/ (Loss) for the year</b>		<b>(1,211.63)</b>	<b>6,211.87</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement (loss) / gain on defined benefit obligation		(129.26)	(25.61)
Income tax pertaining to items that will not be reclassified to profit or loss		32.53	6.45
Share of OCI of equity accounted investees (net of tax)		-	-
<b>Total other comprehensive (loss) / income, net of taxes</b>		<b>(96.73)</b>	<b>(19.16)</b>
<b>Total comprehensive income for the year, net of taxes</b>		<b>(1,308.37)</b>	<b>6,192.71</b>
<b>Earnings/ (Loss) per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	31	<b>(1.39)</b>	<b>7.14</b>
<b>Material Accounting Policies</b>	2A		

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

# Represented, refer note 43.

**As per our report of even date attached**For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

**For and on behalf of the Board of Directors****DCM Shriram International Limited****Alok B. Shriram**

Managing Director &amp; CEO

DIN: 00203808

**P.D. Bagla**

WTD &amp; CFO

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

Dy Managing Director

DIN: 00998758

**Ashish Jha**

Company Secretary

Membership No. F11326

## A. Equity share capital and Shares pending for Issuance\*#

(Rs. lakhs)

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

\* Represented refer note 46.

# Shares of Rs. 1 lakh cancelled during the year pursuant to composite scheme of arrangement

## B. Other equity ^

(Rs. lakhs)

Particulars	Reserve and surplus		Total
	Capital reserve	Retained Earnings	
<b>Balance as at April 1, 2024</b>	10,106.53	20,275.38	30,381.91
Profit for the year	-	6,211.87	6,211.87
Other comprehensive (loss) for the year net of tax	-	(19.16)	(19.16)
<b>Total comprehensive income for the year net of tax</b>	10,106.53	26,468.09	36,574.62
<b>Allocation of Dividend (Refer note 33 &amp; 43)*</b>	-	(579.95)	(579.95)
<b>Balance as at March 31, 2025</b>	10,106.53	25,888.14	35,994.67
<b>Balance as at April 1, 2025</b>	<b>10,106.53</b>	<b>25,888.14</b>	<b>35,994.67</b>
Profit/ (loss) for the year	-	(1,211.63)	(1,211.63)
Other comprehensive (loss) for the year net of tax	-	(96.73)	(96.73)
<b>Total comprehensive income for the year net of tax</b>	10,106.53	24,579.77	34,686.30
<b>Balance as at March 31, 2026</b>	<b>10,106.53</b>	<b>24,579.77</b>	<b>34,686.30</b>

^ Represented refer note 43.

\* Pursuant to the approved Scheme, dividend allocated by demerged company distributed to company's shareholder in the agreed allocation ratio as included above.

## Nature and purpose of reserve

## a. Capital reserve

Created on account of composite scheme of arrangement (refer note 43).

## b. Retained earnings

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

## Material Accounting Policies

2A

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

As per our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

Adhir Kapoor

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

For and on behalf of the Board of Directors

DCM Shriram International Limited

Alok B. Shriram

Managing Director &amp; CEO

DIN: 00203808

P.D. Bagla

WTD &amp; CFO

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

Kanika Shriram

Dy Managing Director

DIN: 00998758

Ashish Jha

Company Secretary

Membership No. F11326

**DCM SHRIRAM INTERNATIONAL LIMITED**

CIN : L17299DL2022PLC404291

**Standalone statement of cash flow for the year ended March 31, 2026**

Particulars	For the year ended	For the year ended
	March 31, 2026	March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax	(858.13)	8,299.47
Adjustments for :		
Depreciation and amortisation	1,416.97	1,431.58
Finance costs	582.10	598.80
Interest income	(333.85)	(362.36)
Interest income against subvention	-	(11.71)
Exceptional Item (Stamp duty expense)	2,082.50	-
Gain on sale of property, plant and equipment / discarded assets (net)	0.37	4.94
Provisions/liabilities no longer required written back	(39.73)	(159.83)
Operating profit before changes in assets and liabilities	2,850.23	9,800.89
Changes in assets and liabilities		
(Decrease) in trade payables	(3,838.36)	(1,464.36)
(Decrease) in financial liabilities	(452.12)	(374.36)
Increase in other liabilities and provisions	104.94	65.36
Decrease in trade receivables	2,739.67	4,647.07
Decrease/ (Increase) in inventories	2,688.92	(5,108.81)
(Increase) / Decrease in financial assets	(49.36)	1,166.22
Decrease/ (Increase) in other assets	178.15	(141.00)
Cash generated from operations	4,222.06	8,591.01
Income tax paid (net)	(362.91)	(3,530.27)
Net cash from operating activities ( A )	3,859.15	5,060.74
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on acquisition of items of property, plant and equipments and intangible assets, including capital work in progress	(2,114.01)	(3,633.95)
Proceeds from sale of property, plant and equipments and intangible assets	7.70	157.94
Changes in bank deposit	-	(1,373.50)
Redemption in bank deposits	3,617.28	1,022.00
Investments in bank deposits	(3,653.16)	(2,181.00)
Interest received	333.85	362.36
Net cash (used) in investing activities (B)	(1,808.34)	(5,646.15)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	615.12	1,200.00
Repayment of long term borrowings	(533.49)	(1,187.12)
Proceeds from short term borrowings (net)	(1,351.47)	2,010.99
Repayment of lease liabilities	(201.06)	(243.49)
Finance costs paid (Net of subvention)	(588.28)	(590.94)
Dividend paid	-	(579.95)
Net cash (used in) financing activities (C)	(2,059.18)	609.49
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(8.37)	24.08
Cash and cash equivalents at the beginning of the year	30.28	6.20
Cash and cash equivalents at the end of the year	21.91	30.28
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	18.44	26.16
Cash on hand	3.47	4.12
Cash and cash equivalents at the end of the year	21.91	30.28

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

<b>Particulars</b>	<b>Non-current borrowings*</b>	<b>Current borrowings#</b>	<b>Lease liability</b>	<b>Total</b>
Opening balance as at April 1, 2024	1,430.73	3,786.36	811.54	6,028.63
Cash flows during the year	(80.35)	1,579.59	(309.80)	1,189.44
Non-cash changes due to:				
- Interest expense (net of subvention)	89.38	431.40	-	520.78
- Finance cost on lease liability	-	-	66.31	66.31
- Lease liability recognised	-	-	76.75	76.75
Closing balance as at March 31, 2025	1,439.76	5,797.35	644.80	7,881.91
<b>Opening balance as at April 1, 2025</b>	<b>1,439.76</b>	<b>5,797.35</b>	<b>644.80</b>	<b>7,881.91</b>
<b>Cash flows during the year</b>	<b>(13.93)</b>	<b>(1,784.14)</b>	<b>(261.11)</b>	<b>(2,059.18)</b>
<b>Non-cash changes due to:</b>				
<b>- Interest expense (net of subvention)</b>	<b>89.38</b>	<b>432.67</b>	<b>-</b>	<b>522.05</b>
<b>- Finance cost on lease liability</b>	<b>-</b>	<b>-</b>	<b>60.05</b>	<b>60.05</b>
<b>- Lease liability recognised</b>	<b>-</b>	<b>-</b>	<b>1,011.86</b>	<b>1,011.86</b>
<b>Closing balance as at March 31, 2026</b>	<b>1,515.21</b>	<b>4,445.88</b>	<b>1,455.60</b>	<b>7,416.69</b>

\* Includes current maturities of long term borrowings.

# This does not include current maturities of loan term borrowings

**Notes**

- The standalone cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

**Material Accounting Policies**

2A

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

# Reperesented, refer note 43.

**As per our report of even date attached**
**For B S R & Co. LLP**
*Chartered Accountants*

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**
*Partner*

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

**For and on behalf of the Board of Directors**
**DCM Shriram International Limited**
**Alok B. Shriram**
*Managing Director & CEO*

DIN: 00203808

**P.D. Bagla**
*WTD & CFO*

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**
*Dy Managing Director*

DIN: 00998758

**Ashish Jha**
*Company Secretary*

Membership No. F11326

## **1 Corporate Information**

DCM Shriram International Limited (the "Company") is a Public Limited Listed Company having CIN L17299DL2022PLC404291 incorporated in India and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of Industrial fibers and related products. The Company also engaged in contract manufacturing activities.

Prior to the approval of the Composite Scheme of Arrangement by the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench, the Company did not carry on any operating business. The Rayon business was operated by DCM Shriram Industries Limited, and the Company existed solely as a wholly owned subsidiary without independent commercial operations.

Pursuant to the Order of the Hon'ble NCLT dated November 21, 2025, the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 was approved, under which the Rayon Undertaking of DCM Shriram Industries Limited, together with all its assets and liabilities, 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 1 April 2023. With effect from the appointed date, the Company commenced business operations consequent to the transfer and vesting of the Rayon 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**

### **a) Statement of compliance**

These Standalone Financial Statements ("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 21, 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

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 Standalone 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.

**Judgements:**

Information about the judgements made in applying accounting policies that have the most significant effect on the amount recognised in the Standalone financial statements is included in the following notes:

- Lease classification- Note 3A(n) - lease term: whether the Company is reasonably certain to exercise extension options.
- Business combination- Note 3A(b)

**Assumptions and estimation uncertainty:**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included below. The management believes that the estimates used in preparation of these Standalone 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.

- Recognition and estimation of tax expense including deferred tax- Note 2A(g) and 34.
- Assessment of useful life of property, plant and equipment and intangible assets- Note 2A(b) and (c).
- Estimation of obligations relating to employee benefits: key actuarial assumptions - Note 2A(h)
- Valuation of inventories- Note 2A(d)

## Notes to the Standalone Financial Statements (continued)

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- Fair value measurement of financial instruments- Note 2A(q)
- Determination of right of use (ROU) assets and liabilities; incremental borrowing rate and lease term- Note 2A(n)
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources- Note 2A(i)
- Impairment of financial assets- Note 2A(q)
- Impairment of non-financial assets- Note 2A(k)

### 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 purpose 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 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 the transaction, and such control is not transitory.

These transactions are accounted for using the pooling of interests method. Under this method, the assets and liabilities of the acquired entities or businesses are recognised at their existing carrying amounts as appearing in the books of the transferor. No adjustments are made to reflect fair values, nor are any new assets or liabilities recognised. 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 recognised in capital reserve.

The shares issued by the Company as consideration are recognised from the date the 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 reporting 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 asset 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

## Notes to the Standalone Financial Statements (continued)

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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) 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.

### **(iii) 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 improvements are amortised on a straight line basis over the unexpired period of lease. 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 the statement of 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.

## Notes to the Standalone Financial Statements (continued)

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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 slow moving and obsolete inventories based on management's current best estimate.

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, component and other supplies held for use in production of finished products are not written down below cost except in cases, when a decline in the price of materials indicates that the cost of the finished products shall exceeds 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 services 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.

## iii. Scrap Sales

Scrap generated in the course of manufacturing and operational activities is recognised as inventory at its estimated net realisable value, where such scrap is material.

Scrap arising from maintenance activities, packing materials and other ancillary processes is collected and routed through the stores function and disposed of through bidding process.

Revenue from sale of scrap is recognised at a point in time when control of the scrap is transferred to the customer, which generally coincides with dispatch or delivery, in accordance with Ind AS 115 – Revenue from Contracts with Customers.

Revenue is measured at the transaction price agreed with the customer, net of taxes and duties collected on behalf of the government.

Income from scrap sales is presented as **"Other Operating Revenue"** in the Statement of Profit and Loss.

Expenditure directly attributable to scrap sales, including handling, packing and transportation costs, is recognised in the Statement of Profit and Loss in the period in which it is incurred.

The Company generally enters into arrangements for sale of scrap on an advance payment basis.

The Company assesses, based on the nature of its operations, whether scrap generation is integral or incidental and presents the related income accordingly.

## iv. Income from Renewable Energy Certificates (RECs)

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned authorities.

## Notes to the Standalone Financial Statements (continued)

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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 associates, 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.

Deferred tax assets (DTA) are recognized in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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 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

## Notes to the Standalone Financial Statements (continued)

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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 the 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.

Government grants related to assets are presented in the balance sheet at fair value as deferred income and are recognised in profit or loss on a systematic basis over the expected useful life of the related assets

## Notes to the Standalone Financial Statements (continued)

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

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.

## Notes to the Standalone Financial Statements (continued)

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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 earning 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**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

In accordance with Ind AS 108, the Company has identified its Executive Committee as the CODM. The Executive Committee comprises the Managing Director & Chief Executive Officer (MD & CEO), Deputy Managing Director, Whole-Time Director & Chief Financial Officer (CFO), and Company Secretary.

The Company is primarily engaged in a single reportable business segment, namely "Industrial Fibre and Related Products". Accordingly, based on the management approach prescribed under Ind AS 108, the Company operates in a single operating segment, and hence no separate segment disclosures are required.

The CODM reviews the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment.

Since the Company operates in a single segment:

- There are no inter-segment revenues or transfers.
- There are no unallocable items requiring separate disclosure.
- All revenues, expenses, assets and liabilities relate to the single identified segment.

## Notes to the Standalone Financial Statements (continued)

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The accounting policies adopted for segment reporting are consistent with those used in the preparation of the Standalone financial statements of the Company.

### 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 (e) 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 and is not designated as at FVTPL:

- 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 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 and associate 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.

## Notes to the Standalone Financial Statements (continued)

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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 only 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.

## Notes to the Standalone Financial Statements (continued)

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### 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:

1. 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.
2. 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.

### 3A. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, through notifications dated:

#### a) Amendments effective for periods beginning on or after 1 April 2025:

- 7 May 2025, introducing changes to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, effective from 1 April 2025. These amendments provide guidance on assessing whether a currency is exchangeable into another currency and on estimating the spot exchange rate when a currency is not exchangeable.
- 13 August 2025, introducing changes to Ind AS including Ind AS 1- - Presentation of Financial statements which requires guidance on classification of liabilities as Current or Non-Current and Non-Current Liabilities with Covenants, convertible debt as Current, etc, Ind AS 7- Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures – Supplier Finance Arrangements which provides guidance on additional disclosure requirements for Supplier Finance Arrangements, and Ind AS 112 - International Tax Reforms – Pillar Two Model Rules. These amendments provides guidance on accounting for top-up tax, mandatory relief of pillar two taxes from deferred tax accounting and additional disclosures requirements.

The Company has reviewed the new pronouncements and based on it's evaluation has determined that it does not have any significant impact in it's Standalone financial statements.

#### b) Amendment issued but not effective - The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, through the below notifications applicable from periods beginning on or after 01 April 2026:

- 13 August 2025, introducing changes to Ind AS 1 Presentation of Financial statements introduces an amendment related to Breach of covenant which is applicable w.e.f. 1 April 2026. The Company is in the process of evaluating the impact of these amendments on the Standalone financial statements.

**3A. Property, plant and equipment and capital work-in-progress**
**(Rs. lakhs)**

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>										
<b>Balance as at March 31, 2024</b>	198.78	465.00	132.86	3,454.52	21,149.48	563.47	539.55	194.77	26,698.44	336.68
Add: Additions during the year	-	-	-	2,082.31	679.48	264.55	98.78	16.20	3,141.32	865.49
Less: Disposals/Capitalised during the year	-	-	-	10.79	339.36	94.03	41.95	0.19	486.32	908.02
<b>Balance as at March 31, 2025</b>	198.78	465.00	132.86	5,526.04	21,489.60	733.99	596.38	210.78	29,353.44	294.15
Add: Additions during the year	-	-	-	1,008.76	618.29	53.95	90.49	29.44	1,800.93	2,017.83
Less: Disposals/Capitalised during the year	-	-	-	-	-	32.61	6.68	-	39.30	1,193.97
<b>Balance as at March 31, 2026</b>	198.78	465.00	132.86	6,534.80	22,107.89	755.33	680.19	240.22	31,115.07	1,118.01
<b>Accumulated depreciation</b>										
<b>Balance as at March 31, 2024</b>	-	-	71.09	667.92	5,671.00	199.83	335.86	135.82	7,081.52	-
Add: Depreciation expense during the year	-	-	6.72	115.49	899.44	70.71	71.54	19.61	1,183.51	-
Less: Disposals during the year	-	-	-	10.68	224.35	54.75	34.94	-	324.72	-
<b>Balance as at March 31, 2025</b>	-	-	77.81	772.73	6,346.09	215.79	372.45	155.43	7,940.30	-
Add: Depreciation expense during the year	-	-	7.48	136.30	923.48	81.31	20.65	13.88	1,183.10	-
Less: Disposals during the year	-	-	-	15.42	-	10.62	5.19	-	31.23	-
<b>Balance as at March 31, 2026</b>	-	-	85.29	893.60	7,269.58	286.48	387.91	169.31	9,092.16	-
<b>Net carrying value</b>										
<b>As at March 31, 2026</b>	198.78	465.00	47.58	5,641.20	14,838.31	468.85	292.28	70.91	22,022.91	1,118.01
As at March 31, 2025	198.78	465.00	55.06	4,753.31	15,143.51	518.20	223.93	55.35	21,413.13	294.15

# Notes to the Standalone Financial Statements (continued)

Ageing of Capital work-in-progress is as under:

(Rs. lakhs)

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	1,118.01	-	-	-	1,118.01
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,118.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,118.01</b>
<b>As at March 31, 2025</b>					
Projects in progress	294.15	-	-	-	294.15
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>294.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294.15</b>

## Notes:

- 1) For contractual commitments with respect to Capital work-in-progress, refer note 30 (B).
- 2) Borrowing cost capitalised during the year Rs. 3.94 lakhs with a capitalisation rate of 7.5%.
- 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) Refer note 39 for details of immovable properties which are not yet endorsed in the name of the Company.
- 6) As per the Scheme, all immovable property (including but not limited to capital work-in-progress, land, buildings, and any other rights, titles, interests, rights of way, and easements in relation thereto) shall vest in the Company or be deemed to have been so, automatically without any further act or deed, with effect from the Appointed Date. Accordingly, all the immovable properties of the Demerged Company, forming part of the Demerged Undertaking, have vested in the Company with effect from April 01, 2023. The Company shall also file the necessary applications for updation of its name with the concerned authorities in due course. Also refer Note 43.

Refer note 40 for information on assets charged as security by the Company.

## 3B. Leases

The details of the right-of-use assets held by the Company are as follows:

Particulars	<u>Opening as on April 1, 2025</u>	<u>Additions during the year</u>	<u>Deletions during the year</u>	<u>Depreciation during the year</u>	<u>Net carrying amount as at March 31, 2026</u>
Building	585.95	1,092.72	48.89	217.64	1,412.14
	<b>585.95</b>	<b>1,092.72</b>	<b>48.89</b>	<b>217.64</b>	<b>1,412.14</b>
Particulars	<u>Opening as on April 1, 2024</u>	<u>Additions during the year</u>	<u>Deletions during the year</u>	<u>Depreciation during the year</u>	<u>Net carrying amount as at March 31, 2025</u>
Building	736.52	115.21	34.89	230.89	585.95
	<b>736.52</b>	<b>115.21</b>	<b>34.89</b>	<b>230.89</b>	<b>585.95</b>

The weighted average incremental borrowing rate of 8.3% to 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: (Rs.Lakhs)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Opening balance	644.80	811.54
Additions	1,071.64	113.91
Deletions	(59.78)	(37.16)
Amount recognised in statement of profit and loss as interest expense	60.05	66.31
Payment of lease liability	(261.11)	(309.80)
<b>Closing balance</b>	<b>1,455.60</b>	<b>644.80</b>

The following table presents a maturity analysis of expected cash flows for lease liabilities: (Rs.Lakhs)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Within one year	256.62	183.25
More than one but upto five years	1,065.86	419.17
Beyond five years	133.12	42.38
<b>Closing balance</b>	<b>1,455.60</b>	<b>644.80</b>

Lease liabilities	As at	As at
	March 31, 2026	March 31, 2025
<b>Non-current</b>	<b>1,198.98</b>	461.55
<b>Current</b>	<b>256.62</b>	183.25
	<b>1,455.60</b>	<b>644.80</b>

### 3C. Intangible assets

(Rs. lakhs)

Particulars	Intangible assets- Software	Intangible assets under development- Software
<b>Gross carrying amount</b>		
<b>Balance as at March 31, 2024</b>	267.69	-
Add: Additions during the year	2.27	19.40
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>269.96</b>	<b>19.40</b>
Add: Additions during the year	<b>80.67</b>	<b>58.20</b>
Less: Disposals / capitalized during the year	-	<b>77.60</b>
<b>Balance as at March 31, 2026</b>	<b>350.63</b>	-
<b>Accumulated amortisation</b>		
<b>Balance as at March 31, 2024</b>	210.67	-
Add: Amortisation expense for the year	17.18	-
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>227.85</b>	-
Add: Amortisation expense for the year	<b>17.44</b>	-
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2026</b>	<b>245.29</b>	-
<b>Net carrying value</b>		
<b>As at March 31, 2026</b>	<b>105.34</b>	-
As at March 31, 2025	42.11	19.40

Refer note 40 for information on assets charged as security by the Company.

## Notes to the Standalone Financial Statements (continued)

Ageing of Intangible assets under development is as under:

(Rs. lakhs)

Intangible assets under development	Amount in Intangible assets under development 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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>As at March 31, 2025</b>					
Projects in progress	19.40	-	-	-	19.40
Projects temporarily suspended	-	-	-	-	-

#### 4. Investments- Non current

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>Investment in equity instruments</b>		
<b>Unquoted equity instruments at FVTOCI</b>		
Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S.		
9,797 (March 31, 2024- 9,797) equity shares of face value of 1 Turkish Lira each, fully paid up	<b>314.50</b>	314.50
<b>Investments in equity instruments of associate at cost</b>		
<b>Unquoted equity instruments</b>		
DCM Hyundai Limited		
19,72,000 (March 31, 2025 - 19,72,000) equity shares of face value of Rs. 10 each, fully paid up	<b>166.00</b>	166.00
	<b>480.50</b>	480.50
Aggregate value of non-current unquoted investments	<b>480.50</b>	480.50

#### 5. Loans

(unsecured, considered good unless otherwise stated)

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>Non current</b>		
Loans to employees*	<b>275.87</b>	261.28
	<b>275.87</b>	261.28
<b>Current</b>		
Loans to employees*	<b>25.64</b>	8.91
<b>Total</b>	<b>25.64</b>	8.91

\* Includes Loan given to Director which is secured by collateral of retirement benefits (Refer note 33)

Refer note 40 for information on assets charged as security by the Company.

**6. Other financial assets**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>Non current</b>		
Security deposits (Unsecured, considered good)		
- to related parties (refer note 33)	<b>18.02</b>	12.32
- Others	<b>351.66</b>	311.00
<b>Total</b>	<b>369.68</b>	323.32
<b>Current</b>		
<b>To related parties (Refer note 33)</b>		
Rent receivables	<b>18.46</b>	-
<b>To parties other than related parties</b>		
Security deposits	<b>27.48</b>	25.63
Deposits with original maturity of more than twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	<b>1,105.32</b>	1,163.85
Other receivables	-	22.07
<b>Total</b>	<b>1,151.26</b>	1,211.55

Refer note 40 for information on assets charged as security by the Company.

**7. Income tax assets (net)**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
Advance income tax (net of provision)	<b>834.15</b>	807.11
<b>Total</b>	<b>834.15</b>	807.11

Refer note 40 for information on assets charged as security by the Company.

**8. Other non-current assets**

*(unsecured, considered good unless otherwise stated)*

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>To parties other than related parties</b>		
Capital advances	<b>155.46</b>	544.80
Deferred rent	<b>2.20</b>	2.58
Prepaid expenses	<b>48.40</b>	49.00
<b>Total</b>	<b>206.06</b>	596.38

Refer note 40 for information on assets charged as security by the Company.

## Notes to the Standalone Financial Statements (continued)

### 9. Inventories

(Valued at lower of cost and net realisable value)

	<b>As at</b> <b>March 31, 2026</b>	<b>As at</b> <b>March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Raw materials*	<b>7,121.93</b>	5,929.89
Work in progress	<b>600.97</b>	593.87
Finished goods**#	<b>4,848.85</b>	7,929.27
Stores and spares	<b>873.55</b>	1,681.17
<b>Total</b>	<b>13,445.30</b>	16,134.20

\* Include raw materials in transit Rs. Nil (March 31, 2025: Rs. 486.95 lakhs)

\*\* Include finished goods in transit Rs. 467.47 lakhs (March 31, 2025: Rs. 607.79 lakhs)

# The write-down of inventories to net realisable value amounted to Rs. 804.51 lakhs (March 31, 2025: Rs. 837.95 lakhs)

The write-down is included in changes in inventories of finished goods.

Refer note 40 for information on assets charged as security by the Company.

### 10. Trade receivables

	<b>As at</b> <b>March 31, 2026</b>	<b>As at</b> <b>March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Unsecured, considered good	<b>10,544.33</b>	13,284.00
Unsecured, considered credit impaired	-	-
	<b>10,544.33</b>	13,284.00
Less : Loss allowance for trade receivables	-	-
<b>Total</b>	<b>10,544.33</b>	13,284.00

**Of the above, trade receivables from related parties are as below:**

Trade receivables due from related parties	<b>88.45</b>	-
Less : Loss allowance for trade receivables	-	-
<b>Net trade receivables</b>	<b>88.45</b>	-

Refer note 33.

**Ageing of trade receivables as on March 31, 2026 is as under:**

(Rs. Lakhs)

Particulars	Not due <sup>a</sup>	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Trade Receivables- considered good	8,623.64	1,920.35	0.10	0.24	-	-	10,544.33
- 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	-	-	-	-	-	-	-
<b>Total</b>	<b>8,623.64</b>	<b>1,920.35</b>	<b>0.10</b>	<b>0.24</b>	<b>-</b>	<b>-</b>	<b>10,544.33</b>

**Ageing of trade receivables as on March 31, 2025 is as under:**
**(Rs. Lakhs)**

Particulars	Not due^	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Trade Receivables- considered good	8,547.87	4,734.87	-	1.26	-	-	13,284.00
- 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	-	-	-	-	-	-	-
<b>Total</b>	<b>8,547.87</b>	<b>4,734.87</b>	<b>-</b>	<b>1.26</b>	<b>-</b>	<b>-</b>	<b>13,284.00</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

The Company's exposure to credit and currency risks are disclosed in note 34.

Refer note 40 for information on assets charged as security by the Company.

**11. Cash and cash equivalents**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Balances with banks		
- On current accounts	<b>18.44</b>	26.16
Cash on hand	<b>3.47</b>	4.12
<b>Total</b>	<b>21.91</b>	30.28

Refer note 40 for information on assets charged as security by the Company.

**12. Other bank balances**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Deposits with original maturity of more than three months but upto twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	<b>3,596.24</b>	3,560.37
<b>Total</b>	<b>3,596.24</b>	3,560.37

Refer note 40 for information on assets charged as security by the Company.

## Notes to the Standalone Financial Statements (continued)

### 13. Other current asset

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>To parties other than related parties</b>		
Advances to vendors	199.24	590.11
Advance to employees	5.47	0.73
Balance with government authorities	1,332.70	830.32
Duty drawback and other incentive receivables	143.72	187.63
Prepaid expenses	86.93	296.67
<b>Total</b>	<b>1,768.06</b>	<b>1,905.46</b>

Refer note 40 for information on assets charged as security by the Company.

### 14. Equity share capital

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>a) Authorised</b>	<b>4,052.50</b>	4,052.50
202,625,000 equity shares of Rs. 2 each (March 31, 2025: 202,625,000 of Rs. 2 each)		
<b>b) Issued, subscribed and fully paid-up</b>	<b>1,739.84</b>	-
86,992,185 equity shares of Rs. 2 each fully paid-up (March 31, 2025: Nil)		
<b>Shares pending for issuance</b>	-	1,739.84
Nil equity shares (March 31, 2025: 86,992,185 of Rs. 2 each)		
<b>Shares to be cancelled</b>	-	1.00
Nil equity shares (March 31, 2025: 50,000 of Rs. 2 each)		

### c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Equity shares*</b>				
At the commencement of the year	-	-	-	-
Add/(Less): Change during the year	86,992,185	1,739.84	-	-
<b>At the end of the year</b>	<b>86,992,185</b>	<b>1,739.84</b>	-	-

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Shares pending for issuance*</b>				
At the commencement of the year	86,992,185	1,739.84	86,992,185	1,739.84
Add/(Less): Change during the year	(86,992,185)	(1,739.84)	-	-
<b>At the end of the year</b>	-	-	86,992,185	1,739.84

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Shares to be cancelled*</b>				
At the commencement of the year	50,000	1.00	50,000	1.00
Add/(Less): Change during the year	(50,000)	(1.00)	-	-
<b>At the end of the year</b>	-	-	50,000	1.00

\* Refer Note 43

#### 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 dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

The Board of Directors have recommended a final dividend of Rs.0.40 per share on equity shares of Rs.2 each for the year ended 31 March 2026, subject to approval of shareholders at the ensuing annual general meeting and the same has not been included as a liability in these financial statements. The 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 March 31, 2026		As at March 31, 2025	
	Number of shares @ Rs 2 each	% of holding	Number of shares @ Rs. 2 each	% of holding
Lala Bansi Dhar & Sons (HUF)- Alok Bansidhar Shriram(Karta)	12,028,267	13.83%	-	-
Mrs. Urvashi Tilakdhar	8,942,142	10.28%	-	-
Mr. Madhav Bansidhar Shriram	8,941,864	10.28%	-	-
DCM Shriram Industries Limited	-	-	49,994	50.11%

## Notes to the Standalone Financial Statements (continued)

### 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 @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs 2 each	% of total shares	% Change during the year
1	Lala Bansi Dhar & Sons (HUF) - Alok Bansidhar Shriram- Karta	1,20,28,267	13.83%	100.00%	-	-	-
2	Mr. Alok B Shriram	23,88,944	2.75%	100.00%	1	0.00%	-
3	Mrs. Karuna Shriram	41,38,462	4.76%	100.00%	1	0.00%	-
4	Ms. Kanika Shriram	14,56,332	1.67%	100.00%	1	0.00%	-
5	Mr. Rudra Shriram	9,58,802	1.10%	100.00%	1	0.00%	-
6	Mrs. Suman Bansi Dhar	17,57,160	2.02%	100.00%	-	-	-
7	Mr. Akshay Dhar	500	0.00%	100.00%	-	-	-
8	Mrs. Urvashi Tilakdhar	89,42,142	10.28%	100.00%	-	-	-
9	Ms. Aditi Dhar	500	0.00%	100.00%	-	-	-
10	Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	100.00%	-	-	-
11	Mrs. Divya Shriram	435	0.00%	100.00%	-	-	-
12	Akshay Foundation	29,76,389	3.42%	100.00%	-	-	-
13	Mr. Sushil Kumar Jain	318	0.00%	100.00%	1	0.00%	-
14	Mr. Sunil Kumar Chaudhary	-	-	-100.00%	1	0.00%	-
15	DCM Shriram Industries Limited	-	-	-100.00%	49,994	100.00%	-
	<b>Total</b>	<b>4,35,90,115</b>	<b>50.11%</b>	-	50,000	100.00%	-

\* Refer Note 43

### 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. Refer Note 43

### 15. Other equity

	As at March 31, 2026	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
a. Capital Reserve		
Balance as at the beginning and at the end of the year	10,106.53	10,106.53
e. Retained earnings		
Balance as at the beginning of the year	25,888.14	20,275.38
Add: Profit for the year	(1,211.63)	6,211.87
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of defined benefit obligation, net of tax*	(96.73)	(19.16)
Allocation of dividend paid to Shareholders	-	(579.95)
<b>Balance at the end of the year</b>	<b>24,579.77</b>	<b>25,888.14</b>
<b>Total</b>	<b>34,686.30</b>	<b>35,994.67</b>

\* Included in 'Items of other comprehensive income' in statement of changes in equity.

**16. Borrowings**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Borrowings- Non current</b>		
<b>Secured loans</b>		
Term loans from banks	<u>1,516.11</u>	1,440.66
	<b>1,516.11</b>	1,440.66
Less: Current maturities of long term borrowings	<b>441.57</b>	372.74
<b>Total</b>	<u><b>1,074.54</b></u>	<u>1,067.92</u>

**Details of current maturities of long term borrowings:**

<b>Secured loans</b>		
Term loans from banks	<b>441.57</b>	372.74
	<u><b>441.57</b></u>	<u>372.74</u>

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Borrowings- Current #</b>		
<b>Secured loans</b>		
From banks - loans repayable on demand	<b>4,444.98</b>	5,796.44
Current maturities of long term borrowings	<b>441.57</b>	372.74
<b>Total</b>	<u><b>4,886.55</b></u>	<u>6,169.18</u>

# Current borrowings are either payable in installments with in a year or repayable on demand.

**A. SECURED**
**I. Terms of repayment-from banks\***

- a) Rs. 975.00 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 12 quarterly Instalments, (March 31, 2025 Rs. 1197.05 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 16 quarterly Instalments) is secured by exclusive first charge of the residential property in Vasant Vihar, New Delhi.
- b) Rs. 302.62 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 10 quarterly Instalments, (March 31, 2025 Rs. Nil) is secured by exclusive first charge of the commercial property in Okhla, New Delhi.
- c) Rs. 212.92 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.55% p.a.), repayable in 16 quarterly Instalments, (March 31, 2025 Rs. Nil) is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges

## Notes to the Standalone Financial Statements (continued)

- d) Rs. 29.81 lakhs carrying interest rate of 8.50% p.a. repayable in 21 monthly instalments, (March 31, 2025 Rs. 45.03 lakhs, is secured by hypothecation of specific asset (vehicle) carrying interest of 8.50%, repayable in 33 monthly instalments.)
- e) Rs. Nil (March 31, 2025: Rs. 199.21 Lakhs carrying interest linked to lender's 1-year MCLR and spread thereon (2.38% p.a.), has been repaid in full, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges)

\*Amount represents current and non-current portion of the borrowings gross of unamortised transaction cost of Rs. 4.24 lakhs (March 31, 2025 Rs. 0.63 lakhs and excludes interest accrued of Rs. Nil (March 31, 2025 Rs. Nil)

- II. From banks - loans repayable on demand - secured by first pari-passu charge against the company's current and non-current assets 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 rates ranging from 6.80% to 9.40% p.a. (March 31, 2025: 3.40% to 9.50% p.a.). Also refer note 40.
- B. The quarterly returns/statements filed by the Company with the banks are in agreement with the books of account of the Company.
- C. Pursuant to the Scheme of Demerger of the Rayon businesses of DCM Shriram Industries Limited with the Company, as sanctioned by the Hon'ble National Company Law Tribunal on November 21, 2025, all loans, borrowings, and bank facilities relating to the demerged businesses have, with effect from April 1, 2023 (the appointed date under the Scheme), vested in and been assumed by the Company. The Company is in the process of completing the requisite novation of the relevant loan agreements and security documents and effecting the corresponding change of name therein. Pending completion of the necessary filings and statutory formalities, the related charges continue to remain registered with the Registrar of Companies.

### 17. Provisions

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Non current</b>		
Provision for employee benefits (refer note 32)		
- Gratuity	<b>260.80</b>	56.64
- Compensated absences	<b>448.91</b>	452.12
<b>Total</b>	<b>709.71</b>	508.76
<b>Current</b>		
Provision for employee benefits (Refer note 32)		
- Compensated absences	<b>288.45</b>	273.37
Provision for contingencies*	<b>2,082.50</b>	-
<b>Total</b>	<b>2,370.95</b>	273.37

\* Provision created for transfer of immovable property in the name of company pursuant to scheme approval.

**18. Other liabilities**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Non-current</b>		
Deferred government grant*	153.86	-
<b>Total</b>	<b>153.86</b>	<b>-</b>
<b>Current</b>		
Advances from customers	16.81	54.10
Statutory dues payable	226.72	171.25
Deferred government grant*	17.09	-
<b>Total</b>	<b>260.62</b>	<b>225.35</b>

\* Deferred government grants include capital subsidies received from the Central Government for promoting investment in plant and equipment under Amended Technology Upgradation Fund Schemes (ATUFS). These grants are amortised over the useful life of the related plant and equipment in proportion to the related depreciation expense recognised. The unamortised deferred government grant as at March 31, 2026 amounts to Rs. 170.95 lakhs (March 31, 2025: Nil).

**19. Trade payables**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Total outstanding dues of micro enterprises and small enterprises; and	192.96	302.38
Total outstanding dues other than micro enterprises and small enterprises	6,576.78	10,305.71
<b>Total</b>	<b>6,769.74</b>	<b>10,608.09</b>

**Of the above, trade payables amounts due to related parties are as below:**

Trade payables due to related parties	406.30	-
Refer Note 33		

Ageing of trade payable as on March 31, 2026 is as under :

Particulars	Not due	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	-	192.96	-	-	-	192.96
- Others	1,955.43	2,410.95	1,770.09	-	-	6,136.47
- Disputed dues - Others	-	-	-	-	-	-
<b>Sub total</b>	<b>1,955.43</b>	<b>2,603.91</b>	<b>1,770.09</b>	<b>-</b>	<b>-</b>	<b>6,329.43</b>
Unbilled dues						440.53
<b>Total</b>						<b>6,769.96</b>

## Notes to the Standalone Financial Statements (continued)

Ageing of trade payable as on March 31, 2025 is as under :

Particulars	Not due	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	-	296.53	5.85	-	-	302.38
- Others	7,229.94	2,476.18	0.97	17.88	-	9,724.97
- Disputed dues - Others	-	-	-	-	-	-
<b>Sub total</b>	<b>7,229.94</b>	<b>2,772.71</b>	<b>6.82</b>	<b>17.88</b>	<b>-</b>	<b>10,027.35</b>
<b>Unbilled dues</b>						<b>580.96</b>
<b>Total</b>						<b>10,608.31</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

Refer note 37 for Micro and Small Enterprises.

### Notes:

a) Includes acceptances Rs. 557.88 lakhs (March 31, 2025 Rs. 4,336.17 lakhs).

b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 34.

## 20. Other financial liabilities

	As at March 31, 2026 Rs. lakhs	As at March 31, 2025 Rs. lakhs
<b>Current</b>		
<b>From related parties (Refer note 33)</b>		
Other payables	-	459.16
<b>From parties other than related parties</b>		
Creditors for capital purchases	131.98	121.15
Security deposits	30.14	37.24
Employees related payable	658.86	615.88
Derivative contracts liability	4.65	33.49
<b>Total</b>	<b>825.63</b>	<b>1,266.92</b>

## 21. Revenue from operations

	As at March 31, 2026 Rs. lakhs	As at March 31, 2025 Rs. lakhs
<b>Sale of products#</b>		
Export	36,293.10	50,825.89
Domestic	7,652.51	4,985.55
	<b>43,945.61</b>	<b>55,811.44</b>
<b>Sale of services</b>		
Job work charges	71.54	-
	<b>44,017.15</b>	<b>55,811.44</b>
<b>Other operating revenue</b>		
Sale of scrap	241.15	321.08
Duty drawback, export benefits and other government assistance*	858.44	1,227.99
Sale of renewable energy certificates	-	7.17
<b>Total</b>	<b>45,116.74</b>	<b>57,367.68</b>

\* Refer note 38

# Refer note 33

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
<b>Contract balances</b>		
<b>Trade receivables (Refer note 10)</b>	<b>10,544.33</b>	13,284.00
<b>Contract liabilities</b>		
Advance from customers (Refer note 18)	<b>16.81</b>	54.10

**Reconciliation of revenue recognised with the contracted price is as follows:**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Contracted price	<b>44,017.15</b>	55,811.44
Less: Discounts/ returns	-	-
	<b>44,017.14</b>	55,811.44

The contract liabilities primarily relate to the advance consideration received from customers for sale of products, for which revenue is recognised at point in time. The amount of Rs. 54.10 lakhs included in contract liabilities at March 31, 2025 has been recognised as revenue during the year ended March 31, 2026 (March 31, 2025: Rs. 98.03 lakhs)

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer.

Invoices are generated at that point in time. Invoices are usually payable upto 120 days.

Disclosures related to disaggregation of Revenue for different jurisdiction given in note 42.

## **22. Other income**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	<b>332.32</b>	350.91
Unwinding of discount on security deposits	<b>1.53</b>	0.33
Interest subsidy*	-	11.71
From loans and deposit	-	11.12
<b>Other non-operating income</b>		
Provisions/liabilities no longer required, written back	<b>39.73</b>	159.83
Rental income (Refer note 33)	<b>51.68</b>	42.35
Gain on foreign exchange fluctuation (net)	<b>795.20</b>	1,008.57
Miscellaneous income *#	<b>157.17</b>	63.06
<b>Total</b>	<b>1,377.63</b>	1,647.88

\* Refer note 38

# Includes Deferred grant income Rs. 85.33 lakhs (March 31, 2025 Rs. Nil)

## Notes to the Standalone Financial Statements (continued)

### 23. Cost of materials consumed\*

	For the year ended <u>March 31, 2026</u>	For the year ended <u>March 31, 2025</u>
	Rs. lakhs	Rs. lakhs
Raw materials at the beginning of the year	5,929.89	5,247.54
Add: Purchases	16,705.61	23,315.85
	<b>22,635.50</b>	28,563.39
Less: Raw materials at the end of the year	<u>7,121.93</u>	<u>5,929.89</u>
<b>Total</b>	<b><u>15,513.57</u></b>	<b><u>22,633.50</u></b>
<b>Particulars of materials consumed are as under:</b>		
Wood pulp	8,737.71	14,861.39
Others	<u>6,775.86</u>	<u>7,772.11</u>
<b>Total</b>	<b><u>15,513.57</u></b>	<b><u>22,633.50</u></b>

\*Refer note 33

### 24. Changes in inventories of finished goods and work-in-progress

	For the year ended <u>March 31, 2026</u>	For the year ended <u>March 31, 2025</u>
	Rs. lakhs	Rs. lakhs
<b>Opening stock</b>		
Finished goods	7,929.27	3,868.31
Work-in-progress	<u>593.87</u>	<u>555.17</u>
<b>Total</b>	<b><u>8,523.14</u></b>	<b><u>4,423.48</u></b>
<b>Closing stock</b>		
Finished goods	4,848.85	7,929.27
Work-in-progress	<u>600.97</u>	<u>593.87</u>
<b>Total</b>	<b><u>5,449.82</u></b>	<b><u>8,523.14</u></b>
	<b><u>3,073.32</u></b>	<b><u>(4,099.66)</u></b>
<b>Changes in inventories of finished goods and work-in-progress</b>		
Finished goods	3,080.42	(4,060.96)
Work-in-progress	<u>(7.10)</u>	<u>(38.70)</u>
	<b><u>3,073.32</u></b>	<b><u>(4,099.66)</u></b>
<b>Particulars of stocks of finished goods and work-in-progress are as under :</b>		
<b>Finished goods</b>		
Industrial fibers	<u>4,848.85</u>	<u>7,929.27</u>
<b>Total</b>	<b><u>4,848.85</u></b>	<b><u>7,929.27</u></b>
<b>Work-in-progress</b>		
Industrial fibers	<u>600.97</u>	<u>593.87</u>
<b>Total</b>	<b><u>600.97</u></b>	<b><u>593.87</u></b>

**25. Employee benefits expense**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Salaries, wages and bonus* #	<b>7,310.17</b>	7,175.72
Contribution to provident and other funds*	<b>726.73</b>	650.25
Staff welfare expenses	<b>220.80</b>	241.34
<b>Total</b>	<b>8,257.70</b>	8,067.31

Refer note 33 for related party transaction.

\* Refer note 32

# Includes payment to contractual labour

**26. Finance costs**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Interest expense* #	<b>465.59</b>	436.59
Other borrowing costs	<b>116.51</b>	162.21
<b>Total</b>	<b>582.10</b>	598.80

\* Refer note 38

# includes Rs. 60.05 lakhs interest on lease liabilities (March 31, 2025: Rs. 66.31 lakhs)

**27. Depreciation and amortisation expense**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Depreciation on property, plant and equipment (refer note 3A)	<b>1,183.10</b>	1,183.51
Amortisation on intangible assets (refer note 3C)	<b>17.44</b>	17.18
Depreciation on right-of-use assets (refer note 3B)	<b>217.64</b>	230.89
<b>Total</b>	<b>1,418.18</b>	1,431.58

**28. Other expenses**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Consumption of stores and spares^^	<b>1,901.55</b>	2,450.64
Power and fuel	<b>7,585.49</b>	9,946.34
Commission	<b>1,747.22</b>	2,763.08
Freight and transport	<b>409.37</b>	934.61
Insurance	<b>81.11</b>	40.24
Rates and taxes	<b>5.60</b>	7.18
Repairs and maintenance		
- Buildings	<b>620.49</b>	858.14
- Plant and machinery	<b>1,650.69</b>	3,307.54
Corporate social responsibility (refer note below)	<b>140.81</b>	66.46

## Notes to the Standalone Financial Statements (continued)

Loss on sale of property, plant and equipment (net)	0.37	4.94
Donation	37.86	70.31
Legal & professional expenses*#	390.26	209.06
Software Licence Fee	211.13	2.53
Miscellaneous expenses	<u>1,643.18</u>	<u>1,423.49</u>
<b>Total</b>	<b><u>16,425.13</u></b>	<b><u>22,084.56</u></b>

\*Payments to auditors#

- Statutory audit fee^	33.00	21.41
- Limited review of unaudited financial results	14.33	12.50
- Certification of statements	1.33	0.33
- Out-of-pocket expenses	<u>2.09</u>	<u>2.21</u>
<b>Total</b>	<b><u>50.75</u></b>	<b><u>36.45</u></b>

# As disclosed Note 43, pursuant to the Scheme of Demerger of the Rayons Business of DCM Shriram Industries Limited into the Company, the share of expenses of Rs. 13.75 lakhs (March 31, 2025 Rs. 35.21 lakhs) in relation to statutory auditors incurred by the Rayons Business during the period when it formed part of DCM Shriram Industries Limited has been transferred to the Company and have been included above.

^^ Refer note 33

### 28. Other expenses (Continued)

#### Note 1: Details of corporate social responsibility expenditures

	For the year ended <u>March 31, 2026</u>	For the year ended <u>March 31, 2025</u>
	Rs. lakhs	Rs. lakhs
a) Amount approved by Board of Directors required to be spent by the Company during the year	148.19	Note 2
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	148.19	-
c) Amount unspent	-	-
d) Nature of CSR activities		
(i) Promoting health care including preventive health and sanitation		-
(ii) Promoting education, including special education and employment	110.05	-
(iii) Empowering women and support to senior citizen		-
(iv) Environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water	7.03	-
(v) Promotion and development of traditional arts and handicrafts	10.00	-
(vi) Measures for the benefit of armed forces veterans and war widows		-
(vi) Training to promote rural sports	9.71	-
(vii) Contribution to Prime Minister's National Relief Fund and PM CARES Fund	4.00	-
(ix) Rural development project		-
(viii) Amount spent in administrative overhead	<u>7.40</u>	<u>-</u>
	<b><u>148.19</u></b>	<b><u>-</u></b>

**Note 2**

During the previous year ended 31 March 2025, the provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility (CSR), are not applicable to the Company, as the Company does not meet the criteria specified in the section and the related rules.

**Note 3**

Further, as disclosed in Note 43, pursuant to the Scheme of Demerger of the Rayons Business of DCM Shriram Industries Limited into the Company, approved by NCLT on November, 21 2025 with an appointed date of April, 1 2023, the share of expenses incurred by the Rayons Business during the period when it formed part of DCM Shriram Industries Limited has been transferred to the Company and have been included above for the financial year 2024-25.

**29. Income tax expense**
**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:

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Current tax expense	<b>336.13</b>	2,099.07
Deferred tax charge	<b>17.38</b>	(11.47)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>353.50</b>	2,087.60

**B. Amounts recognised in other comprehensive income**

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	<b>32.53</b>	6.45
<b>Income tax charges to other comprehensive (expense) / income</b>	<b>32.53</b>	6.45

**C. Reconciliation of effective tax rate #**

Reconciliation of tax expense and the accounting profit, based on India's domestic tax rate for the year ended March 31, 2026 and March 31, 2025:

	<b>For the year ended March 31, 2026</b>		For the year ended March 31, 2025	
	<b>Rs. lakhs</b>		Rs. lakhs	
	<b>Rate</b>	<b>Amount</b>	Rate	Amount
<b>Profit before tax including OCI</b>		<b>(987.39)</b>		8,273.88
Tax based on domestic tax rate	<b>25.17%</b>	<b>(248.53)</b>	25.17%	2,082.37
<b>Tax effect of:</b>				
Tax relating to earlier years				
Non-deductible expenses	<b>-57.68%</b>	<b>569.49</b>	-0.02%	(1.38)
<b>Effective tax rate</b>	<b>-32.51%</b>	<b>320.97</b>	25.15%	2,081.15

## Notes to the Standalone Financial Statements (continued)

Particulars	(Rs. Lakhs)					
	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 expenses deductible on payment	241.48	26.38	-	-	241.48	26.38
Provisions for gratuity, compensated absences and other employee benefits	65.64	196.85	-	-	65.64	196.85
Deferred grant	43.02	-	-	-	43.02	-
Discounted Security Deposit	2.28	0.89	-	-	2.28	0.89
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	-	-	2,850.41	2,740.65	(2,850.41)	(2,740.65)
Right of use asset	-	-	355.37	147.47	(355.37)	(147.47)
Lease liability	366.35	162.28	-	-	366.35	162.28
Investment in equity of associate	-	-	-	-	-	-
Demerger related expenses	42.96	42.52	-	-	42.96	42.52
MAT credit entitlement	-	428.92	3,205.78	2,888.12	(2,444.05)	(2,459.20)
Net deferred tax assets / (liabilities)	761.73	428.92	3,205.78	2,888.12	(2,444.05)	(2,459.20)

**E. Movement in temporary differences**
**For the year ended March 31, 2026**
**(Rs. Lakhs)**

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expenses deductible on payment	26.38	215.10	-	241.48
Provisions for gratuity, compensated absences and other employee benefits	196.85	(163.74)	32.53	65.64
Deferred grant	-	43.02	-	43.02
Discounted Security Deposit	0.89	1.39	-	2.28
Lease liability	162.28	204.07	-	366.35
Demerger related expenses	42.52	0.44	-	42.96
	<b>428.93</b>	<b>300.28</b>	<b>32.53</b>	<b>761.73</b>
<b>Deferred tax liabilities</b>				
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	2,740.65	109.76	-	2,850.41
Right of use asset	147.47	207.90	-	355.37
Investment in equity of associate	-	-	-	-
	<b>2,888.12</b>	<b>317.66</b>	<b>-</b>	<b>3,205.78</b>
<b>Total</b>	<b>(2,459.20)</b>	<b>(17.38)</b>	<b>32.53</b>	<b>(2,444.05)</b>

**For the year ended March 31, 2025**
**(Rs. Lakhs)**

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expenses deductible on payment	-	26.38	-	26.38
Provisions for gratuity, compensated absences and other employee benefits	174.55	15.85	6.45	196.85
Discounted Security Deposit	-	0.89	-	0.89
Lease liability	204.24	(41.96)	-	162.28
Demerger related expenses	26.30	16.22	-	42.52
	<b>405.09</b>	<b>17.38</b>	<b>6.45</b>	<b>428.93</b>
<b>Deferred tax liabilities</b>				
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	2,696.42	44.23	-	2,740.65
Right of use asset	185.58	(38.11)	-	147.47
Others	-	-	-	-
	<b>2,882.00</b>	<b>6.12</b>	<b>-</b>	<b>2,888.12</b>
<b>Total</b>	<b>(2,476.91)</b>	<b>11.26</b>	<b>6.45</b>	<b>(2,459.20)</b>

## Notes to the Standalone Financial Statements (continued)

### 30. Contingent liabilities and commitments (to the extent not provided for)

#### A. Contingent liabilities\*

Particulars	As at	As at
	March 31, 2026	March 31, 2025
	Rs. lakhs	Rs. lakhs
Excise and Goods and Service tax matters (note a)	59.12	71.32
Claims against the Company not acknowledged as debts (excluding claims by employees, where amounts are not ascertainable) (note b)	384.15	384.15
<b>Total</b>	<b>443.27</b>	<b>455.47</b>

#### Notes

- a) The Company has reviewed all its pending litigations primarily related to excess availment of input tax credit and wrong availment of MODVAT credit and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- b) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- \* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, are not likely to, in the opinion of the management, have a material effect on the results of the operations or financial position of the Company.

#### 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. 1448.33 lakhs (March 31, 2025: Rs. 91.58 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.

### 31. Earnings/ (loss) per share

#### Basic and diluted earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share are calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company, by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended March 31, 2026	For the year ended March 31, 2025#
Profit/ (Loss) after tax attributable to equity shareholders	Rs. Lakhs	(1,211.63)	6,211.87
Weighted average number of equity shares outstanding during the year	Numbers	86,992,185	86,992,185
Nominal value per share	Rs.	2	2
Basic and diluted earnings/ (loss) per share	Rs.	(1.39)	7.14

- # Shares pending for issuance and shares to be cancelled have been included for the purpose calculating of earnings per share.

## 32. Employee benefits

### A. Defined contribution plans

Rs. 461.03 lakhs (March 31, 2025: Rs. 235.23 lakhs) for provident fund contributions and Rs. 53.19 lakhs (March 31, 2025: Rs. 75.47 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

Rs. lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>	<b>260.80</b>	56.64
<b>Current</b>	-	-
<b>Net defined benefit liability- Gratuity</b>	<b>260.80</b>	56.64

#### (i) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation between opening and closing balances of gratuity liability and its components:

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	<b>1,632.09</b>	1,479.36
Current service cost	<b>142.23</b>	120.72
Past service cost	<b>29.09</b>	-
Acquisition adjustment	<b>27.33</b>	-
Interest cost	<b>113.10</b>	101.67
Actuarial (gain)/loss arising from changes in financials assumptions	<b>(47.17)</b>	33.28
Actuarial loss arising from changes in experience adjustments	<b>110.86</b>	7.58
Benefits paid	<b>(217.61)</b>	(110.52)
<b>Balance at the end of the year</b>	<b>1,789.92</b>	1,632.09

#### (ii) Reconciliation of the plan assets

The following table shows a reconciliation between opening and closing balances of the plan assets and its components:

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,575.45	1,456.24
Expected return on plan assets	109.18	105.29
Transfer	27.33	-
Contribution by the Company	(117.25)	(1.33)
Benefits paid	-	-
Actuarial (losses)/ gains recognised in other comprehensive income	(65.57)	15.25
<b>Balance at the end of the year</b>	<b>1,529.14</b>	1,575.45

## Notes to the Standalone Financial Statements (continued)

### (iii) Expense recognized in profit or loss

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	142.23	120.72
Past service cost	29.09	-
Interest cost	113.10	101.67
Expected return on plan assets	(109.18)	(105.29)
	175.24	117.10

### (iv) Constitution of plan assets

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Funded with Life Insurance Corporation of India*	1,529.14	1,575.45

\* 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

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial gain / (loss) on plan assets	(65.57)	15.25
Actuarial (loss) / gain arising from changes in financials assumptions	47.17	(33.28)
Actuarial (loss) arising from changes in experience adjustments	(110.86)	(7.58)
	(129.26)	(25.61)

### (vi) Actuarial assumptions

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended 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)	17.21	17.89
<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

The weighted average duration of the defined benefit obligations as on March 31, 2026 is 14.02 years (March 31, 2025: 14.65 years)

Expected contributions to post-employment benefit plans for the financial year 2026-27 are Rs. 152.83 lakhs (2025-26: Rs. 109.51 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.

Pursuant to the Scheme, the Company continued to regularly contribute to income tax approved irrevocable trust fund 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: Rs. lakhs

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%	<b>(28.11)</b>	<b>29.92</b>	(52.30)	56.36
Future salary growth variation of 0.50%	<b>30.69</b>	<b>(28.51)</b>	56.97	(53.80)

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: Rs. lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Within 1 year	<b>172.97</b>	224.08
1 year to 5 years	<b>364.45</b>	507.69
More than 5 years	<b>1,252.50</b>	900.31

**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. 604.03 lakhs (March 31, 2025: Rs. 610.71 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.

## Notes to the Standalone Financial Statements (continued)

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**d) Salary risk**

Higher than expected increase in salary will increase the defined benefit obligation.

- E.** On November 21, 2025 the Government of India notified four labour codes i.e. the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 ("New Labour Code") consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of financial impact due to these changes in regulations. Based on information available and guidance provided by the Institute of Chartered Accountants of India, the Company has assessed impact of these changes and accordingly recorded past service cost of Rs. 29.09 lakhs. The company continues to monitor the developing regulatory scenario, including finalisation of Central / State Rules and clarifications from the Government on other aspects of labour codes. The accounting effect of such developments, if any, would be appropriately considered.
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### **33. Related party disclosures:**

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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 relationship**

**a. Holding Company**

DCM Shriram Industries Limited (Upto December 17, 2025)

**b. Associate**

DCM Hyundai Limited (w.e.f December 17, 2025)

**c. Key management personnel**

Mr. Sanjay Chandrakant Kirloskar, Chairman, Independent Director (w.e.f November 15, 2025)

Mr. Alok B. Shriram, Director (up to December 23, 2025) & Managing Director & CEO (w.e.f December 24, 2025)

Ms. Kanika Shriram, Director (up to December 23, 2025) & Dy. Managing Director (w.e.f December 24, 2025)

Mr. Rudra Shriram, Director (up to December 23, 2025) & Dy. Managing Director (w.e.f December 24, 2025)

Mr. P.D. Bagla, WTD & CFO (w.e.f December 24, 2025)

Mr. S. B. Mathur, Non-Executive & Non-Independent Director (w.e.f March 7<sup>th</sup> 2026)

Mr. Suman Jyoti Khaitan, Independent Director (w.e.f November 15, 2025)

Mrs. Meeta Makhan, Independent Director (w.e.f November 15, 2025)

Mr. Mukesh Gupta, Independent Director (w.e.f November 15, 2025)

Mr. Ashish Jha, Company Secretary

**d. Relatives/HUF of key management personnel or individuals having direct or indirect control or significant influence**

Lala Bansi Dhar & Sons (HUF)

Mr. Urvashi Tilakdhar

Mr. Akshay Dhar

Ms. Rajni Bagla

**e. Trusts**

DCM Shriram Industries Limited Superannuation Trust

DCM Shriram Industries Limited Employees' Gratuity Fund Trust

DCM Shriram Industries Limited Employees' Provident Fund Trust

**f. Others (Enterprises over which key management personnel or their relatives are able to exercise significant influence)**

DCM Containers & Engineering Private Limited

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Aruka Technologies General Trading FZE  
 Dr. Bansidhar Institute  
 Wanderlust Fintech LLP  
 Akshay Foundation  
 Shriram Midivisana Engineering Pvt. Ltd.  
 DCM Shriram Industries Limited  
 DCM Shriram Fine Chemicals Limited

**B. Transactions with related parties:**
**(Rs.Lakhs)**

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
<b>Rent expenses</b>		
Key management personnel	61.31	37.25
Relatives of Key management personnel	69.31	96.65
<b>Total</b>	<b>130.62</b>	<b>133.90</b>
<b>Purchase of raw material</b>		
DCM Containers & Engineering Private Limited	<b>194.11</b>	-
<b>Total</b>	<b>194.11</b>	-
<b>Purchase of stores &amp; spares</b>		
DCM Containers & Engineering Private Limited	<b>137.33</b>	154.51
<b>Total</b>	<b>137.33</b>	<b>154.51</b>
<b>Other expenses</b>		
DCM Containers & Engineering Private Limited	<b>48.00</b>	-
Aruka Technologies General Trading FZE	<b>346.70</b>	-
DCM Shriram Industries Limited	<b>69.00</b>	-
Dr. Bansidhar Institute	<b>35.75</b>	14.97
<b>Total</b>	<b>499.45</b>	<b>14.97</b>
<b>Other Income</b>		
DCM Shriram Industries Limited	<b>17.10</b>	-
DCM Hyundai Limited	<b>0.02</b>	-
DCM Containers & Engineering Private Limited	<b>0.02</b>	-
Key management personnel	<b>24.51</b>	1.57
<b>Total</b>	<b>41.65</b>	<b>1.57</b>
<b>Sale of Products</b>		
Aruka Technologies General Trading FZE	<b>203.55</b>	-
<b>Total</b>	<b>203.55</b>	<b>3.14</b>
<b>Loan to officers</b>		
Key management personnel	-	250.39
<b>Total</b>	-	<b>250.39</b>
<b>Contribution Provident Fund</b>		
Wanderlust Fintech LLP	<b>0.09</b>	-
<b>Total</b>	<b>0.09</b>	-

## Notes to the Standalone Financial Statements (continued)

<b>Allocation of Dividend</b>		
DCM Shriram Industries Limited	-	579.95
<b>Total</b>	-	579.95
<b>Salaries and bonus including contributions made to provident fund</b>		
Key management personnel	<b>307.47</b>	614.85
<b>Total</b>	<b>307.47</b>	614.85
<b>Post-employment defined benefit plan</b>		
<b>Gratuity</b>		
Key management personnel	<b>34.80</b>	7.29
<b>Total</b>	<b>34.80</b>	<b>7.29</b>
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
Key management personnel	<b>108.79</b>	7.58
<b>Total</b>	<b>108.79</b>	<b>7.58</b>
<b>Commission to Independent Directors</b>		
Mr. S. B. Mathur	-	9.13
Mr. Sanjay C. Kirloskar	-	8.10
Mr. Suman Jyoti Khaitan	-	8.61
<b>Total</b>	-	25.84
<b>Total compensation paid to key management personnel</b>	<b>451.06</b>	655.56
<b>Post-employment defined benefit plan contribution paid to provident fund</b>		
Trusts	-	35.83
<b>Total</b>	-	35.83
<b>Other long term defined contribution plan</b>		
<b>Superannuation</b>		
Trust	<b>1.96</b>	12.64

### Balances with related parties

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Balances with related parties</b>		
<b>Security deposit receivable</b>		
Key management personnel	<b>12.71</b>	12.71
Relatives of Key management personnel	<b>5.31</b>	5.31
<b>Total</b>	<b>18.02</b>	<b>18.02</b>
<b>Advance to contractors</b>		
Dr. Bansi Dhar Institute	<b>14.18</b>	26.00
<b>Total</b>	<b>14.18</b>	26.00

<b>Loan to officers</b>		
Key management personnel	<b>288.46</b>	250.39
<b>Total</b>	<b>288.46</b>	250.39
<b>Trade receivables</b>		
Aruka Technologies General Trading FZE	<b>88.45</b>	-
<b>Total</b>	<b>88.45</b>	-
DCM Hyundai Limited	<b>0.02</b>	-
DCM Containers & Engineering Private Limited	<b>0.02</b>	-
DCM Shriram Industries Limited	<b>18.46</b>	-
<b>Total</b>	<b>18.50</b>	-
<b>Trade Payable</b>		
DCM Containers & Engineering Private Limited	<b>59.62</b>	-
Aruka Technologies General Trading FZE	<b>346.70</b>	-
<b>Total</b>	<b>406.32</b>	-
<b>Other Payable</b>		
DCM Shriram Industries Limited	-	459.16
<b>Total</b>	-	459.16
<b>Other receivable</b>		
DCM Shriram Industries Limited	<b>41.09</b>	-
<b>Total</b>	<b>41.09</b>	-
<b>Remuneration payables</b>		
Key management personnel	<b>40.75</b>	-
<b>Total</b>	<b>40.75</b>	-
<b>Provision for Employee Benefits</b>		
<b>Gratuity</b>		
Key management personnel	<b>108.22</b>	179.62
<b>Total</b>	<b>108.22</b>	179.62
<b>Provision for Employee Benefits</b>		
Key management personnel	<b>71.71</b>	129.80
<b>Total</b>	<b>71.71</b>	129.80

**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 approved Scheme of Arrangement, the Company has merged the operations of the Rayons undertaking (demerged unit) with effect from the appointed date. Accordingly, inter

## Notes to the Standalone Financial Statements (continued)

se transactions between the Company and the Demerged Company in relation to the Rayons 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 the approval of the Scheme, dividends declared by the Demerged Company and attributable to the Rayons undertaking, now merged with the Company for the respective period, have also been included above, as transactions with the Demerged Company are considered related party disclosures.

A sum aggregating to Rs. 41.09 lakhs is receivable as at March 31, 2026 (March 31, 2025: Rs. 459.16 lakhs payable) to DCM Shriram Industries Limited.

### 34. 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

(Rs.Lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments (other than associate)^	-	314.50	-	314.50	-	-	314.50
(ii) Loans*	-	-	261.28	261.28	-	-	-
(iii) Other financial assets*	-	-	323.32	323.32	-	-	-
Current							
(i) Trade receivables*	-	-	13,284.00	13,284.00	-	-	-
(ii) Cash and cash equivalents*	-	-	30.28	30.28	-	-	-
(iii) Other bank balances*	-	-	3,560.37	3,560.37	-	-	-
(iv) Loans*	-	-	8.91	8.91	-	-	-
(v) Other financial assets*	-	-	1,211.55	1,211.55	-	-	-
Total	-	314.50	18,679.71	18,994.21			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	1,440.66	1,440.66	-	1,440.66	-
(ii) Lease liabilities*	-	-	461.55	461.55	-	-	-
Current							
(i) Borrowings#	-	-	5,796.44	5,796.44	-	-	-
(ii) Lease liabilities*	-	-	183.25	183.25	-	-	-
(iii) Trade payables*	-	-	10,608.10	10,608.10	-	-	-
(iv) Other financial liabilities*	33.49	-	1,233.43	1,266.92	-	33.49	-
Total	33.50	-	19,723.43	19,756.93			

**ii. As on March 31, 2026**
**(Rs.Lakhs)**

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) Investments (other than associate)^		314.50		<b>314.50</b>	-	-	314.50
(ii) Loans*			275.87	<b>275.87</b>	-	-	-
(iii) Other financial assets*			369.68	<b>369.68</b>	-	-	-
<b>Current</b>							
(i) Trade receivables*			10,544.33	<b>10,544.33</b>	-	-	-
(ii) Cash and cash equivalents*			21.91	<b>21.91</b>	-	-	-
(iii) Other bank balances*			3,596.24	<b>3,596.24</b>	-	-	-
(iv) Loans*			25.64	<b>25.64</b>	-	-	-
(v) Other financial assets*			1,151.26	<b>1,151.26</b>	-	-	-
<b>Total</b>	-	<b>314.50</b>	<b>15,984.94</b>	<b>16,299.44</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#			1,516.11	<b>1,516.11</b>	-	1,516.11	-
(ii) Lease liabilities*			1,198.98	<b>1,198.98</b>	-	-	-
(iii) Other financial liabilities*			-	<b>-</b>	-	-	-
<b>Current</b>							
(i) Borrowings#			4,444.98	<b>4,444.98</b>	-	-	-
(ii) Lease liabilities*			256.62	<b>256.62</b>	-	-	-
(iii) Trade payables*			6,769.74	<b>6,769.74</b>	-	-	-
(iv) Other financial liabilities*	4.65		820.98	<b>825.63</b>	-	4.65	-
<b>Total</b>	<b>4.65</b>	-	<b>15,007.41</b>	<b>15,012.06</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, 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 Company enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses mark to market valuation provided by bank for valuation of these derivative contracts. There is no material derivative financial instruments as at the balance sheet date.
- The fair values of investments determined based on the recoverable value as per agreement with the investee. The Company consider this as a strategic investment and consider the said classification as appropriate.

## Notes to the Standalone Financial Statements (continued)

The fair value of unquoted equity investments classified as Level 3 is determined using a discounted cash flow model. The valuation incorporates significant unobservable inputs, including management's estimates of future cash flows, operating margins, terminal growth rates and discount rates, due to the absence of observable market data. Sensitivity analysis has been prepared on the basis that other variables remain constant; however, changes in one assumption may be accompanied by changes in another. The difference between fair value of Investment and Cost of Investment is immaterial.

The following table shows the valuation technique and key input used for Level 3

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
Investments in unquoted equity instruments at FVTOCI	Discounted cash flows	Company financial projections. This includes forecasts of balance Sheet, Statement of Profit and Loss along with underlying assumption.  Financials projection including terminal growth rate, operating margins etc. and discount rate to discount future cash flows Discount rate: 25.8% Terminal growth rate: 4.3% Forecast period: 5 years	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in valuation of the equity component.

### 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 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
Trade receivables	10,544.33	13,284.00
Cash and cash equivalents	21.91	30.28
Other bank balances	3,596.24	3,560.37
Loans	301.51	270.19
Other financial assets	1,520.95	1,534.87

Trade receivables	As at March 31, 2026 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
(a) India	699.54	518.83
(b) Other countries	9,844.79	12,765.17
<b>Total</b>	<b>10,544.33</b>	<b>13,284.00</b>

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	Gross carrying amount	
	As at March 31, 2026	As at March 31, 2025
	Rs. Lakhs	Rs. Lakhs
1-90 days past due *	1,906.81	4,593.35
91 to 180 days past due	13.31	141.52
More than 180 days past due #	0.57	1.26
Not due	8,623.64	8,547.87
	<b>10,544.33</b>	13,284.00

\* 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.

There is no allowance for impairment in respect of trade receivables.

## 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.

### (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. 3618.15 lakhs as at March 31, 2026 (March 31, 2025 Rs. 3,590.65 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.

## Notes to the Standalone Financial Statements (continued)

### 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 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
From banks	6,522.22	1,864.00

### II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted: (Rs. Lakhs)

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*	1,067.92	-	1,069.17	-	1,069.17
Lease liabilities	461.55	-	508.55	96.83	605.38
<b>Current liabilities</b>					
Borrowings	6,169.18	6,169.18	-	-	6,169.18
Lease liabilities	183.25	235.25	-	-	235.25
Trade payables	10,608.10	10,608.10	-	-	10,608.10
Other financial liabilities	1,266.92	1,266.92	-	-	1,266.92
<b>Total</b>	<b>19,756.91</b>	<b>18,279.44</b>	<b>1,577.72</b>	<b>96.83</b>	<b>19,953.99</b>

(Rs. Lakhs)

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*	1,074.54	-	1,078.71	-	1,078.71
Lease liabilities	1,198.98	-	1,387.24	44.02	1,431.26
Other financial liabilities	-	-	-	-	-
<b>Current liabilities</b>					
Borrowings	4,886.55	4,886.55	-	-	4,886.55
Lease liabilities	256.62	385.14	-	-	385.14
Trade payables	6,769.74	6,769.74	-	-	6,769.74
Other financial liabilities	825.63	825.63	-	-	825.63
<b>Total</b>	<b>15,012.06</b>	<b>12,867.06</b>	<b>2,465.95</b>	<b>44.02</b>	<b>15,377.03</b>

\* Contractual cash flows do not include interest expense

### (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.

### Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees (Lakhs) as at March 31, 2026 and March 31, 2025. (Rs. Lakhs)

Particulars	As at March 31, 2026			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	7,344.23	1,551.16	-	-
	<b>7,344.23</b>	<b>1,551.16</b>	-	-
<b>Financial liabilities</b>				
Trade payables	3,627.34	504.84	-	-
	<b>3,627.34</b>	<b>504.84</b>	-	-

(Rs. Lakhs)

Particulars	As at March 31, 2025			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	9,990.97	1,142.68	-	-
Advance to contractors	466.78	33.23	-	-
	<b>10,457.75</b>	<b>1,175.91</b>	-	-
<b>Financial liabilities</b>				
Trade payables	6,468.19	441.73	0.71	0.67
	<b>6,468.19</b>	<b>441.73</b>	<b>0.71</b>	<b>0.67</b>

\* Trade receivables are net of corresponding foreign exchange contracts

### 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

## Notes to the Standalone Financial Statements (continued)

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. (Rs. Lakhs)

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	37.17	(37.17)	27.81	(27.81)
EUR	10.46	(10.46)	7.83	(7.83)
	47.63	(47.63)	35.64	<b>(35.64)</b>
<b>For the year ended March 31, 2025</b>				
USD	39.90	(39.90)	29.85	(29.85)
EUR	7.34	(7.34)	5.49	(5.49)
AUD	(0.01)	0.01	(0.01)	0.01
GBP	(0.01)	0.01	(0.01)	0.01
	<b>47.22</b>	<b>(47.22)</b>	<b>35.32</b>	<b>(35.32)</b>

USD: United States Dollar, EUR: Euro, AUD: Australian Dollar, GBP: Great British Pound

### Foreign exchange derivative contracts

The Company enters into foreign currency forward contracts to manage its exposure to foreign exchange risk arising from recognised monetary items and forecast transactions. These derivative instruments are intended to economically hedge foreign currency risk; however, they are not designated in a hedging relationship for hedge accounting purposes. Derivative financial instruments are initially recognised at fair value on the date on which the forward contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The fair value of forward contracts is determined using observable forward exchange rates prevailing at the reporting date. As hedge accounting is not applied, changes in the fair value of these forward contracts, including mark-to-market gains or losses, are recognised immediately in the Standalone statement of profit and loss.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Maturity			
					Upto 12 months Nominal amount (in lakhs)		More than 12 months Nominal amount (in lakhs)	
	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	As at March 31, 2026	As at March 31, 2025
USD/INR Sell Forward	4.00	14.00	10.00	45.25	955.15	3,905.21	-	-
EUR/INR Sell Forward	-	6.00	-	14.00	-	1,321.52	-	-
USD/INR Buy Forward	-	-	-	4.00	-	342.43	-	-

Impact of depreciation / appreciation in INR against USD/EUR in respect of forward contracts is not material.

**(iii) Market risk**
**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: (Rs. Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Bank Balances other than cash and cash equivalents	<b>3,596.24</b>	3,560.37
<b>Other Financial assets</b>	<b>1,105.32</b>	1,163.85
<b>Total</b>	<b>4,701.56</b>	<b>4,724.23</b>
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Term loans	<b>29.81</b>	44.40
<b>Variable-rate instruments</b>		
Term loans	<b>1,486.30</b>	1,396.27
<b>Cash Credit</b>	<b>4,444.98</b>	5,796.44
<b>Total</b>	<b>5,961.09</b>	<b>7,237.11</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. (Rs. Lakhs)

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	(14.86)	14.86	(11.12)	11.12
Interest on cash credits	(44.45)	44.45	(33.26)	33.26
<b>For the year ended March 31, 2025</b>				
Interest on term loans	(13.96)	13.96	(10.45)	10.45
Interest on cash credits	(57.96)	57.96	(43.37)	43.37

## Notes to the Standalone Financial Statements (continued)

### 35. 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:

(Rs.Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	5,961.10	7,237.10
Less : Cash and cash equivalents	(21.91)	(30.28)
<b>Adjusted net debt (A)</b>	5,939.19	7,206.82
<b>Total equity (B)</b>	36,426.14	37,734.51
<b>Adjusted net debt to total equity ratio (A/B)</b>	0.16	0.19

36. Research expenses amounting to Rs. 236.56 lakhs (March 31, 2025: Rs. 405.32 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to development amounting to Rs. 206.65 lakhs (March 31, 2025: Rs. 56.81 lakhs) has been included in property, plant and equipment.

37. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmations received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	For the year ended March 31, 2026 Rs. Lakhs	For the year ended March 31, 2025 Rs. Lakhs
(a) Amounts remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	192.96	302.38
- Interest due thereon	-	-
(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.	-	-
(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.	-	-

**38. Disclosures related to government grants**

The government grants/assistance recognised are as under:

(Rs. Lakhs)

<b>Nature of grant/assistance</b>	<b>Income/ expense head</b>	<b>For the year ended March 31, 2026 Rs. Lakhs</b>	<b>For the year ended March 31, 2025 Rs. Lakhs</b>
Capital Investment subsidy- Deferred grant Income	Other income	<b>85.33</b>	-
Interest subsidy in respect of Loans at concessional rate	Other income / Finance cost	-	11.71
Duty drawback, export benefits and other government assistance	Other operating revenue	<b>858.44</b>	1,227.99

**39. Immovable properties yet to be endorsed in the name of the Company are as under :**

(Rs. Lakhs)

<b>Particulars</b>	<b>Amount as at March 31, 2026 (Rs. Lakhs)</b>	<b>Amount as at March 31, 2025 (Rs. Lakhs)</b>	<b>Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director</b>	<b>Property held since</b>	<b>Reason for not being held in the name of the company</b>
<b><u>Property, Plant and Equipment</u></b>					
<b><u>Leasehold land</u></b>					
Land situated at Kota, Rajasthan	<b>465.00</b>	465.00	No	2025	
<b><u>Freehold Properties ^</u></b>					
Freehold Land situated at Kota, Rajasthan	<b>198.76</b>	198.76	No		
Freehold Flats situated at New Delhi	<b>608.25</b>	608.25	No	2025	Refer note below*
Freehold Land situated at Palhera	<b>28.55</b>	28.55	No		

^ Vested in the DCM Shriram Industries Limited pursuant to a Scheme of Arrangement of erstwhile DCM Limited in 1991 (Undisputed)

\* As per the Scheme, all immovable property (including but not limited to land, buildings, and any other rights, titles, interests, rights of way, and easements in relation thereto) shall vest in the Company or be deemed to have been so, automatically without any further act or deed, with effect from the Appointed Date. Accordingly, all the immovable properties of the Demerged Company, forming part of the Demerged Undertaking, have vested in the Company with effect from April 01, 2023. The Company shall also file the necessary applications for updation of its name with the concerned authorities in due course.

## Notes to the Standalone Financial Statements (continued)

### 40. Assets charged as security

The carrying amount of assets charged as security for current and non-current borrowings are as under: (Rs. Lakhs)

	Note	As at March 31, 2026 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
<b>Current assets</b>			
Inventories	9	13,445.30	16,134.20
Trade receivables	10	10,544.33	13,284.00
Cash and cash equivalents	11	21.91	30.28
Other bank balances	12	3,596.24	3,560.37
Loans	5	25.64	8.91
Other financial assets	6	1,151.26	1,211.55
Other current assets	13	1,768.06	1,905.46
<b>Total (I)</b>		<b>30,552.74</b>	<b>36,134.77</b>
<b>Non-current asset</b>			
Property, plant and equipment	3A	22,022.91	21,413.13
Capital work-in-progress	3A	1,118.01	294.15
Intangible assets	3C	105.34	42.11
Intangible assets under development	3C	-	19.40
Loans	5	275.87	261.28
Other financial assets	6	369.68	323.32
Other tax assets (net)	7	834.15	807.12
Other non-current assets	8	206.06	596.38
<b>Total (II)</b>		<b>24,932.02</b>	<b>23,756.89</b>
<b>Grand Total (I&amp;II)</b>		<b>55,484.76</b>	<b>59,891.67</b>

### 41. Financial Ratios:

Particulars	Numerator	Denominator	31-Mar-26	31-Mar-25	Variance
(a) Current Ratio	Current assets	Current liabilities	1.99	1.93	3.01%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.16	0.19	-14.67%
(c) Debt Service Coverage Ratio @	Earnings available for debt service*	Scheduled Debt Service	0.49	4.90	-89.99%
(d) Return on Equity Ratio @	Net Profits after taxes	Average Shareholders' Equity	-3%	18%	-118.37%
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.26	1.36	-7.92%
(f) Trade Receivable Turnover Ratio	Revenue	Average Trade Receivables	3.79	3.68	2.90%
(g) Trade Payable Turnover Ratio	Purchases and other expenses	Average Trade Payables	3.81	4.01	-4.91%

(h) Net Capital Turnover Ratio	Revenue	Working Capital	2.97	3.30	-9.82%
(i) Net Profit Ratio @	Net Profit	Total Income	-2.6%	11%	-124.76%
(j) Return on Capital Employed @	Earning before interest and taxes	Average Capital Employed #	-0.8%	22%	-103.50%

Ratio of Return on Investment is not applicable.

\* PBT + Depreciation + Interest on Term Loan - Taxes

# Tangible net worth + Long term debt + Deferred tax liabilities

@ During the current year, the sales volume declined due to lower demand and the geopolitical situation in the Middle East, resulting in reduced profitability and consequently impacting the Company's net profit and related financial ratios.

42. In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013, the Company has identified a single reportable business segment viz. 'Industrial fibres and related products'. The segment have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. For the segment, the Chief Operating Decision Maker (CODM) reviews internal management reports on at least a quarterly basis. The CODM monitors the operating results for the purpose of making decisions about resource allocation and performance measurement (Refer Note 3A(q)).

#### Entity-wide disclosures

Entity-wide disclosures details as per INDAS 108-

- (i) Revenue from operations reported are from single stream of operations.
- (ii) The Company is operating in a single geographical segment, however it serves overseas customers located across different parts of the world.

Particulars	Amount March 31, 2026	Amount March 31, 2025
	(Rs. Lakhs)	(Rs. Lakhs)
<b>Revenue from operations</b>		
<b>(a) India</b>	8,823.65	6,541.79
<b>(b) Outside India</b>		
Europe	7,965.29	8,349.00
China	15,183.70	19,345.00
Rest of the World	13,144.10	23,131.89
<b>Total (b)</b>	<b>36,293.09</b>	<b>50,825.89</b>
<b>Total (a+b)</b>	<b>45,116.74</b>	<b>57,367.68</b>

- (iii) There are no non-current assets located outside India.
- (iv) Two customers contributed revenue of Rs.13,638.93 lakhs and Rs.4,636.00 lakhs for the year ended March 31, 2026 (March 31, 2025: two customers contributed Rs.16,807.70 lakhs and Rs.11,659.62 lakhs, respectively), each of whom accounted for more than 10% of the Company's total revenue.

## Notes to the Standalone Financial Statements (continued)

### 43. 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 Rayon 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 (IndAS) as under:

1. All the assets, liabilities and reserves pertaining to the Rayon Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, DCM Shriram International 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 is recorded as capital reserve.

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.

**Pursuant to the Scheme, the following assets and liabilities were transferred to the Company as on 1st April, 2023 (Appointed date)** Rs. Lakhs

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	-	19,990.20	-	19,990.20
Capital work-in progress	-	160.54	-	160.54
Right-of-use assets	-	733.66	-	733.66

Intangible assets	-	75.85	-	75.85
<b>Financial assets</b>				
(i) Investments	-	480.50	-	480.50
(iii) Other financial assets	0.10	328.70	-	328.80
Other non-current assets	-	38.00	-	38.00
<b>Total non-current assets</b>	<b>0.10</b>	<b>21,807.45</b>	-	<b>21,807.55</b>
<b>Current assets</b>				
Inventories	-	11,911.99	-	11,911.99
<b>Financial assets</b>				
(i) Investments	-	89.01	-	89.01
(ii) Trade receivables	-	14,553.02	-	14,553.02
(iii) Cash and cash equivalents	0.79	37.40	-	38.19
(iv) Bank balances other than (iii) above	-	372.78	-	372.78
(v) Loans	-	4.45	-	4.45
(vi) Other financial assets	-	63.64	-	63.64
Other current assets	-	897.34	-	897.34
<b>Total current assets</b>	<b>0.79</b>	<b>27,929.63</b>	-	<b>27,930.42</b>
<b>Total Assets</b>	<b>0.89</b>	<b>49,737.08</b>	-	<b>49,737.97</b>

Note No 43 continued

<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	1.00	1,738.84	-	1,739.84
Other equity	(0.26)	20,756.88	-	20,756.62
<b>Total Equity</b>	<b>0.74</b>	<b>22,495.72</b>		<b>22,496.46</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	-	1,421.71	-	1,421.71
(ii) Lease liabilities	-	618.75	-	618.75
Provisions	-	352.97	-	352.97
Deferred tax liabilities (net)	-	2,301.95	-	2,301.95
<b>Total non-current liabilities</b>	-	<b>4,695.38</b>	-	<b>4,695.38</b>

## Notes to the Standalone Financial Statements (continued)

<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	-	9,293.42	-	9,293.42
(ii) Lease liabilities	-	208.83	-	208.83
(iii) Trade payables	-	-	-	-
- Total outstanding dues of MSME and	-	231.80	-	231.80
- Total outstanding dues of creditors other than MSME	-	11,344.24	-	11,344.24
(iv) Other financial liabilities	-	1,006.97	-	1,006.97
Other current liabilities	0.15	196.94	-	197.09
Provisions	-	263.78	-	263.78
<b>Total current liabilities</b>	<b>0.15</b>	<b>22,545.98</b>	-	<b>22,546.13</b>
<b>Total Equity and Liabilities</b>	<b>0.89</b>	<b>49,737.08</b>	-	<b>49,737.97</b>

### Impact of Demerger as at April 1, 2023:

Rs. Lakhs

Particulars	Amount
Net assets taken over (A)	22,495.72
Reserves taken over (B)	10,650.69
Cancellation of shares held by DCMSR and deemed equity (C)	(1.34)
Equity share capital issued to shareholders (D)	1,739.84
Capital reserves created on account of composite scheme of arrangement (A-B-C-D)	10,106.53

### Movement in other equity

Rs. Lakhs

Particulars	Capital Reserve	Retained Earnings
<b>Balance as at April 1, 2023</b>	-	(0.61)
On account of composite scheme of arrangement	10,106.53	10,650.69
<b>Balance as at April 1, 2023 Restated</b>	<b>10,106.53</b>	<b>10,650.08</b>
Profit for the year	-	10,270.01
Other comprehensive income for the year net of tax	-	60.10
<b>Allocation of Dividend</b>	-	(685.84)
<b>Balance as at March 31, 2024</b>	<b>10,106.53</b>	<b>20,294.36</b>

- b) The Company has estimated and recognised stamp duty expense of Rs. 2083.00 lakhs for transfer of land at Kota, pursuant to the Scheme. The entire amount has been accounted for as an exceptional item.

#### 44. 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) Pursuant to the Scheme of Demerger of the Rayon Business of DCM Shriram Industries Limited into the Company, approved by the National Company Law Tribunal ("NCLT") on November 21, 2025, all loan and bank facilities relating to the demerged business have vested in and been assumed by the Company with effect from April 01, 2023. The Company is in the process of completing the necessary novation and updation of its name in the relevant loan and security documents. Pending completion of the required filings, the related charges continue to stand registered with the Registrar of Companies in the name of 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 wilful 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) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

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**As per our report of even date attached**

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

*Partner*

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

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

**DCM Shriram International Limited**

**Alok B. Shriram**

*Managing Director & CEO*

DIN: 00203808

**P.D. Bagla**

*WTD & CFO*

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

*Dy Managing Director*

DIN: 00998758

**Ashish Jha**

*Company Secretary*

Membership No. F11326

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

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**To the Members of DCM Shriram International Limited**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the consolidated financial statements of DCM Shriram International Limited (hereinafter referred to as the "Company") and its associate, which comprise the consolidated balance sheet as at 31 March 2026, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor separate financial statements of such associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 Company and its associate as at 31 March 2026, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of report of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, 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.

**Demerger of Rayon Undertaking from DCM Shriram Industries Limited to the Company (See note 46 to consolidated financial statements)**

The key audit matter	How the matter was addressed in our audit
<p>The National Company Law Tribunal ("NCLT"), vide its order dated 21 November 2025, has approved the Composite Scheme of Arrangement ('the Scheme') between DCM Shriram Industries Limited and the Company, for the demerger of rayon undertaking ("Demerged Undertaking") of DCM Shriram Industries Limited ("Demerged Company"), on a going concern basis with effect from 1 April, 2023 (i.e. the appointed date).</p> <p>The Company accounted for this demerger as a common control business combination transaction as per Ind AS 103- Appendix C.</p> <p>We have determined this to be a key audit matter due to its nature as a non-recurring transaction and its significance to consolidated financial statements in the current year, along with the magnitude, the significant estimate and judgement involved in identification and allocation of assets, liabilities and related equity balances transferred under the Scheme.</p>	<p>We performed the following procedures in this regard:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the key terms and conditions of the Scheme and final order passed by the Hon'ble NCLT;</li> <li>• Evaluated the design and implementation and tested the operating effectiveness of the internal financial controls relating to identification, recording and disclosures of assets, liabilities and related equity balances of Demerged Undertaking according to the accounting treatment mentioned in the Scheme;</li> <li>• Evaluated the accounting for demerger transaction, and reasonableness of judgements and assumptions used by the demerged undertaking in identification assets and liabilities and related equity balances transferred under the scheme;</li> <li>• Examined the appropriateness of financial information related to the demerged undertaking, as extracted from the underlying financial statements of the Demerged Company, and agreed the assets, liabilities and related equity balances recorded in the Company's books of account with such information;</li> <li>• Examined the underlying agreements to assess the appropriateness of costs related to the Scheme recognised by the Company;</li> <li>• Assessed the accounting treatment applied for the transfer of demerged undertaking is consistent with the accounting treatment specified in the Scheme; and</li> <li>• Assessed the adequacy of the disclosures made in consolidated financial statements with respect to accounting of the Scheme in accordance with the requirements of the applicable Ind AS.</li> </ul>

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

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## **Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Company's Management and Board of Directors are 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 state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Company and of its associate are responsible for assessing the ability of each company 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 Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate are responsible for overseeing the financial reporting process of each company.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

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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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Company and its associate 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 statements of such entity or business activities within the Company and its associate 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 entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled "Other Matter" in this audit report.

# INDEPENDENT AUDITOR'S REPORT (continued)

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We communicate with those charged with governance of the Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

The consolidated financial statements include the Company's share of net loss (and other comprehensive loss) of Rs. 177.51 lakhs for the year ended 31 March 2026, in respect of an associate, whose financial statements have not been audited by us. This financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2.A. 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 and report of other auditor, except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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- 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 maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Company as on 1 April 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company, its associate company incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its associate and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the associate, as noted in the "Other Matter" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Company and its associate. Refer Note 31 to the consolidated financial statements.
- b. The Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company or its associate during the year ended 31 March 2026.
- d (i) The management of the Company and its associate company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 47 (v) 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 Company or any of such associate company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such associate company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## INDEPENDENT AUDITOR'S REPORT (continued)

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(ii) The management of the Company and its associate company incorporated in India whose financial statements has been audited under the Act has represented to us and the other auditor of such associate company respectively that, to the best of their knowledge and belief, as disclosed in the Note 47 (vi) to the consolidated financial statements, no funds have been received by the Company or any of such associate 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 or any of such associate company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by other auditor of the associate company incorporated in India whose financial statements have been audited under the Act nothing has come to our or other auditors notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. As stated in Note 15 to the consolidated financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend. Further, the Company and its associate did not declare or paid any any interim dividend during the year.

f. Based on our examination which included test checks, and that performed by the auditor of an associate which is company incorporated in India, whose financial statements have been audited under the Act, the Company and its associate have used accounting software's for maintaining their books of account which have features of recording audit trail (edit log) facility and the same have operated throughout the year for all relevant transactions recorded in the software's except as noted below:

(i) the Company has used an accounting software, which is operated by a third-party software service provider, for maintaining its books of account. In the absence of reporting on compliance with the audit trail requirements in the independent auditor's report of a service organisation, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

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

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such associate company incorporated in India which was not audited by us, the remuneration paid during the current year by the Company and

its associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company and its associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Membership No.: 098297

Date: 21 May 2026

ICAI UDIN:26098297CDQUIU2031

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**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of DCM Shriram International Limited for the year ended 31 March 2026**

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Membership No.: 098297

Date: 21 May 2026

ICAI UDIN:26098297CDQUIU2031

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

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**Annexure B to the Independent Auditor's Report on the consolidated financial statements of DCM Shriram International Limited for the year ended 31 March 2026**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

## **Opinion**

In conjunction with our audit of the consolidated financial statements of DCM Shriram International Limited (hereinafter referred to as "the Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company and such company incorporated in India under the Act which is its associate company, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of associate company audited by the other auditor, the Company and its associate company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the company and its associate company 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 internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of this matter.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Adhir Kapoor**

Partner

Place: New Delhi

Membership No.: 098297

Date: 21 May 2026

ICAI UDIN:26098297CDQUIU2031

# DCM SHRIRAM INTERNATIONAL LIMITED

CIN : L17299DL2022PLC404291

Consolidated Balance Sheet as at March 31, 2026

Particulars	Note	As at	As at
		March 31, 2026	March 31, 2025
		Rs. lakhs	Rs. lakhs
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	22,022.91	21,413.13
Capital work-in-progress	3A	1,118.01	294.15
Right-of-use assets	3B	1,412.14	585.95
Intangible assets	3C	105.34	42.11
Intangible assets under development	3C	-	19.40
Equity accounted investees	4	1,370.94	1,548.88
Financial assets			
(i) Investments	5	314.50	314.50
(ii) Loans	6	275.87	261.28
(iii) Other financial assets	7	369.68	323.32
Other tax assets (net)	8	834.15	807.12
Other non-current assets	9	206.06	596.38
<b>Total non-current assets</b>		<b>28,029.60</b>	<b>26,206.22</b>
<b>Current assets</b>			
Inventories	10	13,445.30	16,134.20
Financial assets			
(i) Trade receivables	11	10,544.33	13,284.00
(ii) Cash and cash equivalents	12	21.91	30.28
(iii) Bank balances other than (ii) above	13	3,596.24	3,560.37
(iv) Loans	6	25.64	8.91
(v) Other financial assets	7	1,151.26	1,211.55
Other current assets	14	1,768.06	1,905.46
<b>Total current assets</b>		<b>30,552.74</b>	<b>36,134.77</b>
<b>TOTAL ASSETS</b>		<b>58,582.34</b>	<b>62,340.99</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	35,588.81	37,063.56
<b>Total equity</b>		<b>37,328.65</b>	<b>38,803.40</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	1,074.54	1,067.92
(ii) Lease liabilities	3B	1,198.98	461.55
Provisions	18	709.71	508.76
Deferred tax liabilities (net)	30	2,746.49	2,773.20
Other non-current liabilities	19	153.86	-
<b>Total non-current liabilities</b>		<b>5,883.58</b>	<b>4,811.43</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	4,886.55	6,169.18
(ii) Lease liabilities	3B	256.62	183.25
(iii) Trade payables	20	-	-
- Total outstanding dues of micro enterprises and small enterprises; and		192.96	302.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,576.78	10,305.71
(iv) Other financial liabilities	21	825.63	1,266.92
Other current liabilities	19	260.62	225.35
Provisions	18	2,370.95	273.37
<b>Total current liabilities</b>		<b>15,370.11</b>	<b>18,726.17</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,582.34</b>	<b>62,340.99</b>
<b>Material Accounting Policies</b>	2B		

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

# Represented, refer note 46.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

Adhir Kapoor

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

For and on behalf of the Board of Directors

DCM Shriram International Limited

Alok B. Shriram

Managing Director & CEO

DIN: 00203808

Kanika Shriram

Dy Managing Director

DIN: 00998758

P.D. Bagla

WTD & CFO

DIN: 11354856

Ashish Jha

Company Secretary

Membership No. F11326

Place: New Delhi

Date: May 21, 2026

**DCM SHRIRAM INTERNATIONAL LIMITED**

CIN : L17299DL2022PLC404291

**Consolidated statement of Profit and Loss for the year ended March 31, 2026**


Particulars	Note	For the year ended	For the year ended
		March 31, 2026	March 31, 2025
		Rs. lakhs	Rs. lakhs
Revenue from operations	22	45,116.74	57,367.68
Other income	23	1,377.63	1,647.88
<b>Total Income</b>		<b>46,494.37</b>	<b>59,015.56</b>
<b>Expenses</b>			
Cost of materials consumed	24	15,513.57	22,633.50
Changes in inventories of finished goods and work-in-progress	25	3,073.32	(4,099.66)
Employee benefits expense	26	8,257.70	8,067.31
Finance costs	27	582.10	598.80
Depreciation and amortisation expense	28	1,418.18	1,431.58
Other expenses	29	16,425.13	22,084.56
<b>Total expenses</b>		<b>45,270.00</b>	<b>50,716.09</b>
<b>Profit/ (Loss) before share of profit of equity accounted investees, exceptional item and tax</b>		<b>1,224.37</b>	<b>8,299.47</b>
<b>Exceptional item</b>	46 (b)	<b>2,082.50</b>	-
<b>Profit/ (Loss) before share of profit of equity accounted investees, tax and after exceptional item</b>		<b>(858.13)</b>	<b>8,299.47</b>
<b>Share of profit of equity accounted investee (net of tax)</b>		<b>(177.51)</b>	<b>126.43</b>
<b>Profit/ (Loss) before tax and after exceptional item</b>		<b>(1,035.64)</b>	<b>8,425.90</b>
<b>Tax expense</b>			
Current tax	30	336.13	2,099.07
Deferred tax charge/(credit)	30	5.82	20.27
		<b>341.95</b>	<b>2,119.34</b>
<b>Profit/ (Loss) for the year</b>		<b>(1,377.58)</b>	<b>6,306.56</b>
<b>Other comprehensive (loss) / income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement (loss) / gain on defined benefit obligation		(129.26)	(25.61)
Income tax pertaining to items that will not be reclassified to profit or loss		32.53	6.45
Share of OCI of equity accounted investees (net of tax)		(0.43)	(0.31)
<b>Total other comprehensive (loss) / income, net of taxes</b>		<b>(97.16)</b>	<b>(19.47)</b>
<b>Total comprehensive income for the year, net of taxes</b>		<b>(1,474.75)</b>	<b>6,287.09</b>
<b>Earnings/ (Loss) per equity share of Rs. 2 each- basic/ diluted (Rs.)</b>	32	<b>(1.58)</b>	<b>7.25</b>
<b>Material Accounting Policies</b>	2B		

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

# Represented, refer note 46.

**As per our report of even date attached**
**For B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

**For and on behalf of the Board of Directors**
**DCM Shriram International Limited**
**Alok B. Shriram**

Managing Director &amp; CEO

DIN: 00203808

**P.D. Bagla**

WTD &amp; CFO

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

Dy Managing Director

DIN: 00998758

**Ashish Jha**

Company Secretary

Membership No. F11326

**DCM SHRIRAM INTERNATIONAL LIMITED**

CIN : L17299DL2022PLC404291

**Statement of Consolidated Changes in Equity for the year ended March 31, 2026****A. Equity share capital and Shares pending for Issuance\*##****(Rs. lakhs)**

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

\* Represented refer note 46.

# Shares of Rs. 1 lakh cancelled during the year pursuant to composite scheme of arrangement

**B. Other equity ^****(Rs. lakhs)**

Particulars	Reserve and surplus		Total
	Capital reserve	Retained Earnings	
<b>Balance as at April 1, 2024</b>	10,106.53	21,249.89	31,356.42
Profit for the year	-	6,306.56	6,306.56
Other comprehensive (loss) for the year net of tax	-	(19.47)	(19.47)
<b>Total comprehensive income for the year net of tax</b>	10,106.53	27,536.98	37,643.51
<b>Allocation of Dividend (Refer note 33 &amp; 46)*</b>	-	(579.95)	(579.95)
<b>Balance as at March 31, 2025</b>	10,106.53	26,957.03	37,063.56
<b>Balance as at April 1, 2025</b>	<b>10,106.53</b>	<b>26,957.03</b>	<b>37,063.56</b>
Profit/ (loss) for the year	-	(1,377.58)	(1,377.58)
Other comprehensive (loss) for the year net of tax	-	(97.16)	(97.16)
<b>Total comprehensive income for the year net of tax</b>	10,106.53	25,482.27	35,588.81
<b>Balance as at March 31, 2026</b>	<b>10,106.53</b>	<b>25,482.27</b>	<b>35,588.81</b>

^ Represented refer note 46.

\* Pursuant to the approved Scheme, dividend allocated by demerged company distributed to company's shareholder in the agreed allocation ratio as included above.

**Nature and purpose of reserve****a. Capital reserve**

Created on account of composite scheme of arrangement (refer note 46).

**b. Retained earnings**

Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the company.

**Material Accounting Policies**

2B

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

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

Partner

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

For and on behalf of the Board of Directors

**DCM Shriram International Limited****Alok B. Shriram**

Managing Director &amp; CEO

DIN: 00203808

**P.D. Bagla**

WTD &amp; CFO

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

Dy Managing Director

DIN: 00998758

**Ashish Jha**

Company Secretary

Membership No. F11326

**Consolidated statement of cash flow for the year ended March 31, 2026**

Particulars	For the year ended March 31, 2026 Rs. lakhs	For the year ended March 31, 2025 Rs. lakhs
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) before tax	(1,035.64)	8,425.91
Adjustments for :		
Depreciation and amortisation	1,416.97	1,431.58
Finance costs	582.10	598.80
Interest income	(333.85)	(362.36)
Interest income against subvention	-	(11.71)
Exceptional Item (Stamp duty expense)	2,082.50	-
Gain on sale of property, plant and equipment / discarded assets (net)	0.37	4.94
Share of profit of equity accounted investee (net of tax)	177.51	(126.43)
Provisions/liabilities no longer required written back	(39.73)	(159.83)
Operating profit before changes in assets and liabilities	<u>2,850.23</u>	<u>9,800.90</u>
Changes in assets and liabilities		
(Decrease) in trade payables	(3,838.36)	(1,464.36)
(Decrease) in financial liabilities	(452.12)	(374.36)
Increase in other liabilities and provisions	104.94	65.36
Decrease in trade receivables	2,739.67	4,647.07
Decrease/ (Increase) in inventories	2,688.92	(5,108.81)
(Increase) / Decrease in financial assets	(49.36)	1,166.22
Decrease/ (Increase) in other assets	178.14	(141.01)
Cash generated from operations	<u>4,222.06</u>	<u>8,591.01</u>
Income tax paid (net)	<u>(362.91)</u>	<u>(3,530.27)</u>
Net cash from operating activities (A)	<u>3,859.15</u>	<u>5,060.74</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on acquisition of items of property, plant and equipments and intangible assets, including capital work in progress	(2,114.01)	(3,633.95)
Proceeds from sale of property, plant and equipments and intangible assets	7.70	157.94
Redemption in bank deposits	3,617.28	1,022.00
Investments in bank deposits	(3,653.16)	(3,554.50)
Interest received	333.85	362.36
Net cash (used) in investing activities (B)	<u>(1,808.34)</u>	<u>(5,646.15)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	615.12	1,200.00
Repayment of long term borrowings	(533.49)	(1,187.12)
Proceeds from short term borrowings (net)	(1,351.47)	2,010.99
Repayment of lease liabilities	(201.06)	(243.49)
Finance costs paid (Net of subvention)	(588.28)	(590.94)
Dividend paid	-	(579.95)
Net cash (used in) financing activities (C)	<u>(2,059.18)</u>	<u>609.49</u>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	<u>(8.37)</u>	<u>24.08</u>
Cash and cash equivalents at the beginning of the year	<u>30.28</u>	<u>6.20</u>
Cash and cash equivalents at the end of the year	<u>21.91</u>	<u>30.28</u>
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Current accounts	18.44	26.16
Cash on hand	3.47	4.12
Cash and cash equivalents at the end of the year	<u>21.91</u>	<u>30.28</u>

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

<b>Particulars</b>	<b>Non-current borrowings*</b>	<b>Current borrowings@</b>	<b>Lease liability</b>	<b>Total</b>
Opening balance as at April 1, 2024	1,430.73	3,786.36	811.54	6,028.63
Cash flows during the year	(80.35)	1,579.59	(309.80)	1,189.44
Non-cash changes due to:				
- Interest expense (net of subvention)	89.38	431.40	-	520.78
- Finance cost on lease liability	-	-	66.31	66.31
- Lease liability recognised	-	-	76.75	76.75
Closing balance as at March 31, 2025	1,439.76	5,797.35	644.80	7,881.91
<b>Opening balance as at April 1, 2025</b>	<b>1,439.76</b>	<b>5,797.35</b>	<b>644.80</b>	<b>7,881.91</b>
<b>Cash flows during the year</b>	<b>(13.93)</b>	<b>(1,784.14)</b>	<b>(261.11)</b>	<b>(2,059.18)</b>
<b>Non-cash changes due to:</b>				
<b>- Interest expense (net of subvention)</b>	<b>89.38</b>	<b>432.67</b>	<b>-</b>	<b>522.05</b>
<b>- Finance cost on lease liability</b>	<b>-</b>	<b>-</b>	<b>60.05</b>	<b>60.05</b>
<b>- Lease liability recognised</b>	<b>-</b>	<b>-</b>	<b>1,011.86</b>	<b>1,011.86</b>
<b>Closing balance as at March 31, 2026</b>	<b>1,515.21</b>	<b>4,445.88</b>	<b>1,455.60</b>	<b>7,416.69</b>

\* Includes current maturities of long term borrowings.

@ This does not include current maturities of loan term borrowings

**Notes**

- The consolidated cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash Flows".

**Material Accounting Policies**

2A

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

# Reperesented, refer note 46.

**As per our report of even date attached**

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

*Partner*

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

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

**DCM Shriram International Limited**

**Alok B. Shriram**

*Managing Director & CEO*

DIN: 00203808

**P.D. Bagla**

*WTD & CFO*

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

*Dy Managing Director*

DIN: 00998758

**Ashish Jha**

*Company Secretary*

Membership No. F11326

## 1 Corporate Information

DCM Shriram International Limited (the "Company") is a Public Limited Listed Company having CIN L17299DL2022PLC404291 incorporated in India and having its registered office at 6<sup>th</sup> Floor, Kanchenjunga Building, 18, Barakhamba Road, New Delhi – 110001. The Company is primarily engaged in production and sale of Industrial fibers and related products. The Company also engaged in contract manufacturing activities.

Prior to the approval of the Composite Scheme of Arrangement by the Hon'ble National Company Law Tribunal ("NCLT"), New Delhi Bench, the Company did not carry on any operating business. The Rayon business was operated by DCM Shriram Industries Limited, and the Company existed solely as a wholly owned subsidiary without independent commercial operations.

Pursuant to the Order of the Hon'ble NCLT dated November 21, 2025, the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 was approved, under which the Rayon Undertaking of DCM Shriram Industries Limited, together with all its assets and liabilities, 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 1 April 2023. With effect from the appointed date, the Company commenced business operations consequent to the transfer and vesting of the Rayon business. Accordingly, the financial statements of the Company primarily reflect operations of the demerged undertaking from the appointed date.

## 2 Principles of consolidation and basis of preparation

### 2.1 Principles of consolidation

Control is achieved when the Company 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 Company 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 Company has less than a majority of the voting or similar rights of an investee, the Company 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 Company's voting rights and potential voting rights
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company 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.

# Notes to the Consolidated Financial Statements (continued)

## (i) Equity accounted investees

The Company's interest in equity accounted investees comprise interest in associate.

An associate is an entity over which the group has significant influence but not control or joint control over the financial and operating policies.

Investments in associate are accounted for using the equity method of accounting. It is initially recognized at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Company's share of profit or loss and other comprehensive income (OCI) of equity accounted investees until the date on which significant influence ceases.

The details of the entities included in the consolidation is as under:

S. No.	Name of the entity	Nature of relation	Ownership in % either directly or through subsidiary		Country of Incorporation
			2025-26	2024-25	
1	DCM Hyundai Limited (DHL)	Associate	49.28	49.28	India

## 2.2 Basis of preparation of consolidated financial statements

### a) Statement of compliance

These Consolidated Financial Statements ("Consolidated 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 Consolidated 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 21, 2026.

### b) Functional and presentation currency

These consolidated 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 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

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 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.

#### **Judgements:**

Information about the judgements made in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements is included in the following notes:

- Lease classification- Note 3A(n) - lease term: whether the Company is reasonably certain to exercise extension options.
- Business combination- Note 3A(b)

#### **Assumptions and estimation uncertainty:**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included below. The management believes that the estimates used in preparation of these consolidated 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.

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

## Notes to the Consolidated Financial Statements (continued)

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- Impairment of financial assets- Note 2A(q)
- Impairment of non-financial assets- Note 2A(k)

### 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 purpose 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 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 the transaction, and such control is not transitory.

These transactions are accounted for using the pooling of interests method. Under this method, the assets and liabilities of the acquired entities or businesses are recognised at their existing carrying amounts as appearing in the books of the transferor. No adjustments are made to reflect fair values, nor are any new assets or liabilities recognised. 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 recognised in capital reserve.

The shares issued by the Company as consideration are recognised from the date the 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 reporting 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 asset 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 derecognition 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.

## Notes to the Consolidated Financial Statements (continued)

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 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) 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.

### (iii) 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 improvements are amortised on a straight line basis over the unexpired period of lease. 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 the statement of 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 slow moving and obsolete inventories based on management's current best estimate.

## Notes to the Consolidated Financial Statements (continued)

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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, component and other supplies held for use in production of finished products are not written down below cost except in cases, when a decline in the price of materials indicates that the cost of the finished products shall exceeds 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.

### iii. Scrap Sales

Scrap generated in the course of manufacturing and operational activities is recognised as inventory at its estimated net realisable value, where such scrap is material.

Scrap arising from maintenance activities, packing materials and other ancillary processes is collected and routed through the stores function and disposed of through bidding process.

Revenue from sale of scrap is recognised at a point in time when control of the scrap is transferred to the customer, which generally coincides with dispatch or delivery, in accordance with Ind AS 115 – Revenue from Contracts with Customers.

Revenue is measured at the transaction price agreed with the customer, net of taxes and duties collected on behalf of the government.

Income from scrap sales is presented as **“Other Operating Revenue”** in the Statement of Profit and Loss.

Expenditure directly attributable to scrap sales, including handling, packing and transportation costs, is recognised in the Statement of Profit and Loss in the period in which it is incurred.

The Company generally enters into arrangements for sale of scrap on an advance payment basis.

The Company assesses, based on the nature of its operations, whether scrap generation is integral or incidental and presents the related income accordingly.

### iv. Income from Renewable Energy Certificates (RECs)

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned authorities.

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.

## Notes to the Consolidated Financial Statements (continued)

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- 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 associates, 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.

Deferred tax assets (DTA) are recognized in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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 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

## Notes to the Consolidated Financial Statements (continued)

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retirement, death, incapacitation or termination of employment. These are funded by the Company and are managed by the 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.

Government grants related to assets are presented in the balance sheet at fair value as deferred income and are recognised in profit or loss on a systematic basis over the expected useful life of the related assets

**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

## Notes to the Consolidated Financial Statements (continued)

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

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.

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### 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 earning 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**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM").

In accordance with Ind AS 108, the Company has identified its Executive Committee as the CODM. The Executive Committee comprises the Managing Director & Chief Executive Officer (MD & CEO), Deputy Managing Director, Whole-Time Director & Chief Financial Officer (CFO), and Company Secretary.

The Company is primarily engaged in a single reportable business segment, namely "Industrial Fibre and Related Products". Accordingly, based on the management approach prescribed under Ind AS 108, the Company operates in a single operating segment, and hence no separate segment disclosures are required.

The CODM reviews the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment.

Since the Company operates in a single segment:

- There are no inter-segment revenues or transfers.
- There are no unallocable items requiring separate disclosure.
- All revenues, expenses, assets and liabilities relate to the single identified segment.

The accounting policies adopted for segment reporting are consistent with those used in the preparation of the consolidated financial statements of the Company.

## Notes to the Consolidated Financial Statements (continued)

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### 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 (e) 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 and is not designated as at FVTPL:

- 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 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 and associate 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

## Notes to the Consolidated Financial Statements (continued)

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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 only 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.

## Notes to the Consolidated Financial Statements (continued)

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Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

1. 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.
2. 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.

### 3A. Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, through notifications dated:

#### a) Amendments effective for periods beginning on or after 1 April 2025:

- 7 May 2025, introducing changes to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, effective from 1 April 2025. These amendments provide guidance on assessing whether a currency is exchangeable into another currency and on estimating the spot exchange rate when a currency is not exchangeable.
- 13 August 2025, introducing changes to Ind AS including Ind AS 1-Presentation of Financial statements which requires guidance on classification of liabilities as Current or Non-Current and Non-Current Liabilities with Covenants, convertible debt as Current, etc, Ind AS 7- Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures – Supplier Finance Arrangements which provides guidance on additional disclosure requirements for Supplier Finance Arrangements, and Ind AS 112 - International Tax Reforms – Pillar Two Model Rules. These amendments provides guidance on accounting for top-up tax, mandatory relief of pillar two taxes from deferred tax accounting and additional disclosures requirements.

The Company has reviewed the new pronouncements and based on it's evaluation has determined that it does not have any significant impact in it's consolidated financial statements.

#### b) Amendment issued but not effective - The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, through the below notifications applicable from periods beginning on or after 01 April 2026:

- 13 August 2025, introducing changes to Ind AS 1 Presentation of Financial statements introduces an amendment related to Breach of covenant which is applicable w.e.f. 1 April 2026. The Company is in the process of evaluating the impact of these amendments on the consolidated financial statements.

**3A. Property, plant and equipment and capital work-in-progress**
**(Rs. lakhs)**

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>										
<b>Balance as at March 31, 2024</b>	198.78	465.00	132.86	3,454.52	21,149.48	563.47	539.55	194.77	26,698.44	336.68
Add: Additions during the year	-	-	-	2,082.31	679.48	264.55	98.78	16.20	3,141.32	865.49
Less: Disposals/Capitalised during the year	-	-	-	10.79	339.36	94.03	41.95	0.19	486.32	908.02
<b>Balance as at March 31, 2025</b>	198.78	465.00	132.86	5,526.04	21,489.60	733.99	596.38	210.78	29,353.44	294.15
Add: Additions during the year	-	-	-	1,008.76	618.29	53.95	90.49	29.44	1,800.93	2,017.83
Less: Disposals/Capitalised during the year	-	-	-	-	-	32.61	6.68	-	39.30	1,193.97
<b>Balance as at March 31, 2026</b>	198.78	465.00	132.86	6,534.80	22,107.89	755.33	680.19	240.22	31,115.07	1,118.01
<b>Accumulated depreciation</b>										
<b>Balance as at March 31, 2024</b>	-	-	71.09	667.92	5,671.00	199.83	335.86	135.82	7,081.52	-
Add: Depreciation expense during the year	-	-	6.72	115.49	899.44	70.71	71.54	19.61	1,183.51	-
Less: Disposals during the year	-	-	-	10.68	224.35	54.75	34.94	-	324.72	-
<b>Balance as at March 31, 2025</b>	-	-	77.81	772.73	6,346.09	215.79	372.45	155.43	7,940.30	-
Add: Depreciation expense during the year	-	-	7.48	136.30	923.48	81.31	20.65	13.88	1,183.10	-
Less: Disposals during the year	-	-	-	15.42	-	10.62	5.19	-	31.23	-
<b>Balance as at March 31, 2026</b>	-	-	85.29	893.60	7,269.58	286.48	387.91	169.31	9,092.16	-
<b>Net carrying value</b>										
<b>As at March 31, 2026</b>	198.78	465.00	47.58	5,641.20	14,838.31	468.85	292.28	70.91	22,022.91	1,118.01
As at March 31, 2025	198.78	465.00	55.06	4,753.31	15,143.51	518.20	223.93	55.35	21,413.13	294.15

# Notes to the Consolidated Financial Statements (continued)

Ageing of Capital work-in-progress is as under:

(Rs. lakhs)

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	1,118.01	-	-	-	1,118.01
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,118.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,118.01</b>
<b>As at March 31, 2025</b>					
Projects in progress	294.15	-	-	-	294.15
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>294.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>294.15</b>

## Notes:

- 1) For contractual commitments with respect to Capital work-in-progress, refer note 31 (B).
- 2) Borrowing cost capitalised during the year Rs. 3.94 lakhs with a capitalisation rate of 7.5%.
- 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) Refer note 41 for details of immovable properties which are not yet endorsed in the name of the Company.
- 6) As per the Scheme, all immovable property (including but not limited to capital work-in-progress, land, buildings, and any other rights, titles, interests, rights of way, and easements in relation thereto) shall vest in the Company or be deemed to have been so, automatically without any further act or deed, with effect from the Appointed Date. Accordingly, all the immovable properties of the Demerged Company, forming part of the Demerged Undertaking, have vested in the Company with effect from April 01, 2023. The Company shall also file the necessary applications for updation of its name with the concerned authorities in due course. Also refer Note 46.

Refer note 42 for information on assets charged as security by the Company.

## 3B. Leases

The details of the right-of-use assets held by the Company are as follows:

Particulars	<u>Opening as on April 1, 2025</u>	<u>Additions during the year</u>	<u>Deletions during the year</u>	<u>Depreciation during the year</u>	<u>Net carrying amount as at March 31, 2026</u>
Building	585.95	1,092.72	48.89	217.64	1,412.14
	<b>585.95</b>	<b>1,092.72</b>	<b>48.89</b>	<b>217.64</b>	<b>1,412.14</b>
Particulars	<u>Opening as on April 1, 2024</u>	<u>Additions during the year</u>	<u>Deletions during the year</u>	<u>Depreciation during the year</u>	<u>Net carrying amount as at March 31, 2025</u>
Building	736.52	115.21	34.89	230.89	585.95
	<b>736.52</b>	<b>115.21</b>	<b>34.89</b>	<b>230.89</b>	<b>585.95</b>

The weighted average incremental borrowing rate of 8.3% to 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: (Rs.Lakhs)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Opening balance	644.80	811.54
Additions	1,071.64	113.91
Deletions	(59.78)	(37.16)
Amount recognised in statement of profit and loss as interest expense	60.05	66.31
Payment of lease liability	(261.11)	(309.80)
<b>Closing balance</b>	<b>1,455.60</b>	<b>644.80</b>

The following table presents a maturity analysis of expected cash flows for lease liabilities: (Rs.Lakhs)

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Within one year	256.62	183.25
More than one but upto five years	1,065.86	419.17
Beyond five years	133.12	42.38
<b>Closing balance</b>	<b>1,455.60</b>	<b>644.80</b>

Lease liabilities	As at	As at
	March 31, 2026	March 31, 2025
<b>Non-current</b>	<b>1,198.98</b>	461.55
<b>Current</b>	<b>256.62</b>	183.25
	<b>1,455.60</b>	<b>644.80</b>

### 3C. Intangible assets

(Rs. lakhs)

Particulars	Intangible assets- Software	Intangible assets under development- Software
<b>Gross carrying amount</b>		
<b>Balance as at March 31, 2024</b>	267.69	-
Add: Additions during the year	2.27	19.40
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>269.96</b>	<b>19.40</b>
Add: Additions during the year	<b>80.67</b>	<b>58.20</b>
Less: Disposals / capitalized during the year	-	<b>77.60</b>
<b>Balance as at March 31, 2026</b>	<b>350.63</b>	-
<b>Accumulated amortisation</b>		
<b>Balance as at March 31, 2024</b>	210.67	-
Add: Amortisation expense for the year	17.18	-
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2025</b>	<b>227.85</b>	-
Add: Amortisation expense for the year	<b>17.44</b>	-
Less: Disposals / capitalized during the year	-	-
<b>Balance as at March 31, 2026</b>	<b>245.29</b>	-
<b>Net carrying value</b>		
<b>As at March 31, 2026</b>	<b>105.34</b>	-
As at March 31, 2025	42.11	19.40

Refer note 42 for information on assets charged as security by the Company.

# Notes to the Consolidated Financial Statements (continued)

Ageing of Intangible assets under development is as under:

(Rs. lakhs)

Intangible assets under development	Amount in Intangible assets under development 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	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>As at March 31, 2025</b>					
Projects in progress	19.40	-	-	-	19.40
Projects temporarily suspended	-	-	-	-	-

## 4. Equity accounted investees

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
<b>Investments in equity instruments of associate at cost</b>		
<b>Unquoted equity instruments</b>		
DCM Hyundai Limited		
19,72,000 (March 31, 2025 - 19,72,000)		
equity shares of face value of Rs. 10 each, fully paid up	<b>166.00</b>	166.00
Add : Parent's share of net profits	<b>1,204.94</b>	1,382.88
	<b>1,370.94</b>	1,548.88

Refer note 42 for information on assets charged as security by the Company.

## 5. Investments- Non current

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Investment in equity instruments</b>		
<b>Unquoted equity instruments at FVTOCI</b>		
Zyrone Dynamics Havacilik Danismanlik ve Ar-Ge Sanayi ve Ticaret A.S.		
9,797 (March 31, 2024- 9,797) equity shares of face value of 1 Turkish Lira each, fully paid up	<b>314.50</b>	314.50
	<b>314.50</b>	314.50
<b>Aggregate value of non-current unquoted investments</b>	<b>314.50</b>	314.50

## 6. Loans

(unsecured, considered good unless otherwise stated)

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Non current</b>		
Loans to employees*	<b>275.87</b>	261.28
	<b>275.87</b>	261.28
<b>Current</b>		
Loans to employees*	<b>25.64</b>	8.91
<b>Total</b>	<b>25.64</b>	8.91

\* Includes Loan given to Director which is secured by collateral of retirement benefits (Refer note 34)

Refer note 42 for information on assets charged as security by the Company.

**7. Other financial assets**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>Non current</b>		
Security deposits (Unsecured, considered good)		
- to related parties (refer note 34)	<b>18.02</b>	12.32
- Others	<b>351.66</b>	311.00
<b>Total</b>	<b>369.68</b>	323.32
<b>Current</b>		
<b>To related parties (Refer note 34)</b>		
Rent receivables	<b>18.46</b>	-
<b>To parties other than related parties</b>		
Security deposits	<b>27.48</b>	25.63
Deposits with original maturity of more than twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	<b>1,105.32</b>	1,163.85
Other receivables	-	22.07
<b>Total</b>	<b>1,151.26</b>	1,211.55

Refer note 42 for information on assets charged as security by the Company.

**8. Income tax assets (net)**

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
Advance income tax (net of provision)	<b>834.15</b>	807.11
<b>Total</b>	<b>834.15</b>	807.11

Refer note 42 for information on assets charged as security by the Company.

**9. Other non-current assets**

*(unsecured, considered good unless otherwise stated)*

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
<b>To parties other than related parties</b>		
Capital advances	<b>155.46</b>	544.80
Deferred rent	<b>2.20</b>	2.58
Prepaid expenses	<b>48.40</b>	49.00
<b>Total</b>	<b>206.06</b>	596.38

Refer note 42 for information on assets charged as security by the Company.

# Notes to the Consolidated Financial Statements (continued)

## 10. Inventories

(Valued at lower of cost and net realisable value)

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
Raw materials*	7,121.93	5,929.89
Work in progress	600.97	593.87
Finished goods**#	4,848.85	7,929.27
Stores and spares	873.55	1,681.17
<b>Total</b>	<b>13,445.30</b>	<b>16,134.20</b>

\* Include raw materials in transit Rs. Nil (March 31, 2025: Rs. 486.95 lakhs)

\*\* Include finished goods in transit Rs. 467.47 lakhs (March 31, 2025: Rs. 607.79 lakhs)

# The write-down of inventories to net realisable value amounted to Rs. 804.51 lakhs (March 31, 2025: Rs. 837.95 lakhs)

The write-down is included in changes in inventories of finished goods.

Refer note 42 for information on assets charged as security by the Company.

## 11. Trade receivables

	<b>As at March 31, 2026</b>	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
Unsecured, considered good	10,544.33	13,284.00
Unsecured, considered credit impaired	-	-
	<b>10,544.33</b>	<b>13,284.00</b>
Less : Loss allowance for trade receivables	-	-
<b>Total</b>	<b>10,544.33</b>	<b>13,284.00</b>

**Of the above, trade receivables from related parties are as below:**

Trade receivables due from related parties	88.45	-
Less : Loss allowance for trade receivables	-	-
<b>Net trade receivables</b>	<b>88.45</b>	<b>-</b>

Refer note 34.

**Ageing of trade receivables as on March 31, 2026 is as under:**

(Rs. Lakhs)

Particulars	Not due <sup>^</sup>	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Trade Receivables- considered good	8,623.64	1,920.35	0.10	0.24	-	-	10,544.33
- 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	-	-	-	-	-	-	-
<b>Total</b>	<b>8,623.64</b>	<b>1,920.35</b>	<b>0.10</b>	<b>0.24</b>	<b>-</b>	<b>-</b>	<b>10,544.33</b>

**Ageing of trade receivables as on March 31, 2025 is as under:**
**(Rs. Lakhs)**

Particulars	Not due^	Outstanding for following periods from due date of payment*					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
- Undisputed Trade Receivables- considered good	8,547.87	4,734.87	-	1.26	-	-	13,284.00
- 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	-	-	-	-	-	-	-
<b>Total</b>	<b>8,547.87</b>	<b>4,734.87</b>	<b>-</b>	<b>1.26</b>	<b>-</b>	<b>-</b>	<b>13,284.00</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

The Company's exposure to credit and currency risks are disclosed in note 35.

Refer note 42 for information on assets charged as security by the Company.

**12. Cash and cash equivalents**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Balances with banks		
- On current accounts	<b>18.44</b>	26.16
Cash on hand	<b>3.47</b>	4.12
<b>Total</b>	<b>21.91</b>	<b>30.28</b>

Refer note 42 for information on assets charged as security by the Company.

**13. Other bank balances**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Deposits with original maturity of more than three months but upto twelve months		
- earmarked deposits held as margin money or security against borrowings, guarantees and other commitments	<b>3,596.24</b>	3,560.37
<b>Total</b>	<b>3,596.24</b>	<b>3,560.37</b>

Refer note 42 for information on assets charged as security by the Company.

## Notes to the Consolidated Financial Statements (continued)

### 14. Other current assets

(unsecured, considered good unless otherwise stated)

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	Rs. lakhs	Rs. lakhs
<b>To parties other than related parties</b>		
Advances to vendors	199.24	590.11
Advance to employees	5.47	0.73
Balance with government authorities	1,332.70	830.32
Duty drawback and other incentive receivables	143.72	187.63
Prepaid expenses	86.93	296.67
<b>Total</b>	<b>1,768.06</b>	<b>1,905.46</b>

Refer note 42 for information on assets charged as security by the Company.

### 15. Equity share capital

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	Rs. lakhs	Rs. lakhs
<b>a) Authorised</b>	<b>4,052.50</b>	<b>4,052.50</b>
202,625,000 equity shares of Rs. 2 each (March 31, 2025: 202,625,000 of Rs. 2 each)		
<b>b) Issued, subscribed and fully paid-up</b>	<b>1,739.84</b>	<b>-</b>
86,992,185 equity shares of Rs. 2 each fully paid-up (March 31, 2025: Nil)		
<b>Shares pending for issuance</b>	<b>-</b>	<b>1,739.84</b>
Nil equity shares (March 31, 2025: 86,992,185 of Rs. 2 each)		
<b>Shares to be cancelled</b>	<b>-</b>	<b>1.00</b>
Nil equity shares (March 31, 2025: 50,000 of Rs. 2 each)		

### c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Equity shares*</b>				
At the commencement of the year	-	-	-	-
Add/(Less): Change during the year	86,992,185	1,739.84	-	-
<b>At the end of the year</b>	<b>86,992,185</b>	<b>1,739.84</b>	<b>-</b>	<b>-</b>

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Shares pending for issuance*</b>				
At the commencement of the year	86,992,185	1,739.84	86,992,185	1,739.84
Add/(Less): Change during the year	(86,992,185)	(1,739.84)	-	-
<b>At the end of the year</b>	-	-	86,992,185	1,739.84

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount Rs. lakhs	Number of shares	Amount Rs. lakhs
<b>Shares to be cancelled*</b>				
At the commencement of the year	50,000	1.00	50,000	1.00
Add/(Less): Change during the year	(50,000)	(1.00)	-	-
<b>At the end of the year</b>	-	-	50,000	1.00

\* Refer Note 46

#### 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 dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the Annual General Meeting, except in case of interim dividend.

The Board of Directors have recommended a final dividend of Rs.0.40 per share on equity shares of Rs.2 each for the year ended 31 March 2026, subject to approval of shareholders at the ensuing annual general meeting and the same has not been included as a liability in these financial statements. The 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 March 31, 2026		As at March 31, 2025	
	Number of shares @ Rs 2 each	% of holding	Number of shares @ Rs. 2 each	% of holding
Lala Bansi Dhar & Sons (HUF)- Alok Bansidhar Shriram(Karta)	12,028,267	13.83%	-	-
Mrs. Urvashi Tilakdhar	8,942,142	10.28%	-	-
Mr. Madhav Bansidhar Shriram	8,941,864	10.28%	-	-
DCM Shriram Industries Limited	-	-	49,994	50.11%

# Notes to the Consolidated Financial Statements (continued)

## 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 @ Rs 2 each	% of total shares	% Change during the year	Number of shares @ Rs 2 each	% of total shares	% Change during the year
1	Lala Bansi Dhar & Sons (HUF) - Alok Bansidhar Shriram- Karta	1,20,28,267	13.83%	100.00%	-	-	-
2	Mr. Alok B Shriram	23,88,944	2.75%	100.00%	1	0.00%	-
3	Mrs. Karuna Shriram	41,38,462	4.76%	100.00%	1	0.00%	-
4	Ms. Kanika Shriram	14,56,332	1.67%	100.00%	1	0.00%	-
5	Mr. Rudra Shriram	9,58,802	1.10%	100.00%	1	0.00%	-
6	Mrs. Suman Bansi Dhar	17,57,160	2.02%	100.00%	-	-	-
7	Mr. Akshay Dhar	500	0.00%	100.00%	-	-	-
8	Mrs. Urvashi Tilakdhar	89,42,142	10.28%	100.00%	-	-	-
9	Ms. Aditi Dhar	500	0.00%	100.00%	-	-	-
10	Mr. Madhav Bansidhar Shriram	89,41,864	10.28%	100.00%	-	-	-
11	Mrs. Divya Shriram	435	0.00%	100.00%	-	-	-
12	Akshay Foundation	29,76,389	3.42%	100.00%	-	-	-
13	Mr. Sushil Kumar Jain	318	0.00%	100.00%	1	0.00%	-
14	Mr. Sunil Kumar Chaudhary	-	-	-100.00%	1	0.00%	-
15	DCM Shriram Industries Limited	-	-	-100.00%	49,994	100.00%	-
	<b>Total</b>	<b>4,35,90,115</b>	<b>50.11%</b>	-	50,000	100.00%	-

\* Refer Note 46

## 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. Refer Note 46

## 16. Other equity

	As at March 31, 2026	As at March 31, 2025
	Rs. lakhs	Rs. lakhs
a. Capital Reserve		
Balance as at the beginning and at the end of the year	10,106.53	10,106.53
e. Retained earnings		
Balance as at the beginning of the year	26,957.03	21,249.89
Add: Profit for the year	(1,377.58)	6,306.56
Items of other comprehensive income recognised directly in retained earnings		
Remeasurement of defined benefit obligation, net of tax*	(97.16)	(19.47)
Allocation of dividend paid to Shareholders	-	(579.95)
<b>Balance at the end of the year</b>	<b>25,482.28</b>	<b>26,957.03</b>
<b>Total</b>	<b>35,588.81</b>	<b>37,063.56</b>

\* Included in 'Items of other comprehensive income' in statement of changes in equity.

**17. Borrowings**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Borrowings- Non current</b>		
<b>Secured loans</b>		
Term loans from banks	<u>1,516.11</u>	1,440.66
	<b>1,516.11</b>	1,440.66
Less: Current maturities of long term borrowings	<b>441.57</b>	372.74
<b>Total</b>	<u><b>1,074.54</b></u>	<u>1,067.92</u>

**Details of current maturities of long term borrowings:**

<b>Secured loans</b>		
Term loans from banks	<b>441.57</b>	372.74
	<u><b>441.57</b></u>	<u>372.74</u>

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Borrowings- Current #</b>		
<b>Secured loans</b>		
From banks - loans repayable on demand	<b>4,444.98</b>	5,796.44
Current maturities of long term borrowings	<b>441.57</b>	372.74
<b>Total</b>	<u><b>4,886.55</b></u>	<u>6,169.18</u>

# Current borrowings are either payable in installments with in a year or repayable on demand.

**A. SECURED**
**I. Terms of repayment-from banks\***

- a) Rs. 975.00 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 12 quarterly Instalments, (March 31, 2025 Rs. 1197.05 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 16 quarterly Instalments) is secured by exclusive first charge of the residential property in Vasant Vihar, New Delhi.
- b) Rs. 302.62 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.35% p.a.), repayable in 10 quarterly Instalments, (March 31, 2025 Rs. Nil) is secured by exclusive first charge of the commercial property in Okhla, New Delhi.
- c) Rs. 212.92 lakhs carrying interest linked to RBI Repo Rate and spread thereon (2.55% p.a.), repayable in 16 quarterly Instalments, (March 31, 2025 Rs. Nil) is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges

## Notes to the Consolidated Financial Statements (continued)

- d) Rs. 29.81 lakhs carrying interest rate of 8.50% p.a. repayable in 21 monthly instalments, (March 31, 2025 Rs. 45.03 lakhs, is secured by hypothecation of specific asset (vehicle) carrying interest of 8.50%, repayable in 33 monthly instalments.)
- e) Rs. Nil (March 31, 2025: Rs. 199.21 Lakhs carrying interest linked to lender's 1-year MCLR and spread thereon (2.38% p.a.), has been repaid in full, is secured by first pari-passu charge on all the immovable and movable properties of the Company excluding assets on exclusive charges)

\*Amount represents current and non-current portion of the borrowings gross of unamortised transaction cost of Rs. 4.24 lakhs (March 31, 2025 Rs. 0.63 lakhs and excludes interest accrued of Rs. Nil (March 31, 2025 Rs. Nil)

II. From banks - loans repayable on demand - secured by first pari-passu charge against the company's current and non-current assets 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 rates ranging from 6.80% to 9.40% p.a. (March 31, 2025: 3.40% to 9.50% p.a.). Also refer note 42.

B. The quarterly returns/statements filed by the Company with the banks are in agreement with the books of account of the Company.

C. Pursuant to the Scheme of Demerger of the Rayon businesses of DCM Shriram Industries Limited with the Company, as sanctioned by the Hon'ble National Company Law Tribunal on November 21, 2025, all loans, borrowings, and bank facilities relating to the demerged businesses have, with effect from April 1, 2023 (the appointed date under the Scheme), vested in and been assumed by the Company. The Company is in the process of completing the requisite novation of the relevant loan agreements and security documents and effecting the corresponding change of name therein. Pending completion of the necessary filings and statutory formalities, the related charges continue to remain registered with the Registrar of Companies.

### 18. Provisions

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Non current</b>		
Provision for employee benefits (refer note 33)		
- Gratuity	<b>260.80</b>	56.64
- Compensated absences	<b>448.91</b>	452.12
<b>Total</b>	<b>709.71</b>	508.76
<b>Current</b>		
Provision for employee benefits (Refer note 33)		
- Compensated absences	<b>288.45</b>	273.37
Provision for contingencies*	<b>2,082.50</b>	-
<b>Total</b>	<b>2,370.95</b>	273.37

\* Provision created for transfer of immovable property in the name of company pursuant to scheme approval.

**19. Other liabilities**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
<b>Non-current</b>		
Deferred government grant*	153.86	-
<b>Total</b>	<b>153.86</b>	<b>-</b>
<b>Current</b>		
Advances from customers	16.81	54.10
Statutory dues payable	226.72	171.25
Deferred government grant*	17.09	-
<b>Total</b>	<b>260.62</b>	<b>225.35</b>

\* Deferred government grants include capital subsidies received from the Central Government for promoting investment in plant and equipment under Amended Technology Upgradation Fund Schemes (ATUFS). These grants are amortised over the useful life of the related plant and equipment in proportion to the related depreciation expense recognised. The unamortised deferred government grant as at March 31, 2026 amounts to Rs. 170.95 lakhs (March 31, 2025: Nil).

**20. Trade payables**

	<b>As at March 31, 2026</b>	<b>As at March 31, 2025</b>
	<b>Rs. lakhs</b>	<b>Rs. lakhs</b>
Total outstanding dues of micro enterprises and small enterprises; and	192.96	302.38
Total outstanding dues other than micro enterprises and small enterprises	6,576.78	10,305.71
<b>Total</b>	<b>6,769.74</b>	<b>10,608.09</b>

**Of the above, trade payables amounts due to related parties are as below:**

Trade payables due to related parties	406.30	-
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**Ageing of trade payable as on March 31, 2026 is as under :**

Particulars	Not due	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	-	192.96	-	-	-	192.96
- Others	1,955.43	2,410.73	1,770.09	-	-	6,136.25
- Disputed dues - Others	-	-	-	-	-	-
<b>Sub total</b>	<b>1,955.43</b>	<b>2,603.69</b>	<b>1,770.09</b>	<b>-</b>	<b>-</b>	<b>6,329.21</b>
Unbilled dues						440.53
<b>Total</b>						<b>6,769.74</b>

# Notes to the Consolidated Financial Statements (continued)

Ageing of trade payable as on March 31, 2025 is as under :

Particulars	Not due	Outstanding for following periods from due date of payment*				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
- MSME	-	296.53	5.85	-	-	302.38
- Others	7,229.94	2,475.96	0.97	17.88	-	9,724.75
- Disputed dues - Others	-	-	-	-	-	-
<b>Sub total</b>	<b>7,229.94</b>	<b>2,772.49</b>	<b>6.82</b>	<b>17.88</b>	<b>-</b>	<b>10,027.13</b>
<b>Unbilled dues</b>						<b>580.96</b>
<b>Total</b>						<b>10,608.09</b>

\* In case no due date of payment is specified, disclosure is from the date of the transaction.

Refer note 39 for Micro and Small Enterprises.

## Notes:

a) Includes acceptances Rs. 557.88 lakhs (March 31, 2025 Rs. 4,336.17 lakhs).

b) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 35.

## 21. Other financial liabilities

	As at March 31, 2026 Rs. lakhs	As at March 31, 2025 Rs. lakhs
<b>Current</b>		
<b>From related parties (Refer note 34)</b>		
Other payables	-	459.16
<b>From parties other than related parties</b>		
Creditors for capital purchases	131.98	121.15
Security deposits	30.14	37.24
Employees related payable	658.86	615.88
Derivative contracts liability	4.65	33.49
<b>Total</b>	<b>825.63</b>	<b>1,266.92</b>

## 22. Revenue from operations

	As at March 31, 2026 Rs. lakhs	As at March 31, 2025 Rs. lakhs
<b>Sale of products#</b>		
Export	36,293.10	50,825.89
Domestic	7,652.51	4,985.55
	<b>43,945.61</b>	<b>55,811.44</b>
<b>Sale of services</b>		
Job work charges	71.54	-
	<b>44,017.15</b>	<b>55,811.44</b>
<b>Other operating revenue</b>		
Sale of scrap	241.15	321.08
Duty drawback, export benefits and other government assistance*	858.44	1,227.99
Sale of renewable energy certificates	-	7.17
<b>Total</b>	<b>45,116.74</b>	<b>57,367.68</b>

\* Refer note 40

# Refer note 34

	<u>As at March 31, 2026</u> Rs. lakhs	<u>As at March 31, 2025</u> Rs. lakhs
<b>Contract balances</b>		
<b>Trade receivables (Refer note 10)</b>	<b>10,544.33</b>	13,284.00
<b>Contract liabilities</b>		
Advance from customers (Refer note 19)	<b>16.81</b>	54.10

**Reconciliation of revenue recognised with the contracted price is as follows:**

	<u>As at March 31, 2026</u> Rs. lakhs	<u>As at March 31, 2025</u> Rs. lakhs
Contracted price	<b>44,017.15</b>	55,811.44
Less: Discounts/ returns	-	-
	<u><b>44,017.14</b></u>	<u>55,811.44</u>

The contract liabilities primarily relate to the advance consideration received from customers for sale of products, for which revenue is recognised at point in time. The amount of Rs. 54.10 lakhs included in contract liabilities at March 31, 2025 has been recognised as revenue during the year ended March 31, 2026 (March 31, 2025: Rs. 98.03 lakhs)

Revenue from sale of goods is recognised at the point in time when control of products is transferred to the customer.

Invoices are generated at that point in time. Invoices are usually payable upto 120 days.

Disclosures related to disaggregation of Revenue for different jurisdiction given in note 44.

### **23. Other income**

	<u>As at March 31, 2026</u> Rs. lakhs	<u>As at March 31, 2025</u> Rs. lakhs
Interest income from financial assets measured at amortised cost		
From deposits with banks	<b>332.32</b>	350.91
Unwinding of discount on security deposits	<b>1.53</b>	0.33
Interest subsidy*	-	11.71
From loans and deposit	-	11.12
<b>Other non-operating income</b>		
Provisions/liabilities no longer required, written back	<b>39.73</b>	159.83
Rental income (Refer note 34)	<b>51.68</b>	42.35
Gain on foreign exchange fluctuation (net)	<b>795.20</b>	1,008.57
Miscellaneous income *#	<b>157.17</b>	63.06
<b>Total</b>	<u><b>1,377.63</b></u>	<u>1,647.88</u>

\* Refer note 40

# Includes Deferred grant income Rs. 85.48 lakhs (March 31, 2025 Rs. Nil)

## Notes to the Consolidated Financial Statements (continued)

### 24. Cost of materials consumed\*

	For the year ended <u>March 31, 2026</u>	For the year ended <u>March 31, 2025</u>
	Rs. lakhs	Rs. lakhs
Raw materials at the beginning of the year	5,929.89	5,247.54
Add: Purchases	16,705.61	23,315.85
	<b>22,635.50</b>	28,563.39
Less: Raw materials at the end of the year	<u>7,121.93</u>	<u>5,929.89</u>
<b>Total</b>	<b><u>15,513.57</u></b>	<b><u>22,633.50</u></b>
<b>Particulars of materials consumed are as under:</b>		
Wood pulp	8,737.71	14,861.39
Others	<u>6,775.86</u>	<u>7,772.11</u>
<b>Total</b>	<b><u>15,513.57</u></b>	<b><u>22,633.50</u></b>

\*Refer note 34

### 25. Changes in inventories of finished goods and work-in-progress

	For the year ended <u>March 31, 2026</u>	For the year ended <u>March 31, 2025</u>
	Rs. lakhs	Rs. lakhs
<b>Opening stock</b>		
Finished goods	7,929.27	3,868.31
Work-in-progress	<u>593.87</u>	<u>555.17</u>
<b>Total</b>	<b><u>8,523.14</u></b>	<b><u>4,423.48</u></b>
<b>Closing stock</b>		
Finished goods	4,848.85	7,929.27
Work-in-progress	<u>600.97</u>	<u>593.87</u>
<b>Total</b>	<b><u>5,449.82</u></b>	<b><u>8,523.14</u></b>
	<b><u>3,073.32</u></b>	<b><u>(4,099.66)</u></b>
<b>Changes in inventories of finished goods and work-in-progress</b>		
Finished goods	3,080.43	(4,060.96)
Work-in-progress	<u>(7.10)</u>	<u>(38.70)</u>
	<b><u>3,073.33</u></b>	<b><u>(4,099.66)</u></b>
<b>Particulars of stocks of finished goods and work-in-progress are as under :</b>		
<b>Finished goods</b>		
Industrial fibers	<u>4,848.85</u>	<u>7,929.27</u>
<b>Total</b>	<b><u>4,848.85</u></b>	<b><u>7,929.27</u></b>
<b>Work-in-progress</b>		
Industrial fibers	<u>600.97</u>	<u>593.87</u>
<b>Total</b>	<b><u>600.97</u></b>	<b><u>593.87</u></b>

**26. Employee benefits expense**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Salaries, wages and bonus* #	<b>7,310.17</b>	7,175.72
Contribution to provident and other funds*	<b>726.73</b>	650.25
Staff welfare expenses	<b>220.80</b>	241.34
<b>Total</b>	<b>8,257.70</b>	8,067.31

Refer note 34 for related party transaction.

\* Refer note 33

# Includes payment to contractual labour

**27. Finance costs**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Interest expense* #	<b>465.59</b>	436.59
Other borrowing costs	<b>116.51</b>	162.21
<b>Total</b>	<b>582.10</b>	598.80

\* Refer note 40

# includes Rs. 60.05 lakhs interest on lease liabilities (March 31,2025: Rs. 66.31 lakhs)

**28. Depreciation and amortisation expense**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Depreciation on property, plant and equipment (refer note 3A)	<b>1,183.10</b>	1,183.51
Amortisation on intangible assets (refer note 3C)	<b>17.44</b>	17.18
Depreciation on right-of-use assets (refer note 3B)	<b>217.64</b>	230.89
<b>Total</b>	<b>1,418.18</b>	1,431.58

**29. Other expenses**

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Consumption of stores and spares^^	<b>1,901.55</b>	2,450.64
Power and fuel	<b>7,585.49</b>	9,946.34
Commission	<b>1,747.22</b>	2,763.08
Freight and transport	<b>409.37</b>	934.61
Insurance	<b>81.11</b>	40.24
Rates and taxes	<b>5.60</b>	7.18
Repairs and maintenance		
- Buildings	<b>620.49</b>	858.14
- Plant and machinery	<b>1,650.69</b>	3,307.54
Corporate social responsibility (refer note below)	<b>140.81</b>	66.46

## Notes to the Consolidated Financial Statements (continued)

Loss on sale of property, plant and equipment (net)	0.37	4.94
Donation	37.86	70.31
Legal & professional expenses*#	390.26	209.06
Software Licence Fee	211.13	2.53
Miscellaneous expenses	1,643.18	1,423.49
<b>Total</b>	<b>16,425.13</b>	<b>22,084.56</b>

\*Payments to auditors#

- Statutory audit fee^	33.00	21.41
- Limited review of unaudited financial results	14.33	12.50
- Certification of statements	1.33	0.33
- Out-of-pocket expenses	2.09	2.21
<b>Total</b>	<b>50.75</b>	<b>36.45</b>

# As disclosed Note 46, pursuant to the Scheme of Demerger of the Rayons Business of DCM Shriram Industries Limited into the Company, the share of expenses of Rs. 13.75 lakhs (March 31, 2025 Rs. 35.21 lakhs) in relation to statutory auditors incurred by the Rayons Business during the period when it formed part of DCM Shriram Industries Limited has been transferred to the Company and have been included above.

^^ Refer note 34

### 29. Other expenses (Continued)

#### Note 1: Details of corporate social responsibility expenditures

	For the year ended March 31, 2026 Rs. lakhs	For the year ended March 31, 2025 Rs. lakhs
a) Amount approved by Board of Directors required to be spent by the Company during the year	148.19	Note 2
b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	148.19	-
c) Amount unspent	-	-
d) Nature of CSR activities		
(i) Promoting health care including preventive health and sanitation		-
(ii) Promoting education, including special education and employment	110.05	-
(iii) Empowering women and support to senior citizen		-
(iv) Environmental sustainability and conservation of natural resources and maintaining quality of soil, air and water	7.03	-
(v) Promotion and development of traditional arts and handicrafts	10.00	-
(vi) Measures for the benefit of armed forces veterans and war widows		-
(vi) Training to promote rural sports	9.71	-
(vii) Contribution to Prime Minister's National Relief Fund and PM CARES Fund	4.00	-
(ix) Rural development project		-
(viii) Amount spent in administrative overhead	7.40	-
	<b>148.19</b>	<b>-</b>

**Note 2**

During the previous year ended 31 March 2025, the provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility (CSR), are not applicable to the Company, as the Company does not meet the criteria specified in the section and the related rules.

**Note 3**

Further, as disclosed in Note 46, pursuant to the Scheme of Demerger of the Rayons Business of DCM Shriram Industries Limited into the Company, approved by NCLT on November, 21 2025 with an appointed date of April, 1 2023, the share of expenses incurred by the Rayons Business during the period when it formed part of DCM Shriram Industries Limited has been transferred to the Company and have been included above for the financial year 2024-25.

**30. Income tax expense**
**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:

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
Current tax expense	<b>336.13</b>	2,099.07
Deferred tax charge	<b>5.82</b>	20.27
<b>Income tax expense reported in the statement of profit and loss</b>	<b>341.95</b>	2,119.34

**B. Amounts recognised in other comprehensive income**

The major components of income tax expense for the years ended March 31, 2026 and March 31, 2025 are:

	<b>For the year ended March 31, 2026</b>	For the year ended March 31, 2025
	<b>Rs. lakhs</b>	Rs. lakhs
<b>Income tax</b>		
Remeasurement of post employment benefit obligation	<b>32.53</b>	6.45
<b>Income tax charges to other comprehensive (expense) / income</b>	<b>32.53</b>	6.45

**C. Reconciliation of effective tax rate #**

Reconciliation of tax expense and the accounting profit, based on India's domestic tax rate for the year ended March 31, 2026 and March 31, 2025:

	<b>For the year ended March 31, 2026</b>		For the year ended March 31, 2025	
	<b>Rs. lakhs</b>		Rs. lakhs	
	<b>Rate</b>	<b>Amount</b>	Rate	Amount
<b>Profit before tax including OCI</b>		<b>(987.39)</b>		8,273.88
Tax based on domestic tax rate	<b>25.17%</b>	<b>(248.53)</b>	25.17%	2,082.37
<b>Tax effect of:</b>				
Tax relating to earlier years				
Non-deductible expenses	<b>-57.64%</b>	<b>569.14</b>	0.42%	34.58
Investment in equity of associate	<b>1.13%</b>	<b>(11.20)</b>	-0.05%	(4.06)
<b>Effective tax rate</b>	<b>-31.34%</b>	<b>309.42</b>	25.54%	2,112.89

## Notes to the Consolidated Financial Statements (continued)

Particulars	(Rs. Lakhs)					
	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 expenses deductible on payment	241.48	26.38	-	-	241.48	26.38
Provisions for gratuity, compensated absences and other employee benefits	65.64	196.85	-	-	65.64	196.85
Deferred grant	43.02	-	-	-	43.02	-
Discounted Security Deposit	2.28	0.89	-	-	2.28	0.89
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	-	-	2,850.41	2,740.65	(2,850.41)	(2,740.65)
Right of use asset	-	-	355.37	147.47	(355.37)	(147.47)
Lease liability	366.35	162.28	-	-	366.35	162.28
Investment in equity of associate	-	-	303.26	314.82	(303.26)	(314.82)
Demerger related expenses	43.78	43.34	-	-	43.78	43.34
MAT credit entitlement	762.55	429.74	3,509.04	3,202.94	(2,746.49)	(2,773.20)
Net deferred tax assets / (liabilities)	762.55	429.74	3,509.04	3,202.94	(2,746.49)	(2,773.20)

**E. Movement in temporary differences**
**For the year ended March 31, 2026**
**(Rs. Lakhs)**

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expenses deductible on payment	26.38	215.10	-	241.48
Provisions for gratuity, compensated absences and other employee benefits	196.85	(163.74)	32.53	65.64
Deferred grant	-	43.02	-	43.02
Discounted Security Deposit	0.89	1.39	-	2.28
Lease liability	162.28	204.06	-	366.35
Demerger related expenses	43.34	0.44	-	43.78
	<b>429.75</b>	<b>300.27</b>	<b>32.53</b>	<b>762.55</b>
<b>Deferred tax liabilities</b>				
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	2,740.65	109.76	-	2,850.41
Right of use asset	147.47	207.90	-	355.37
Investment in equity of associate	314.82	(11.56)	-	303.26
	<b>3,202.94</b>	<b>306.10</b>	<b>-</b>	<b>3,509.04</b>
<b>Total</b>	<b>(2,773.20)</b>	<b>(5.83)</b>	<b>32.53</b>	<b>(2,746.49)</b>

**For the year ended March 31, 2025**
**(Rs. Lakhs)**

Particulars	Opening balance	Recognised in statement of Profit & Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
Accrued expenses deductible on payment	-	26.38	-	26.38
Provisions for gratuity, compensated absences and other employee benefits	174.55	15.85	6.45	196.85
Discounted Security Deposit	-	0.89	-	0.89
Lease liability	204.24	(41.96)	-	162.28
Demerger related expenses	26.30	17.04	-	43.34
Others	-	-	-	-
	<b>405.09</b>	<b>18.20</b>	<b>6.45</b>	<b>429.75</b>
<b>Deferred tax liabilities</b>				
Difference in written down values as per books and as per tax laws of property, plant and equipment/ intangible assets	2,696.42	44.23	-	2,740.65
Right of use asset	185.37	(37.90)	-	147.47
Investment in equity of associate	282.68	32.14	-	314.82
	<b>3,164.47</b>	<b>38.47</b>	<b>-</b>	<b>3,202.94</b>
<b>Total</b>	<b>(2,759.38)</b>	<b>(20.27)</b>	<b>6.45</b>	<b>(2,773.20)</b>

## Notes to the Consolidated Financial Statements (continued)

### 31. Contingent liabilities and commitments (to the extent not provided for)

#### A. Contingent liabilities\*

Particulars	As at	As at
	March 31, 2026	March 31, 2025
	Rs. lakhs	Rs. lakhs
Excise and Goods and Service tax matters (note a)	59.12	71.32
Claims against the Company not acknowledged as debts (excluding claims by employees, where amounts are not ascertainable) (note b)	384.15	384.15
<b>Total</b>	<b>443.27</b>	<b>455.47</b>

#### Notes

- a) The Company has reviewed all its pending litigations primarily related to excess availment of input tax credit and wrong availment of MODVAT credit and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- b) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- \* Matters are subject to legal proceedings in the ordinary course of business. The legal proceedings, when ultimately concluded, are not likely to, in the opinion of the management, have a material effect on the results of the operations or financial position of the Company.

#### 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. 1448.33 lakhs (March 31, 2025: Rs. 91.58 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.

### 32. Earnings/ (loss) per share

#### Basic and diluted earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share are calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company, by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended March 31, 2026	For the year ended March 31, 2025#
Profit/ (Loss) after tax attributable to equity shareholders	Rs. Lakhs	(1,377.58)	6,306.56
Weighted average number of equity shares outstanding during the year	Numbers	86,992,185	86,992,185
Nominal value per share	Rs.	2	2
Basic and diluted earnings/ (loss) per share	Rs.	(1.58)	7.25

# Shares pending for issuance and shares to be cancelled have been included for the purpose calculating of earnings per share.

### 33. Employee benefits

#### A. Defined contribution plans

Rs. 461.03 lakhs (March 31, 2025: Rs. 235.23 lakhs) for provident fund contributions and Rs. 53.19 lakhs (March 31, 2025: Rs. 75.47 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

Rs. lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Non current</b>	<b>260.80</b>	56.64
<b>Current</b>	-	-
<b>Net defined benefit liability- Gratuity</b>	<b>260.80</b>	56.64

##### (i) Reconciliation of the gratuity benefit liability

The following table shows a reconciliation between opening and closing balances of gratuity liability and its components:

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,632.09	1,479.36
Current service cost	142.23	120.72
Past service cost	29.09	-
Acquisition adjustment	27.33	-
Interest cost	113.10	101.67
Actuarial (gain)/loss arising from changes in financials assumptions	(47.17)	33.28
Actuarial loss arising from changes in experience adjustments	110.86	7.58
Benefits paid	(217.61)	(110.52)
<b>Balance at the end of the year</b>	<b>1,789.92</b>	1,632.09

##### (ii) Reconciliation of the plan assets

The following table shows a reconciliation between opening and closing balances of the plan assets and its components:

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	1,575.45	1,456.24
Expected return on plan assets	109.18	105.29
Transfer	27.33	-
Contribution by the Company	(117.25)	(1.33)
Benefits paid	-	-
Actuarial (losses)/ gains recognised in other comprehensive income	(65.57)	15.25
<b>Balance at the end of the year</b>	<b>1,529.14</b>	1,575.45

## Notes to the Consolidated Financial Statements (continued)

### (iii) Expense recognized in profit or loss

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current service cost	142.23	120.72
Past service cost	29.09	-
Interest cost	113.10	101.67
Expected return on plan assets	(109.18)	(105.29)
	175.24	117.10

### (iv) Constitution of plan assets

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Funded with Life Insurance Corporation of India*	1,529.14	1,575.45

\* 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

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Actuarial gain / (loss) on plan assets	(65.57)	15.25
Actuarial (loss) / gain arising from changes in financials assumptions	47.17	(33.28)
Actuarial (loss) arising from changes in experience adjustments	(110.86)	(7.58)
	(129.26)	(25.61)

### (vi) Actuarial assumptions

Principal actuarial assumptions (expressed as weighted averages):

Rs. lakhs

Particulars	For the year ended March 31, 2026	For the year ended 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)	17.21	17.89
<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

The weighted average duration of the defined benefit obligations as on March 31, 2026 is 14.02 years (March 31, 2025: 14.65 years)

Expected contributions to post-employment benefit plans for the financial year 2026-27 are Rs. 152.83 lakhs (2025-26: Rs. 109.51 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.

Pursuant to the Scheme, the Company continued to regularly contribute to income tax approved irrevocable trust fund 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: Rs. lakhs

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%	<b>(28.11)</b>	<b>29.92</b>	(52.30)	56.36
Future salary growth variation of 0.50%	<b>30.69</b>	<b>(28.51)</b>	56.97	(53.80)

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: Rs. lakhs

Particulars	As at	As at
	March 31, 2026	March 31, 2025
Within 1 year	<b>172.97</b>	224.08
1 year to 5 years	<b>364.45</b>	507.69
More than 5 years	<b>1,252.50</b>	900.31

**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. 604.03 lakhs (March 31, 2025: Rs. 610.71 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.

# Notes to the Consolidated Financial Statements (continued)

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**d) Salary risk**

Higher than expected increase in salary will increase the defined benefit obligation.

- E.** On November 21, 2025 the Government of India notified four labour codes i.e. the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 ("New Labour Code") consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of financial impact due to these changes in regulations. Based on information available and guidance provided by the Institute of Chartered Accountants of India, the Company has assessed impact of these changes and accordingly recorded past service cost of Rs. 29.09 lakhs. The company continues to monitor the developing regulatory scenario, including finalisation of Central / State Rules and clarifications from the Government on other aspects of labour codes. The accounting effect of such developments, if any, would be appropriately considered.
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## **34. Related party disclosures:**

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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 relationship**

**a. Holding Company**

DCM Shriram Industries Limited (Upto December 17, 2025)

**b. Associate**

DCM Hyundai Limited (w.e.f December 17, 2025)

**c. Key management personnel**

Mr. Sanjay Chandrakant Kirloskar, Chairman, Independent Director (w.e.f 15 November, 2025)

Mr. Alok B. Shriram, Director (up to December 23, 2025) & Managing Director & CEO (w.e.f December 24, 2025)

Ms. Kanika Shriram, Director (up to December 23, 2025) & Dy. Managing Director (w.e.f December 24, 2025)

Mr. Rudra Shriram, Director (up to December 23, 2025) & Dy. Managing Director (w.e.f December 24, 2025)

Mr. P.D. Bagla, WTD & CFO (w.e.f December 24, 2025)

Mr. S. B. Mathur, Non-Executive & Non-Independent Director (w.e.f 7<sup>th</sup> March 2026)

Mr. Suman Jyoti Khaitan, Independent Director (w.e.f 15<sup>th</sup> November 2025)

Mrs. Meeta Makhan, Independent Director (w.e.f 15<sup>th</sup> November 2025)

Mr. Mukesh Gupta, Independent Director (w.e.f 15<sup>th</sup> November 2025)

Mr. Ashish Jha, Company Secretary

**d. Relatives/HUF of key management personnel or individuals having direct or indirect control or significant influence**

Lala Bansi Dhar & Sons (HUF)

Mrs. Urvashi Tilakdhar

Mr. Akshay Dhar

Ms. Rajni Bagla

**e. Trusts**

DCM Shriram Industries Limited Superannuation Trust

DCM Shriram Industries Limited Employees' Gratuity Fund Trust

DCM Shriram Industries Limited Employees' Provident Fund Trust

**f. Others (Enterprises over which key management personnel or their relatives are able to exercise significant influence)**

DCM Containers & Engineering Private Limited

Aruka Technologies General Trading FZE  
 Dr. Bansi Dhar Institute  
 Wanderlust Fintech LLP  
 Akshay Foundation  
 Shriram Midivisana Engineering Pvt. Ltd.  
 DCM Shriram Industries Limited  
 DCM Shriram Fine Chemicals Limited

**B. Transactions with related parties:**
**(Rs.Lakhs)**

Particulars	For the Year ended March 31, 2026	For the Year ended March 31, 2025
<b>Rent expenses</b>		
Key management personnel	61.31	37.25
Relatives of Key management personnel	69.31	96.65
<b>Total</b>	<b>130.62</b>	<b>133.90</b>
<b>Purchase of raw material</b>		
DCM Containers & Engineering Private Limited	<b>194.11</b>	-
<b>Total</b>	<b>194.11</b>	-
<b>Purchase of stores &amp; spares</b>		
DCM Containers & Engineering Private Limited	<b>137.33</b>	154.51
<b>Total</b>	<b>137.33</b>	<b>154.51</b>
<b>Other expenses</b>		
DCM Containers & Engineering Private Limited	<b>48.00</b>	-
Aruka Technologies General Trading FZE	<b>346.70</b>	-
DCM Shriram Industries Limited	<b>69.00</b>	-
Dr. Bansi Dhar Institute	<b>35.75</b>	14.97
<b>Total</b>	<b>499.45</b>	<b>14.97</b>
<b>Other Income</b>		
DCM Shriram Industries Limited	<b>17.10</b>	-
DCM Hyundai Limited	<b>0.02</b>	-
DCM Containers & Engineering Private Limited	<b>0.02</b>	-
Key management personnel	<b>24.51</b>	1.57
<b>Total</b>	<b>41.65</b>	<b>1.57</b>
<b>Sale of Products</b>		
Aruka Technologies General Trading FZE	<b>203.55</b>	-
<b>Total</b>	<b>203.55</b>	<b>3.14</b>
<b>Loan to officers</b>		
Key management personnel	-	250.39
<b>Total</b>	-	<b>250.39</b>
<b>Contribution Provident Fund</b>		
Wanderlust Fintech LLP	<b>0.09</b>	-
<b>Total</b>	<b>0.09</b>	-

## Notes to the Consolidated Financial Statements (continued)

<b>Allocation of Dividend</b>		
DCM Shriram Industries Limited	-	579.95
<b>Total</b>	-	579.95
<b>Salaries and bonus including contributions made to provident fund</b>		
Key management personnel	<b>307.47</b>	614.85
<b>Total</b>	<b>307.47</b>	614.85
<b>Post-employment defined benefit plan</b>		
<b>Gratuity</b>		
Key management personnel	<b>34.80</b>	7.29
<b>Total</b>	<b>34.80</b>	<b>7.29</b>
<b>Other long term defined benefit plan</b>		
<b>Compensated absences</b>		
Key management personnel	<b>108.79</b>	7.58
<b>Total</b>	<b>108.79</b>	<b>7.58</b>
<b>Commission to Independent Directors</b>		
Mr. S. B. Mathur	-	9.13
Mr. Sanjay C. Kirloskar	-	8.10
Mr. Suman Jyoti Khaitan	-	8.61
<b>Total</b>	-	25.84
<b>Total compensation paid to key management personnel</b>	<b>451.06</b>	655.56
<b>Post-employment defined benefit plan contribution paid to provident fund</b>		
Trusts	-	35.83
<b>Total</b>	-	35.83
<b>Other long term defined contribution plan</b>		
<b>Superannuation</b>		
Trust	<b>1.96</b>	12.64

### Balances with related parties

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Balances with related parties</b>		
<b>Security deposit receivable</b>		
Key management personnel	<b>12.71</b>	12.71
Relatives of Key management personnel	<b>5.31</b>	5.31
<b>Total</b>	<b>18.02</b>	<b>18.02</b>
<b>Advance to contractors</b>		
Dr. Bansi Dhar Institute	<b>14.18</b>	26.00
<b>Total</b>	<b>14.18</b>	26.00

<b>Loan to officers</b>		
Key management personnel	<b>288.46</b>	250.39
<b>Total</b>	<b>288.46</b>	250.39
<b>Trade receivables</b>		
Aruka Technologies General Trading FZE	<b>88.45</b>	-
<b>Total</b>	<b>88.45</b>	-
DCM Hyundai Limited	<b>0.02</b>	-
DCM Containers & Engineering Private Limited	<b>0.02</b>	-
DCM Shriram Industries Limited	<b>18.46</b>	-
<b>Total</b>	<b>18.50</b>	-
<b>Trade Payable</b>		
DCM Containers & Engineering Private Limited	<b>59.62</b>	-
Aruka Technologies General Trading FZE	<b>346.70</b>	-
<b>Total</b>	<b>406.32</b>	-
<b>Other Payable</b>		
DCM Shriram Industries Limited	-	459.16
<b>Total</b>	-	459.16
<b>Other receivable</b>		
DCM Shriram Industries Limited	<b>41.09</b>	-
<b>Total</b>	<b>41.09</b>	-
<b>Remuneration payables</b>		
Key management personnel	<b>40.75</b>	-
<b>Total</b>	<b>40.75</b>	-
<b>Provision for Employee Benefits</b>		
Key management personnel	<b>179.93</b>	244.89
<b>Total</b>	<b>179.93</b>	244.89

**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 Company has merged the operations of the Rayons undertaking (demerged unit) with effect from the appointed date. Accordingly, inter se transactions between the Company and the Demerged Company in relation to the Rayons 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.

## Notes to the Consolidated Financial Statements (continued)

Further, pursuant to the approval of the Scheme, dividends declared by the Demerged Company and attributable to the Rayons undertaking, now merged with the Company for the respective period, have also been included above, as transactions with the Demerged Company are considered related party disclosures.

A sum aggregating to Rs. 41.09 lakhs is receivable as at March 31, 2026 (March 31, 2025: Rs. 459.16 lakhs payable) to DCM Shriram Industries Limited.

### 35. 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

(Rs.Lakhs)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVTOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
(i) Investments (other than associate)^	-	314.50	-	314.50	-	-	314.50
(ii) Loans*	-	-	261.28	261.28	-	-	-
(iii) Other financial assets*	-	-	323.32	323.32	-	-	-
Current							
(i) Trade receivables*	-	-	13,284.00	13,284.00	-	-	-
(ii) Cash and cash equivalents*	-	-	30.28	30.28	-	-	-
(iii) Other bank balances*	-	-	3,560.37	3,560.37	-	-	-
(iv) Loans*	-	-	8.91	8.91	-	-	-
(v) Other financial assets*	-	-	1,211.55	1,211.55	-	-	-
Total	-	314.50	18,679.71	18,994.21			
Financial liabilities							
Non-current							
(i) Borrowings (including current maturities)#	-	-	1,440.66	1,440.66	-	1,440.66	-
(ii) Lease liabilities*	-	-	461.55	461.55	-	-	-
Current							
(i) Borrowings#	-	-	5,796.44	5,796.44	-	-	-
(ii) Lease liabilities*	-	-	183.25	183.25	-	-	-
(iii) Trade payables*	-	-	10,608.10	10,608.10	-	-	-
(iv) Other financial liabilities*	33.49	-	1,233.43	1,266.92	-	33.49	-
Total	33.50	-	19,723.43	19,756.93			

**ii. As on March 31, 2026**
**(Rs.Lakhs)**

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) Investments (other than associate)^	-	314.50		<b>314.50</b>	-	-	314.50
(ii) Loans*	-	-	275.87	<b>275.87</b>	-	-	-
(iii) Other financial assets*	-	-	369.68	<b>369.68</b>	-	-	-
<b>Current</b>							
(i) Trade receivables*	-	-	10,544.33	<b>10,544.33</b>	-	-	-
(ii) Cash and cash equivalents*	-	-	21.91	<b>21.91</b>	-	-	-
(iii) Other bank balances*	-	-	3,596.24	<b>3,596.24</b>	-	-	-
(iv) Loans*	-	-	25.64	<b>25.64</b>	-	-	-
(v) Other financial assets*	-	-	1,151.26	<b>1,151.26</b>	-	-	-
<b>Total</b>	-	<b>314.50</b>	<b>15,984.94</b>	<b>16,299.44</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
(i) Borrowings (including current maturities)#	-	-	1,516.11	<b>1,516.11</b>	-	1,516.11	-
(ii) Lease liabilities*	-	-	1,198.98	<b>1,198.98</b>	-	-	-
(iii) Other financial liabilities*	-	-	-	<b>-</b>	-	-	-
<b>Current</b>							
(i) Borrowings#	-	-	4,444.98	<b>4,444.98</b>	-	-	-
(ii) Lease liabilities*	-	-	256.62	<b>256.62</b>	-	-	-
(iii) Trade payables*	-	-	6,769.74	<b>6,769.74</b>	-	-	-
(iv) Other financial liabilities*	4.65	-	820.98	<b>825.63</b>	-	4.65	-
<b>Total</b>	<b>4.65</b>	-	<b>15,007.41</b>	<b>15,012.06</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, 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 Company enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses mark to market valuation provided by bank for valuation of these derivative contracts. There is no material derivative financial instruments as at the balance sheet date.
- The fair values of investments determined based on the recoverable value as per agreement with the investee. The Company consider this as a strategic investment and consider the said classification as appropriate.

## Notes to the Consolidated Financial Statements (continued)

The fair value of unquoted equity investments classified as Level 3 is determined using a discounted cash flow model. The valuation incorporates significant unobservable inputs, including management's estimates of future cash flows, operating margins, terminal growth rates and discount rates, due to the absence of observable market data. Sensitivity analysis has been prepared on the basis that other variables remain constant; however, changes in one assumption may be accompanied by changes in another. The difference between fair value of Investment and Cost of Investment is immaterial.

The following table shows the valuation technique and key input used for Level 3

Financial Instrument	Valuation Technique	Key Inputs used	Sensitivity
Investments in unquoted equity instruments at FVTOCI	Discounted cash flows	Company financial projections. This includes forecasts of balance Sheet, Statement of Profit and Loss along with underlying assumption.  Financials projection including terminal growth rate, operating margins etc. and discount rate to discount future cash flows Discount rate: 25.8% Terminal growth rate: 4.3% Forecast period: 5 years	Any change (increase/ decrease) in the discount factor, financial projections etc. would entail corresponding change in valuation of the equity component.

### 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 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
Trade receivables	10,544.33	13,284.00
Cash and cash equivalents	21.91	30.28
Other bank balances	3,596.24	3,560.37
Loans	301.51	270.19
Other financial assets	1,520.95	1,534.87

Trade receivables	As at March 31, 2026 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
(a) India	699.54	518.83
(b) Other countries	9,844.79	12,765.17
<b>Total</b>	<b>10,544.33</b>	<b>13,284.00</b>

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	Gross carrying amount	
	As at March 31, 2026	As at March 31, 2025
	Rs. Lakhs	Rs. Lakhs
1-90 days past due *	1,906.81	4,593.35
91 to 180 days past due	13.31	141.52
More than 180 days past due #	0.57	1.26
Not due	8,623.64	8,547.87
	<b>10,544.33</b>	13,284.00

\* 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.

There is no allowance for impairment in respect of trade receivables.

## 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.

### (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. 3618.15 lakhs as at March 31, 2026 (March 31, 2025 Rs. 3,590.65 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.

# Notes to the Consolidated Financial Statements (continued)

## 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 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
From banks	6,522.22	1,864.00

## II. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted: (Rs. Lakhs)

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*	1,067.92	-	1,069.17	-	1,069.17
Lease liabilities	461.55	-	508.55	96.83	605.38
<b>Current liabilities</b>					
Borrowings	6,169.18	6,169.18	-	-	6,169.18
Lease liabilities	183.25	235.25	-	-	235.25
Trade payables	10,608.10	10,608.10	-	-	10,608.10
Other financial liabilities	1,266.92	1,266.92	-	-	1,266.92
<b>Total</b>	<b>19,756.92</b>	<b>18,279.44</b>	<b>1,577.72</b>	<b>96.83</b>	<b>19,954.00</b>

(Rs. Lakhs)

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*	1,074.54	-	1,078.71	-	1,078.71
Lease liabilities	1,198.98	-	1,387.24	44.02	1,431.26
Other financial liabilities	-	-	-	-	-
<b>Current liabilities</b>					
Borrowings	4,886.55	4,886.55	-	-	4,886.55
Lease liabilities	256.62	385.14	-	-	385.14
Trade payables	6,769.74	6,769.74	-	-	6,769.74
Other financial liabilities	825.63	825.63	-	-	825.63
<b>Total</b>	<b>15,012.06</b>	<b>12,867.06</b>	<b>2,465.95</b>	<b>44.02</b>	<b>15,377.03</b>

\* Contractual cash flows do not include interest expense

### (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.

### Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees (Lakhs) as at March 31, 2026 and March 31, 2025. (Rs. Lakhs)

Particulars	As at March 31, 2026			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	7,344.23	1,551.16	-	-
	<b>7,344.23</b>	<b>1,551.16</b>	-	-
<b>Financial liabilities</b>				
Trade payables	3,627.34	504.84	-	-
	<b>3,627.34</b>	<b>504.84</b>	-	-

(Rs. Lakhs)

Particulars	As at March 31, 2025			
	USD	EURO	AUD	GBP
<b>Financial assets</b>				
Trade receivables*	9,990.97	1,142.68	-	-
Advance to contractors	466.78	33.23	-	-
	<b>10,457.75</b>	<b>1,175.91</b>	-	-
<b>Financial liabilities</b>				
Trade payables	6,468.19	441.73	0.71	0.67
	<b>6,468.19</b>	<b>441.73</b>	<b>0.71</b>	<b>0.67</b>

\* Trade receivables are net of corresponding foreign exchange contracts

### 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

## Notes to the Consolidated Financial Statements (continued)

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. (Rs. Lakhs)

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	37.17	(37.17)	27.81	(27.81)
EUR	10.46	(10.46)	7.83	(7.83)
	47.63	(47.63)	35.64	<b>(35.64)</b>
<b>For the year ended March 31, 2025</b>				
USD	39.90	(39.90)	29.85	(29.85)
EUR	7.34	(7.34)	5.49	(5.49)
AUD	(0.01)	0.01	(0.01)	0.01
	<b>47.22</b>	<b>(47.22)</b>	<b>35.32</b>	<b>(35.32)</b>

USD: United States Dollar, EUR: Euro, AUD: Australian Dollar, GBP: Great British Pound

### Foreign exchange derivative contracts

The Company enters into foreign currency forward contracts to manage its exposure to foreign exchange risk arising from recognised monetary items and forecast transactions. These derivative instruments are intended to economically hedge foreign currency risk; however, they are not designated in a hedging relationship for hedge accounting purposes. Derivative financial instruments are initially recognised at fair value on the date on which the forward contract is entered into and are subsequently remeasured at fair value at the end of each reporting period. The fair value of forward contracts is determined using observable forward exchange rates prevailing at the reporting date. As hedge accounting is not applied, changes in the fair value of these forward contracts, including mark-to-market gains or losses, are recognised immediately in the Consolidated statement of profit and loss.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding contracts	No of deals		Contract value of foreign currency (in lakhs)		Maturity			
					Upto 12 months Nominal amount (in lakhs)		More than 12 months Nominal amount (in lakhs)	
	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	As at March 31, 2026	As at March 31, 2025
USD/INR Sell Forward	4.00	14.00	10.00	45.25	955.15	3,905.21	-	-
EUR/INR Sell Forward	-	6.00	-	14.00	-	1,321.52	-	-
USD/INR Buy Forward	-	-	-	4.00	-	342.43	-	-

Impact of depreciation / appreciation in INR against USD/EUR in respect of forward contracts is not material.

**(iii) Market risk**
**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: (Rs. Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Bank Balances other than cash and cash equivalents	<b>3,596.24</b>	3,560.37
Other Financial assets	<b>1,105.32</b>	1,163.85
<b>Total</b>	<b>4,701.56</b>	4,724.23
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Term loans	<b>29.81</b>	44.40
<b>Variable-rate instruments</b>		
Term loans	<b>1,486.30</b>	1,396.27
Cash Credit	<b>4,444.98</b>	5,796.44
<b>Total</b>	<b>5,961.09</b>	7,237.11

**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. (Rs. Lakhs)

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	(14.86)	14.86	(11.12)	11.12
Interest on cash credits	(44.45)	44.45	(33.26)	33.26
<b>For the year ended March 31, 2025</b>				
Interest on term loans	(13.96)	13.96	(10.45)	10.45
Interest on cash credits	(57.96)	57.96	(43.37)	43.37

## Notes to the Consolidated Financial Statements (continued)

### 36. 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:

(Rs.Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings	5,961.10	7,237.10
Less : Cash and cash equivalents	(21.91)	(30.28)
<b>Adjusted net debt (A)</b>	5,939.19	7,206.82
<b>Total equity (B)</b>	37,328.65	38,803.40
<b>Adjusted net debt to total equity ratio (A/B)</b>	0.16	0.19

### 37. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

#### (a) Summarised financial information for associate company

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group as at		Principal activities
		As at March 31, 2026	As at March 31, 2025	
DCM Hyundai Limited	India	49.28	49.28	The entity is primarily engaged in trading and promotion of fabricated engineering products and leasing of Machinery & Equipments, providing Technical Know-how, Marketing assistance and other services in relation thereto.

The tables below provide summarised financial information for associates of the Group. The information disclosed reflects the amounts presented in the financial statements of the associate company and not the Group's share of those amounts.

#### (i) Summarised balance sheet

(Rs.Lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2026	As at March 31, 2025
<b>Current assets</b>		
Cash and cash equivalents	1,002.89	918.08
Other assets	1,752.79	1,678.91
<b>Total current assets</b>	<b>2,755.68</b>	<b>2,596.99</b>

<b>Total non-current assets</b>	<b>276.37</b>	675.92
<b>Current liabilities</b>		
Financial liabilities	<b>30.75</b>	16.75
Other liabilities	<b>9.11</b>	26.37
<b>Total current liabilities</b>	<b>39.86</b>	43.12
<b>Non-current liabilities</b>		
Financial liabilities (excluding trade payables)	<b>13.66</b>	-
Other liabilities	<b>6.92</b>	24.02
<b>Total non-current liabilities</b>	<b>20.58</b>	24.02
<b>Net assets</b>	<b>2,971.61</b>	3,205.77

**(ii) Reconciliation to carrying amounts**

(Rs.Lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2026	As at March 31, 2025
Opening net assets	<b>3,205.77</b>	2,949.84
Profit/(loss) for the year	<b>(233.30)</b>	256.56
Other comprehensive income/(expense)	<b>(0.86)</b>	(0.63)
<b>Closing net assets</b>	<b>2,971.61</b>	3,205.77
Group's share in %	<b>49.28%</b>	49.28%
Group's share in INR	<b>1,464.46</b>	1,579.86
Consolidation adjustments	<b>(93.51)</b>	(30.98)
<b>Carrying amount</b>	<b>1,370.94</b>	1,548.88

**(iii) Summarised statement of profit and loss**

(Rs.Lakhs)

Particulars	DCM Hyundai Limited	
	As at March 31, 2026	As at March 31, 2025
Revenue from operations	<b>138.67</b>	317.81
Other income	<b>183.28</b>	251.78
Depreciation and amortisation	<b>62.00</b>	52.11
Interest expense	<b>4.76</b>	-
Income tax expense	<b>(88.34)</b>	100.50
Profit/(loss) for the year	<b>(233.30)</b>	256.56
Other comprehensive income/(expense)	<b>(0.86)</b>	(0.63)
Total comprehensive income/(expense)	<b>(234.16)</b>	255.93
Dividends received	-	-

38. Research expenses amounting to Rs. 236.56 lakhs (March 31, 2025: Rs. 405.32 lakhs) have been charged to the respective revenue accounts. Capital expenditure relating to development amounting to Rs. 206.65 lakhs (March 31, 2025: Rs. 56.81 lakhs) has been included in property, plant and equipment.

## Notes to the Consolidated Financial Statements (continued)

39. Parties covered under "The Micro, Small and Medium Enterprise Development Act, 2006" (MSMED Act, 2006) have been identified on the basis of confirmations received. The disclosures pursuant to the said MSME Act are as follows:

Particulars	For the year ended <u>March 31, 2026</u> Rs. Lakhs	For the year ended <u>March 31, 2025</u> Rs. Lakhs
(a) Amounts remaining unpaid to suppliers under MSMED (suppliers) as at the end of year.		
- Principal amount	192.96	302.38
- Interest due thereon	-	-
(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.	-	-
(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.	-	-

#### 40. Disclosures related to government grants

The government grants/assistance recognised are as under:

(Rs. Lakhs)

Nature of grant/assistance	Income/ expense head	For the year ended <u>March 31, 2026</u> Rs. Lakhs	For the year ended <u>March 31, 2025</u> Rs. Lakhs
Capital Investment subsidy- Deferred grant Income	Other income	85.33	-
Interest subsidy in respect of Loans at concessional rate	Other income / Finance cost	-	11.71
Duty drawback, export benefits and other government assistance	Other operating revenue	858.44	1,227.99

**41. Immovable properties yet to be endorsed in the name of the Company are as under :** (Rs. Lakhs)

Particulars	Amount as at March 31, 2026 (Rs. Lakhs)	Amount as at March 31, 2025 (Rs. Lakhs)	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>Leasehold land<sup>^</sup></b>					
Land situated at Kota, Rajasthan	<b>465.00</b>	465.00	No	2025	
<b>Freehold Properties</b>					
Freehold Land situated at Kota, Rajasthan	<b>198.76</b>	198.76	No	2025	Refer note below*
Freehold Flats situated at New Delhi	<b>608.25</b>	608.25	No		
Freehold Land situated at Palhera <sup>^</sup>	<b>28.55</b>	28.55	No		

<sup>^</sup> Vested in the DCM Shriram Industries Limited pursuant to a Scheme of Arrangement of erstwhile DCM Limited in 1991 (Undisputed)

\* As per the Scheme, all immovable property (including but not limited to land, buildings, and any other rights, titles, interests, rights of way, and easements in relation thereto) shall vest in the Company or be deemed to have been so, automatically without any further act or deed, with effect from the Appointed Date. Accordingly, all the immovable properties of the Demerged Company, forming part of the Demerged Undertaking, have vested in the Company with effect from April 01, 2023. The Company shall also file the necessary applications for updation of its name with the concerned authorities in due course.

**42. Assets charged as security**

The carrying amount of assets charged as security for current and non-current borrowings are as under: (Rs. Lakhs)

	Note	As at March 31, 2026 Rs. Lakhs	As at March 31, 2025 Rs. Lakhs
<b>Current assets</b>			
Inventories	10	<b>13,445.30</b>	16,134.20
Trade receivables	11	<b>10,544.33</b>	13,284.00
Cash and cash equivalents	12	<b>21.91</b>	30.28
Other bank balances	13	<b>3,596.24</b>	3,560.37
Loans	6	<b>25.64</b>	8.91

## Notes to the Consolidated Financial Statements (continued)

Other financial assets	7	1,151.26	1,211.55
Other current assets	14	1,768.06	1,905.46
<b>Total (I)</b>		<b>30,552.74</b>	36,134.77
<b>Non-current asset</b>			
Property, plant and equipment	3A	22,022.91	21,413.13
Capital work-in-progress	3A	1,118.01	294.15
Intangible assets	3C	105.34	42.11
Intangible assets under development	3C	-	19.40
Loans	6	275.87	261.28
Other financial assets	7	369.68	323.32
Other tax assets (net)	8	834.15	807.12
Other non-current assets	9	206.06	596.38
<b>Total (II)</b>		<b>24,932.02</b>	23,756.89
<b>Grand Total (I&amp;II)</b>		<b>55,484.76</b>	59,891.67

### 43. Financial Ratios:

Particulars	Numerator	Denominator	31-Mar-26	31-Mar-25	Variance
(a) Current Ratio	Current assets	Current liabilities	1.99	1.93	3.01%
(b) Debt- Equity Ratio	Total Debt	Total Equity	0.20	0.20	0.00%
(c) Debt Service Coverage Ratio @	Earnings available for debt service*	Scheduled Debt Service	0.22	4.94	-95.52%
(d) Return on Equity Ratio @	Net Profits after taxes	Average Shareholders' Equity	-3.6%	18%	-120.63%
(e) Inventory Turnover Ratio	Cost of goods sold	Average Inventory	1.26	1.36	-7.92%
(f) Trade Receivable Turnover Ratio	Revenue	Average Trade Receivables	3.79	3.68	2.90%
(g) Trade Payable Turnover Ratio	Purchases and other expenses	Average Trade Payables	3.81	4.01	-4.91%
(h) Net Capital Turnover Ratio	Revenue	Working Capital	2.97	3.30	-9.95%
(i) Net Profit Ratio @	Net Profit	Total Income	-3.0%	11%	-127.72%
(j) Return on Capital Employed @	Earning before interest and taxes	Average Capital Employed #	-1.1%	23%	-104.67%

Ratio of Return on Investment is not applicable.

\* PBT + Depreciation + Interest on Term Loan - Taxes

# Tangible net worth + Long term debt + Deferred tax liabilities

@ During the current year, the sales volume declined due to lower demand and the geopolitical situation in the Middle East, resulting in reduced profitability and consequently impacting the Company's net profit and related financial ratios.

44. In accordance with Ind AS 108 'Segment Reporting' as specified in section 133 of the Companies Act, 2013, the Company has identified a single reportable business segment viz. 'Industrial fibres and related products'. The segment have been identified and reported taking into account the differing risks and returns, and the current internal financial reporting systems. For the segment, the Chief Operating Decision Maker (CODM) reviews internal management reports on at least a quarterly basis. The CODM monitors the operating results for the purpose of making decisions about resource allocation and performance measurement (Refer Note 3A(q)).

#### Entity-wide disclosures

Entity-wide disclosures details as per INDAS 108-

- (i) Revenue from operations reported are from single stream of operations.
- (ii) The Company is operating in a single geographical segment, however it serves overseas customers located across different parts of the world.

Particulars	Amount March 31, 2026	Amount March 31, 2025
	(Rs. Lakhs)	(Rs. Lakhs)
<b>Revenue from operations</b>		
<b>(a) India</b>	<b>8,823.65</b>	6,541.79
<b>(b) Outside India</b>		
Europe	<b>7,965.29</b>	8,349.00
China	<b>15,183.70</b>	19,345.00
Rest of the World	<b>13,144.10</b>	23,131.89
<b>Total (b)</b>	<b>36,293.09</b>	50,825.89
<b>Total (a+b)</b>	<b>45,116.74</b>	57,367.68

- (iii) There are no non-current assets located outside India.
- (iv) Two customers contributed revenue of Rs.13,638.93 lakhs and Rs.4,636.00 lakhs for the year ended March 31, 2026 (March 31, 2025: two customers contributed Rs.16,807.70 lakhs and Rs.11,659.62 lakhs, respectively), each of whom accounted for more than 10% of the Company's total revenue.

#### 50. Disclosure as per Schedule III to the Companies Act, 2013

(Rs.Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income 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 total comprehensive income	Amount
<b>Parent</b>								
DCM Shriram International Limited								
<b>March 31, 2026</b>	<b>96.37%</b>	<b>36,426.16</b>	<b>87.22%</b>	<b>(1,211.63)</b>	<b>99.56%</b>	<b>(96.73)</b>	<b>88.03%</b>	<b>(1,308.36)</b>
March 31, 2025	96.06%	37,734.53	98.01%	6,211.87	98.41%	(19.16)	98.00%	6,192.70

## Notes to the Consolidated Financial Statements (continued)

<b>Associate</b>								
DCM Hyundai Limited								
<b>March 31, 2026</b>	<b>3.63%</b>	<b>1,370.94</b>	<b>12.78%</b>	<b>(177.51)</b>	<b>0.44%</b>	<b>(0.43)</b>	<b>11.97%</b>	<b>(177.94)</b>
March 31, 2025	3.94%	1,548.88	1.99%	126.43	1.59%	(0.31)	2.00%	126.12
<b>Total</b>								
<b>March 31, 2026</b>	<b>100.00%</b>	<b>37,797.10</b>	<b>100.00%</b>	<b>(1,389.14)</b>	<b>100.00%</b>	<b>(97.15)</b>	<b>100.00%</b>	<b>(1,486.30)</b>
March 31, 2025	100.00%	39,283.41	100.00%	6,338.30	100.00%	(19.47)	100.00%	6,318.83
<b>Adjustment due to consolidation</b>								
<b>March 31, 2026</b>		<b>468.45</b>		<b>(11.56)</b>		<b>0.01</b>		<b>(11.55)</b>
March 31, 2025		480.01		31.74		-		31.74
<b>Consolidation Net Asset / Profit after Tax</b>								
<b>March 31, 2026</b>		<b>37,328.65</b>		<b>(1,377.58)</b>		<b>(97.16)</b>		<b>(1,474.75)</b>
March 31, 2025		38,803.40		6,306.56		(19.47)		6,287.08

### 46. 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 Rayon 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 (IndAS) as under:

- All the assets, liabilities and reserves pertaining to the Rayon Undertaking, appearing in the books of the DCMSR, shall stand transferred to, and the same shall be recorded by, DCM Shriram International 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 is recorded as capital reserve.

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.

**Pursuant to the Scheme, the following assets and liabilities were transferred to the Company as on 1st April, 2023 (Appointed date)** Rs. Lakhs

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	-	19,990.20	-	19,990.20
Capital work-in progress	-	160.54	-	160.54
Right-of-use assets	-	733.66	-	733.66
Intangible assets	-	75.85	-	75.85
<b>Financial assets</b>				
(i) Investments	-	480.50	-	480.50
(iii) Other financial assets	0.10	328.70	-	328.80
Other non-current assets	-	38.00	-	38.00
<b>Total non-current assets</b>	<b>0.10</b>	<b>21,807.45</b>	-	<b>21,807.55</b>
<b>Current assets</b>				
Inventories	-	11,911.99	-	11,911.99
<b>Financial assets</b>				
(i) Investments	-	89.01	-	89.01
(ii) Trade receivables	-	14,553.02	-	14,553.02
(iii) Cash and cash equivalents	0.79	37.40	-	38.19
(iv) Bank balances other than (iii) above	-	372.78	-	372.78
(v) Loans	-	4.45	-	4.45
(vi) Other financial assets	-	63.64	-	63.64
Other current assets	-	897.34	-	897.34
<b>Total current assets</b>	<b>0.79</b>	<b>27,929.63</b>	-	<b>27,930.42</b>
<b>Total Assets</b>	<b>0.89</b>	<b>49,737.08</b>	-	<b>49,737.97</b>

Note No 46 continued

## Notes to the Consolidated Financial Statements (continued)

<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	1.00	1,738.84	-	1,739.84
Other equity	(0.26)	20,756.88	-	20,756.62
<b>Total Equity</b>	<b>0.74</b>	<b>22,495.72</b>		<b>22,496.46</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	-	1,421.71	-	1,421.71
(ii) Lease liabilities	-	618.75	-	618.75
Provisions	-	352.97	-	352.97
Deferred tax liabilities (net)	-	2,301.95	-	2,301.95
<b>Total non-current liabilities</b>	<b>-</b>	<b>4,695.38</b>	<b>-</b>	<b>4,695.38</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	-	9,293.42	-	9,293.42
(ii) Lease liabilities	-	208.83	-	208.83
(iii) Trade payables	-	-	-	-
- Total outstanding dues of MSME and	-	231.80	-	231.80
- Total outstanding dues of creditors other than MSME	-	11,344.24	-	11,344.24
(iv) Other financial liabilities	-	1,006.97	-	1,006.97
Other current liabilities	0.15	196.94	-	197.09
Provisions	-	263.78	-	263.78
<b>Total current liabilities</b>	<b>0.15</b>	<b>22,545.98</b>	<b>-</b>	<b>22,546.13</b>
<b>Total Equity and Liabilities</b>	<b>0.89</b>	<b>49,737.08</b>	<b>-</b>	<b>49,737.97</b>

### Impact of Demerger as at April 1, 2023:

Rs. Lakhs

Particulars	Amount
Net assets taken over (A)	22,495.72
Reserves taken over (B)	10,650.69
Cancellation of shares held by DCMSR and deemed equity (C)	(1.34)
Equity share capital issued to shareholders (D)	1,739.84
Capital reserves created on account of composite scheme of arrangement (A-B-C-D)	10,106.53

### Movement in other equity

Rs. Lakhs

Particulars	Capital Reserve	Retained Earnings
<b>Balance as at April 1, 2023</b>	-	(0.61)
On account of composite scheme of arrangement	10,106.53	10,650.69
Share of profit in associates (net of tax)	-	955.54
<b>Balance as at April 1, 2023 Restated</b>	<b>10,106.53</b>	<b>11,605.62</b>
Profit for the year	-	10,270.01
Other comprehensive income for the year net of tax	-	60.10
<b>Allocation of Dividend</b>	<b>-</b>	<b>(685.84)</b>
<b>Balance as at March 31, 2024</b>	<b>10,106.53</b>	<b>21,249.90</b>

- b) The Company has estimated and recognised stamp duty expense of Rs. 2083.00 lakhs for transfer of land at Kota, pursuant to the Scheme. The entire amount has been accounted for as an exceptional item.

#### 47. 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) Pursuant to the Scheme of Demerger of the Rayon Business of DCM Shriram Industries Limited into the Company, approved by the National Company Law Tribunal ("NCLT") on November 21, 2025, all loan and bank facilities relating to the demerged business have vested in and been assumed by the Company with effect from April 01, 2023. The Company is in the process of completing the necessary novation and updation of its name in the relevant loan and security documents. Pending completion of the required filings, the related charges continue to stand registered with the Registrar of Companies in the name of 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 wilful 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) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

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**As per our report of even date attached**

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm Registration no.:

101248W/W-100022

**Adhir Kapoor**

*Partner*

Membership No.: 098297

Place: New Delhi

Date: May 21, 2026

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

**DCM Shriram International Limited**

**Alok B. Shriram**

*Managing Director & CEO*

DIN: 00203808

**P.D. Bagla**

*WTD & CFO*

DIN: 11354856

Place: New Delhi

Date: May 21, 2026

**Kanika Shriram**

*Dy Managing Director*

DIN: 00998758

**Ashish Jha**

*Company Secretary*

Membership No. F11326

# Notes to the Consolidated Financial Statements (continued)

## Form AOC-I

(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/associate companies/joint ventures

### Part "A": Subsidiaries- Not Applicable

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(Rs.)

Name of Associates / Joint Ventures	DCM Hyundai Ltd.
1. Latest audited Balance Sheet Date	March 31, 2026
2. Date on which the Associate was associated	December 17, 2025
3. Shares of Associate/Joint Ventures held by the company on the year end : - No. - Amount of Investment in Associates /Joint Venture - Extent of Holding %	19,72,000 Rs.1,66,00,005/- 49.28%
4. Description of how there is significant influence	Holding more than 20% Equity Share Capital
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	14,64,41,041/-
7. Profit / Loss for the year	
i. Considered in Consolidation	(1,15,39,425)/-
ii. Not Considered in Consolidation	(1,18,76,615)/-

For and on behalf of the Board of Directors

DCM Shriram International Limited

Alok B. Shriram

Managing Director & CEO

DIN: 00203808

Kanika Shriram

Dy Managing Director

DIN: 00998758

P.D. Bagla

WTD & CFO

DIN: 11354856

Ashish Jha

Company Secretary

Membership No. F11326

Place: New Delhi  
Date: May 21, 2026

Place: New Delhi  
Date: May 21, 2026