

Years of *Legacy*:
to a New Era of
Leadership

Sudarshan Chemical
Industries Limited

75th Annual Report
2025-2026

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In 1951, an Indian family-owned company set out to build quality pigments. By 2025, that aspiration had become a global leader in color solutions.

Color touches everyday life, leaving a lasting impact without noise. So does true leadership.

After 75 years of legacy, ONE Sudarshan today leads the world in color solutions.

We built our name on pioneering spirit. Today, that spirit stands stronger, backed by over 270 years of combined innovation, capability, and expertise, and the reach of a true global leader.

Our 75-year journey has been building toward this moment: the integration that became ONE Sudarshan, fortifying and accelerating our leadership through expanded scale.

One culture, one mission, creating lasting value for all our stakeholders.

Guided by our past. Driven by our future. This is how we lead the next chapter of the global color story.



Redefining Global Color Leadership Through A Unified Legacy

Seventy-five years since its founding as a pigments manufacturer in India, Sudarshan Chemical Industries Limited is now one of the world’s leading color solutions providers, integrating 270+ years of combined color expertise.

As a premier global color solutions company, we operate 19 manufacturing facilities across 11 countries, serving over 4,000 customers in more than 120 countries. Following the acquisition of the Heubach Group in March 2025, which had acquired Clariant's pigments unit in 2022, Sudarshan has solidified its position as a global leader with an unrivaled portfolio of nearly 1,600 products and 63 brands. Our most significant structural advantage is our manufacturing footprint, spanning five continents. This provides greater proximity to customers, strengthens supply chain resilience, and enhances our ability to respond to regional demand with agility.

Our Purpose

Unleashing Vibrancy, Joy & Possibilities

Our Mission

Being the inspirational leader of the colorants industry, delivering breakthrough results for all our stakeholders through reliable and sustainable solutions.

Our Values

RESPECT Listen actively and embrace diversity.

I actively listen to others with empathy, valuing diverse perspectives and letting the best idea win. I communicate openly and honestly with all my colleagues and stakeholders thereby fostering an environment of trust and learning. I acknowledge and celebrate the contributions of my colleagues and stakeholders.

ENTREPRENEURSHIP Spot it, own it, do it!

I take ownership and initiative to achieve breakthrough results. I take risks and learn from both successes and failures. I continuously seek opportunities for improvement and innovation in everything I do.

AGILITY Act quickly!

I act with a sense of urgency. I collaborate effectively across teams to facilitate quick decision-making. I course-correct quickly when required and find pragmatic solutions.

PASSION Put your heart into everything you do.

I demonstrate enthusiasm for my work and inspire people through my positive energy. I leverage my greatness to contribute meaningfully. I maintain a positive attitude and display resilience in the face of challenges and uncertainty.

SEVA Joy through service.

I always create a WOW experience for all my stakeholders. I help and support my colleagues selflessly. I foster a culture of giving back to society.



Key Highlights

A Year That Raised The Bar

FY 2026 was a year of decisive execution, where every milestone reflected the strength of an integrated organization and reinforced Sudarshan’s readiness to lead the global colorants industry.

Financial Momentum

₹9,787 Cr

Consolidated Revenue from Operations

5.9%

EBITDA Margin

10.8%*

RoCE

₹579 Cr

Business Consolidated EBITDA

Operational Highlights

19

Global Manufacturing Facilities

11

Countries With Sites

4,000+

Global Customers

120+

Countries With Customers

~1,600

Products

63

Brands

200+

Technical Experts

*Adjusted

ESG Highlights

56%

Share of renewable energy in operations.

71.3%

of total waste was diverted away from landfill.

24%

Women representation in the workforce.

30%

Women representation in the Board.

A Board-level ESG Committee led by Independent Directors

Our Journey

75 Years Of Bold Progress

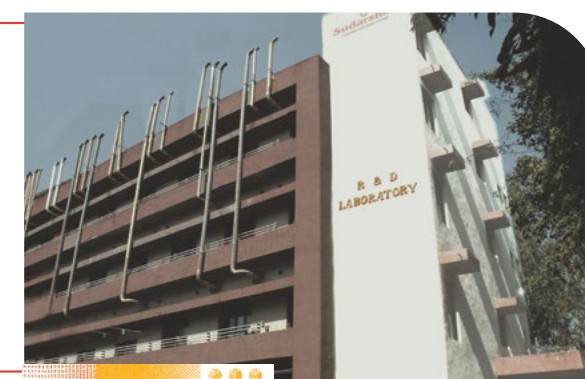
Over 75 years, Sudarshan has transformed through bold choices, resilient execution, and a relentless pursuit of excellence, building a legacy that continues to power its leadership.

The Roots of Global Pigments

While we mark 75 years of Sudarshan this year, our origin story as ONE Sudarshan began in 1806 with the founding of Germany's Goslarer Farbenwerke, marking the beginning of the Heubach business. In 1863, Theerfarbenfabrik Meister, Lucius & Co. was established in Hoechst, specializing in coal-tar dyes and forming the earliest thread of Clariant's legacy. By 1869, the Hoechst site expanded rapidly, laying the structural groundwork for today's Industriepark Hoechst and pioneering large-scale pigment innovation across Europe.

1980s: TECHNOLOGY LEAP

Partnering with global giants like Japan's Dainippon Ink and Chemicals (DIC), we injected international technology into our processes and diversified into agrochemicals and environmental engineering.



1990s: QUALITY FOCUS

Adopting Total Quality Management (TQM) principles laid the structural bedrock for world-class, high-efficiency manufacturing standards at our newly established Mahad facility.



2000s: GOING GLOBAL

We launched a state-of-the-art Pune R&D Center alongside North American and European subsidiaries. Our safety systems earned the British Safety Council's prestigious Sword of Honour, one of the highest standards for workplace health and safety globally.

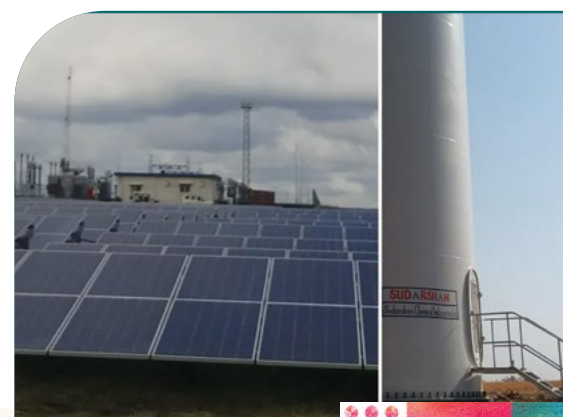


1960s: PIONEERING ORGANIC PIGMENTS

We became India's first manufacturer of organic pigments. While our domestic presence solidified through key metropolitan sales in Mumbai, Kolkata, Chennai, and Delhi. Our export footprint expanded into Europe and Southeast Asia.

1950s: BUILD THE FOUNDATION

Founded in 1951 by Dr. R.J. Rathi and L.J. Rathi with an initial capital of ₹3,40,000, we began as a trusted domestic pioneer of inorganic pigments, engineering our own equipment and formulating with locally sourced materials.



2010s SHARPENING OUR CORE

We deepened our pigment focus and expanded our operations into China, Mexico, and Japan. We made significant investment in green energy and secured awards such as the Golden Peacock and Great Place to Work certifications.

1970s: ROHA PLANT AND PUBLIC LISTING

We commissioned our flagship Roha facility and listed on the Bombay Stock Exchange. In this definitive decade, we became the world's third producer of effect pigments and India's first ISO 9001-certified chemical company.



2020s A NEW ERA OF COLOR LEADERSHIP

This year marks 75 years since Sudarshan's founding in 1951. It is also the year we became ONE Sudarshan. In 2025, we acquired the historic Heubach Group, including Clariant's pigments business (tracing back to 1806), creating ONE Sudarshan, the world's most comprehensive integrated pigment platform. Moreover, as an industry leader with an unrivaled portfolio, we continue scaling high-performance capacities and raising global sustainability benchmarks.



Geographical Presence

Expanding the Reach of Leadership

Every market we serve strengthens our ability to innovate, collaborate, and deliver. Built on 75 years of expertise and enhanced through integration, our global footprint is enabling the next chapter of leadership.

From Pune to Frankfurt and across markets in Africa, Asia, Europe, North America, Latin America, and beyond, we extend our reach across continents, combining local expertise with consistent quality and world-class color solutions close to every customer.

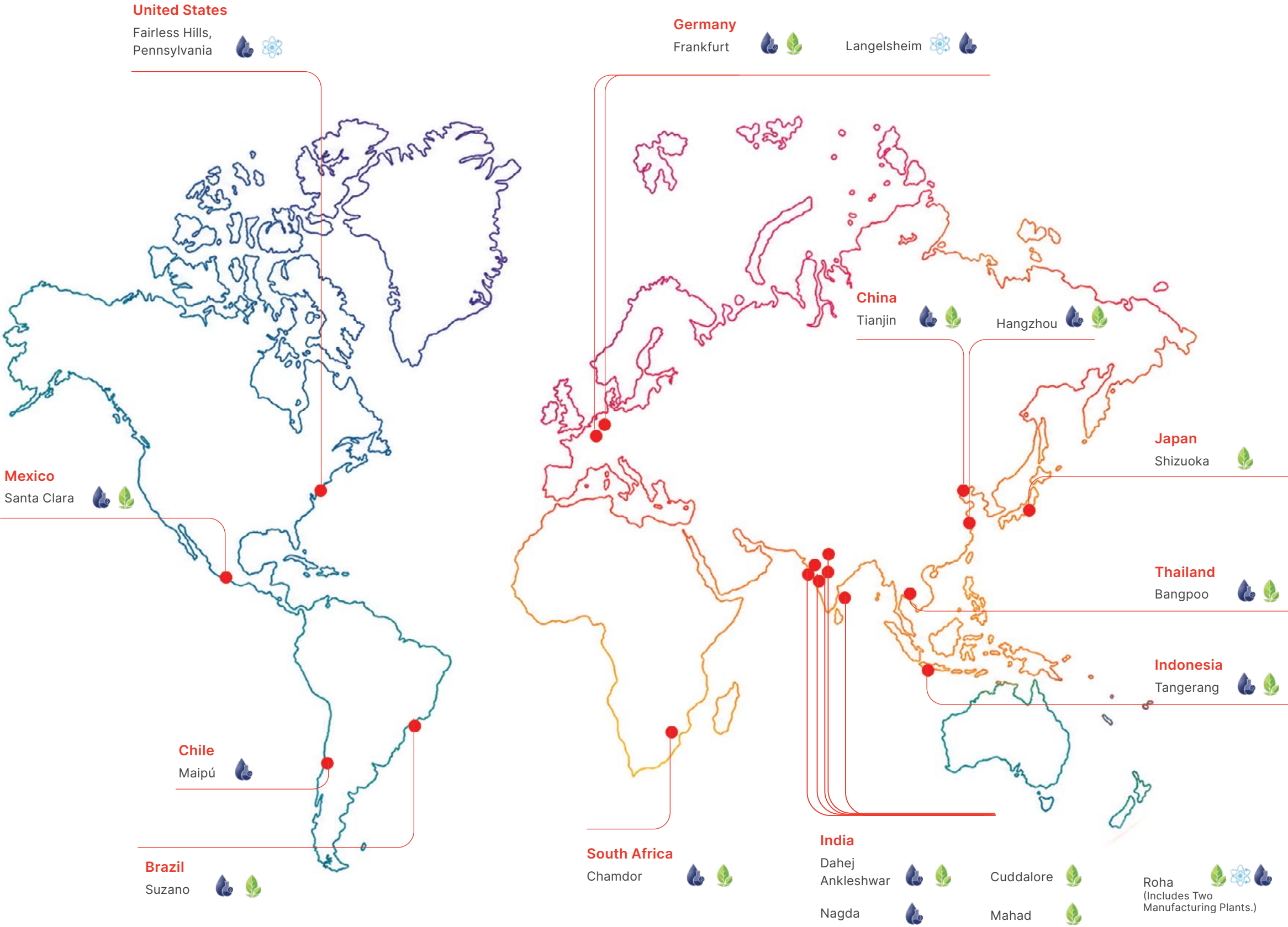
19
Manufacturing Sites

11
Countries with Sites

120+
Countries with Customers

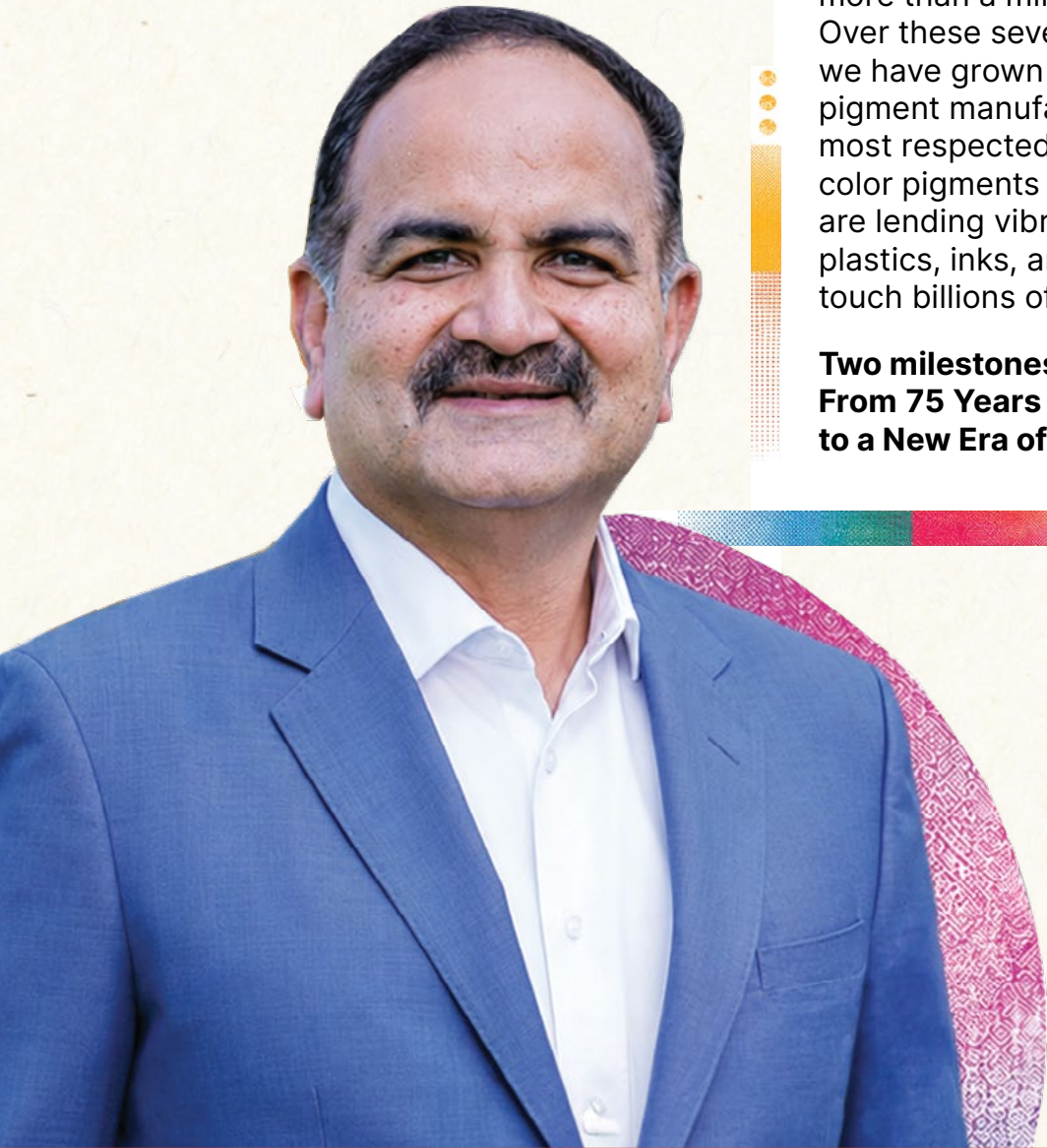
4,000+
Global Customers

Global Manufacturing Presence



Message from the Chairman and Managing Director

Building on Legacy
Leading with Purpose.



Dear Shareholders,

As I write to you this year, Sudarshan Chemical Industries Limited (“Sudarshan”, “the Company”) completes a remarkable seventy-five years — a Diamond Jubilee that is far more than a milestone on a calendar. Over these seven and a half decades, we have grown from a small local pigment manufacturer into one of the most respected names in the global color pigments industry. Our products are lending vibrancy to coatings, plastics, inks, and cosmetics that touch billions of lives each day.

**Two milestones, one moment:
From 75 Years of Legacy:
to a New Era of Leadership.**



FY 2026 was the most transformative year in our history. This year, we founded something new: ONE Sudarshan. It is a different kind of beginning, built not from scratch, but from the combined strength of Sudarshan, Heubach and Clariant’s pigment legacies coming together as one, making us the world’s leading color solutions company.

A Foundation Built on Principles

Seventy-five years ago, my uncle, Dr. R. J. Rath, came back from the United States with a PhD in Chemical Engineering and a vision. He, along with his brothers, started Sudarshan’s journey in 1951 in Pune, with a meager capital of ₹340,000. Over these three-quarters of a century, we have grown from modest beginnings into one of the world’s leading names in the pigment industry, built on three principles: meritocracy, discipline, and financial rigor. These principles have made us the most profitable pure-pigment player and the third-largest producer in the world, and they still run the company today.

The Heubach (including Clariant’s former pigments unit) acquisition in March 2025 was our first major move as inorganic growth. This made us one of the largest pigment producers in the world, bringing together over 270 years of combined color expertise of Sudarshan, Heubach, and Clariant’s legacies. Through this combined heritage, we are now the founders of many of the molecules that define the pigment industry today. This legacy is the foundation of resilience that has carried us through cycles of change and enabled the bold, transformational steps we have taken in recent years. We step into our next chapter with confidence on the strength of our people, our global manufacturing footprint and our broadening product portfolio. We are optimistic that the foundation we have laid will translate into sustainable, profitable growth and lasting value for all our stakeholders in the years ahead.

A Journey Told in Milestones

Founded in Pune in 1951, Sudarshan began as India’s trusted name in inorganic pigments.

In 1968, we became India’s first manufacturer of organic pigments.

In 1972, we established our Roha plant and soon after listed on the stock exchanges in India and became the world’s third company to produce effect pigments.

In 1989, we entered a technology partnership with Japan’s Dainippon Ink and Chemicals (DIC), marking a leap forward in our manufacturing and R&D capability.

Through the 1990s, we inaugurated our Mahad plant and earned India’s first ISO 9001 certification in the chemical sector.

The 2000s were a decade of leap for our global ambitions. We built a state-of-the-art R&D and Application Center in Pune. In 2007, we established Sudarshan Europe B.V., our first overseas presence, laying the foundation for subsidiaries across North America and Europe — a period also marked by the British Safety Council’s Sword of Honour.

From 2010, we expanded further into Asia-Pacific and Latin America — including China, Mexico, and Japan — while investing in green energy.

Leading through Scale and Resilience



19
Global Manufacturing Sites

1,600+
Products

₹9,787 Cr
Consolidated Revenue
in FY 2026

Today, the Company through its subsidiaries operates 19 manufacturing sites across 11 countries in five continents. Roha gives us scale, Frankfurt gives us specialties, and other sites provide flexibility. We are not immune to demand shifts and policy volatility; however, our ability to serve customers has never been stronger, given our expanded global presence.

We serve over 4,000 customers in more than 120 countries and across every major industry, with a portfolio of more than 1,600 products — one of the widest ranges in our industry — supported by a technology team of over 200 people.

Three legacies came together this year, making the building of one shared culture our focus from day one. Our values - REAPS: Respect, Entrepreneurship, Agility, Passion, and Seva, guide how we work everywhere.

The defining task of the year was integration, and I want to be candid about that journey. When we began, we soon realized we were integrating not two companies but three legacies, including that of Clariant's pigment unit.

From day one we faced pressure on profitability. We chose to roll back the additional charge introduced during insolvency by the administrator, giving due consideration to expectations of our customers. Years of operating under insolvency had also left a deep silo mindset, with each entity having learned to survive on its own rather than thinking as one company. Critical leadership talent was missing, and reporting systems were far from harmonized.

Faced with this, we made a deliberate choice: to put customers first. For the first six to nine months, we chose not to chase inventory reduction — in fact, we increased it where needed — so we could streamline our supply chains, deepen technical marketing engagement, and improve customer service to win back trust. That trust is returning, and I am proud that several customers have recognized us with their “Best Supplier of the Year” awards.

In parallel, we pursued value-capture initiatives that touched virtually every part of the organization, and it is this effort that has delivered a positive EBITDA for the acquired business. To make our processes more efficient, we have also begun bringing several transactional activities back to India and have established our Global Capability Center in Pune. On system integration, we have started SAP integration project (moving from four to one integrated system) to deliver fully harmonized system landscape in the next year.

This year we also inaugurated a Global Capability Center (GCC) in Pune, a centralized hub to streamline operations and develop efficient, agile, and future-ready operating models.

Last year, we said we would unlock synergies across growth, cost, and cash. The value capture plan made good progress and enabled us to deliver a Business EBITDA of ₹579 Crores for the pigments business.

Innovation and R&D

With 200+ technology experts across 12 global technical centers, we are pioneering sustainable pigment solutions and accelerating development in high-performance and eco-friendly formulations.

Strengthened technical partnerships and close collaboration with customers enable us to co-create solutions that set new benchmarks in durability, efficiency, and sustainability. From coatings and plastics to digital inks, home and personal care, we are designing the next generation of colorants — smarter,

more sustainable, and precisely tailored to tomorrow's performance needs.

Financial Discipline and Performance: What FY 2026 Proved

FY 2026 was not an easy year. Revenue from the Sudarshan legacy business remained broadly flat. This largely reflected a deliberate rationalization of our go-to-market and distributor strategy, particularly across Europe and Latin America, which created a temporary blip, while EBITDA saw a modest dip on account of integration related costs absorbed during the year. For the acquired group, second and third quarters of the year were tough, as global customers worked down inventories, which impacted revenue in these quarters. However, from the fourth quarter of the year, we started seeing a normalization of demand and we expect this to continue. Focused value-capture initiatives during the year delivered a positive EBITDA turnaround.

Our People, Our Strength

Our people are our biggest strength and greatest differentiator. Together we are executing our strategy and building a global culture. We are integrating three workforces and three ways of working into one. We are now home to 3,825 people across India, Europe, the Americas, Africa, and Asia, brought together under one set of values.

Community at Our Core

Our foundation in Pune, Roha, and Mahad built a culture of operational rigor that still shapes how we measure ourselves. Today, with our global presence, we are building on that foundation across all our locations. Seva, selfless service, is a value we have practiced from the start. Through SUDHA, our CSR initiative, we support the communities around Roha and Mahad, the same villages our founders built alongside.

As ONE Sudarshan, we are carrying this forward to every location across the globe. Starting close to home, in February we inaugurated the Skill Development Center in Gujarat, extending the same focus on vocational training and local employment to a new community.

Our broader work touched over 130,000 lives this year, across education, health, women's empowerment, and community development.

Sustainability is in Our DNA

We owe the next generation a better foundation than the one we inherited. This year, 56% of our purchased electricity came from renewable sources, compared to 50% last year. We cut freshwater consumption by 27.28%, recycled 18.4% more water, and diverted 71.3% of our waste away from landfill, while our emissions intensity kept falling.

We are also expanding our leadership in sustainable color technology: zinc-free anticorrosive pigments, certified pigments for biodegradable plastics, and NIR-detectable blacks for automated recycling. With over 200 technical experts, we are building solutions with our customers, not just selling them pigments.

The Path Ahead

The next three years will be a period of unlocking profitable growth and making ONE Sudarshan the most profitable pigment player in the world and the partner of choice for our customers.

I would like to thank our investors for their trust, our customers, suppliers, and banking partners for their continued support, our Board of Directors for their guidance, and our employees for their resilience and support throughout this journey to build “One Sudarshan.”

Warm regards,
Rajesh Rathi

Chairman and Managing Director

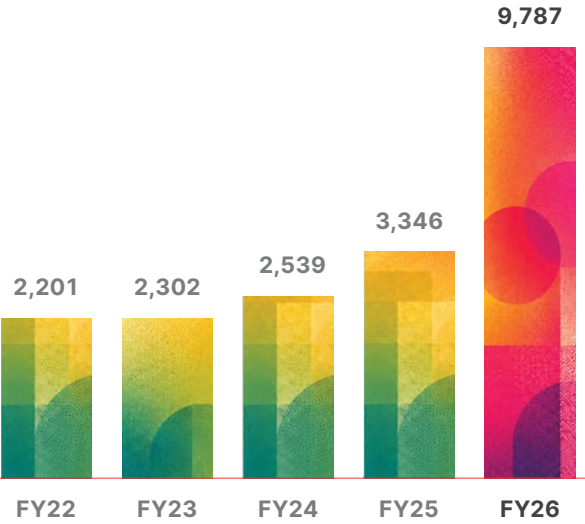


Key Performance Indicators

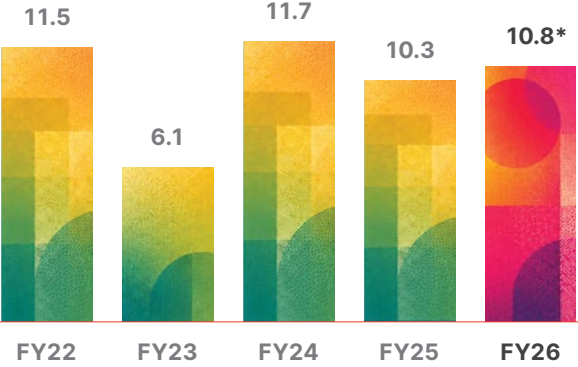
The Measures Behind The Momentum

Our performance over the past few years reflects a journey of continuous growth, increasing resilience, and expanding capabilities, culminating in a stronger foundation for the future.

Revenue from Operations (₹ Cr)

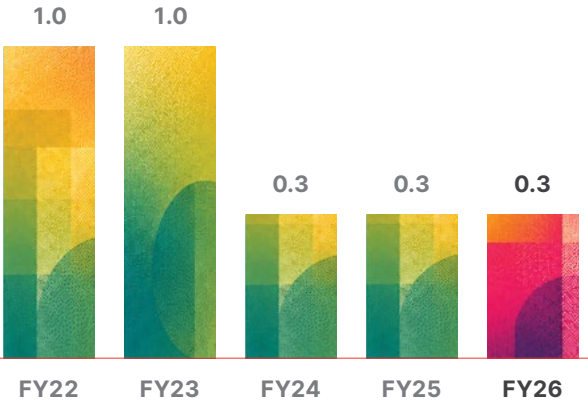


Return on Capital Employed (%)



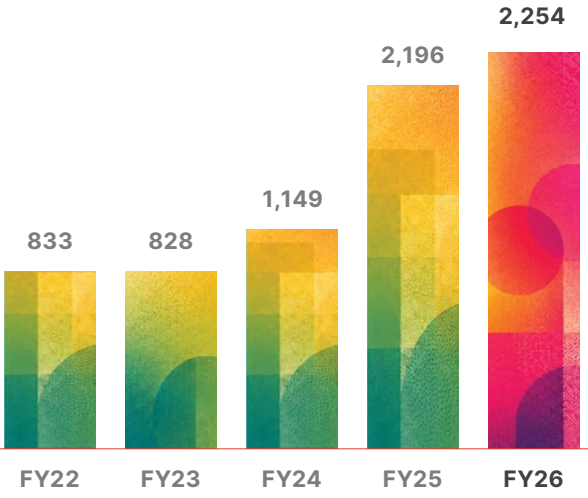
Revenue and EBIT for Legacy Sudarshan taken at actuals for FY25 and Mar-25 result annualized for the Acquired group
*Adjusted Return on Capital Employed

Net Debt to Equity (x)



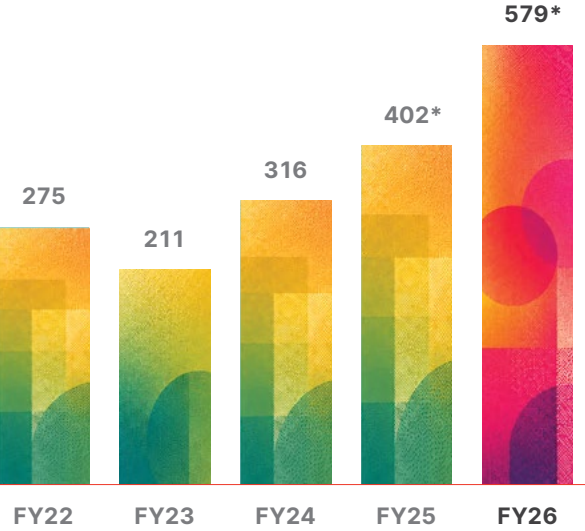
*Debt is net of short-term investment and cash and cash equivalents

Net Worth (₹ Cr)



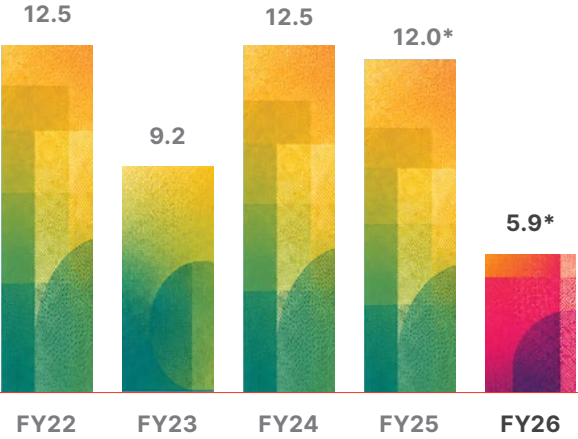
*[Equity share capital + Other equity - Capital reserve]

EBITDA (₹ Cr)



*Business EBITDA

EBITDA Margin (%)



*Business EBITDA

Product Portfolio

A Stronger Portfolio For A Stronger Sudarshan

Our expanded product portfolio represents one of the most comprehensive platforms in the global pigment industry. We provide high-performance, sustainable, and regulatory-compliant solutions that empower our customers to innovate across five key segments.

Coatings: Delivering Complete Color Solutions

Sudarshan serves as a premier provider of comprehensive color solutions for the global coatings industry, reaching far beyond standard pigments to offer superior durability, sustainability, and aesthetic excellence. Our portfolio supports every layer of a coating system, from decorative paints to high-end automotive and protective coatings.

LEADING BRANDS AND PREPARATIONS

Hostaperm®, Sudaperm®, Novoperm®, and Hansa®: Organic pigments providing a full spectrum of coloristic and performance properties.

Heucodur®: A range of Complex Inorganic Colored Pigments (CICPs) offering exceptional heat stability and weather resistance.

Colanyl® 100 and Low-VOC Colanyl® 500 series: Globally recognized tinting solutions for Point-of-Sale (POS) and industrial systems.

Hostatint: Advanced pigment preparations developed for sustainability-focused formulations.

NEW PORTFOLIO ADDITIONS

Pigment Yellow 110: High-performance yellow; excellent brightness and weather fastness

Pigment Red 264: Durable red; outstanding color strength and weather resistance

Pigment Green 36: Bright green; excellent weather and chemical resistance

Pigment Blue 60: High-performance blue; outstanding heat, light, and weather fastness

Pigment Brown 24: Robust brown; excellent opacity and stability

Pigment Yellow 53: High-opacity yellow; good dispersion characteristics

Pigment Red 168: Clean, bright red; balanced performance across applications



Printing: Versatility and Regulatory Expertise

By uniting two global leaders, we now offer an exceptional range of organic pigments for the versatile printing industry. Our range covers everything from standard applications to the demanding fastness and regulatory compliance requirements needed for high-quality food packaging. We act as a solution provider for evolving regulatory challenges, such as offering compliant Red 2 pigment combinations to replace chemistries like PR 53:1.



Biocide-Free Colorants: Preservative-Free Innovation

Our innovative **Colanyl BF** series features liquid pastes for aqueous systems that enable the development of preservative-free formulations. These solutions allow customers to formulate decorative paints in compliance with stringent environmental standards, such as Eco Label, Nordic Swan, and Blue Angel, while offering lower energy consumption compared to traditional stir-in pigments.



Inorganic Pigments: Advanced Inorganic Solutions

The merger has consolidated a powerful range of inorganic pigments to meet versatile market requirements. By combining expertise, we have reactivated our CICP innovation pipeline to push the boundaries of durability and heat stability.

CORE INORGANIC BRANDS

Heucodur

Ultrazur

Sudatherm

Vanadur



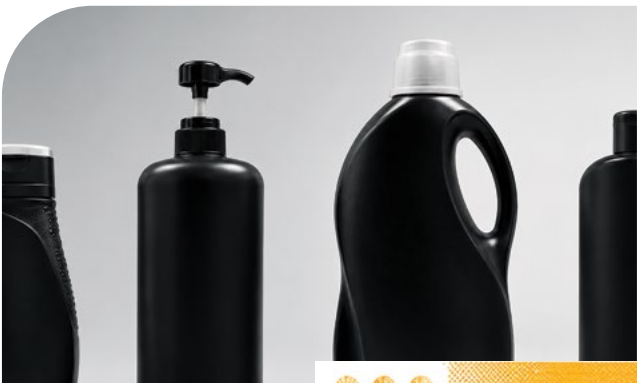
Plastics: Engineering a Circular Economy

We are committed to supporting the plastics industry's transition to a circular economy through three core pillars:

NIR-Detectable Black Solutions: Enabling automated recycling systems to identify and sort black plastic articles across packaging and automotive applications.

Composting-Compliant Solutions: An expanded range of colorants for bioplastics (e.g., PLA and PHA) that meet industrial compostability requirements.

Future-Ready Red Solutions: Providing safe, compliant alternatives to traditional pigment chemistries to meet evolving global regulatory scrutiny.



Manufacturing Excellence

The Engine Of A Global Leader

Built over 75 years, Sudarshan's manufacturing excellence entered a new phase in FY 2026. In the first full year of operating as an integrated global organization, the focus was on unifying manufacturing operations, harmonizing best practices, and leveraging world-class facilities and technical talent to deliver greater value to our stakeholders worldwide.

The Scale Of Our Ambition

19

Global
Manufacturing
Facilities

120+

Countries with
Presence

0.12

Lost Time Injury
Frequency Rate
(LTIFR)

(based on 2,00,000
man-hours worked)

OUR MANUFACTURING EXCELLENCE IN A NUTSHELL

-  Global Footprint
-  Integrated Network
-  Operational Excellence
-  Quality at Every Stage
-  Safe and Sustainable Operations
-  Future-Ready



A Truly Global Footprint

FY 2026 marked a year of operational integration, as we brought our expanded manufacturing network together through aligned systems, processes, and performance standards. This expanded network provides us with a significant structural advantage: local manufacturing presence in key customer markets. This proximity allows us to respond to regional demand with a critical component of this expansion is our strategic realignment of production.



Operational Efficiency and Integration

In FY 2026, we focused on harmonizing our expanded network to drive higher productivity. The integration has directly improved production line utilization and asset utilization through streamlined planning and better coordination between sites.

Standardized Excellence: We have deployed standardized manufacturing and quality practices across all 19 facilities, ensuring that the Sudarshan Standard is consistent worldwide.

Project Integra: To support this global network, we are consolidating four legacy SAP systems into a single unified landscape, providing real-time visibility into global inventory and capacity.

Agile Planning: Enhanced visibility has enabled more effective capacity planning and resource allocation, allowing us to respond faster to shifting customer demands.

Optimized Organizational and Operating Model

Inaugurated a Global Capability Center (GCC) in Pune as a centralized hub, streamlining operations and building a more efficient, agile, and future-ready operating model that serves stakeholders across the organization more effectively.



Quality and Customer-Centricity

As the leader in the global colorants industry, our commitment to consistent quality, reliability, and customer responsiveness is anchored in robust manufacturing and quality management systems deployed across all our operations. We ensure that every product delivered meets the highest global benchmarks.

Stringent Quality Controls:

Quality checks are embedded at every stage, from the selection of raw materials to final dispatch. Every batch undergoes rigorous testing in state-of-the-art analytical facilities to ensure full compliance with customer specifications.

Technical Marketing Partnership:

A dedicated Technical Marketing team works in close partnership with customers worldwide, providing application support, addressing technical queries, and ensuring prompt resolution of concerns. This helps translating our manufacturing strength into long-term customer trust.



Safety and Sustainability: Core Pillars of Our Identity

We believe that manufacturing excellence is inseparable from the safety of our people and the health of our planet. In FY 2026, we made significant strides in embedding a culture of proactive safety and environmental responsibility.

KEY PROGRESS, FY 2026

Process Safety Management (PSM): Having introduced PSM pillars across all sites, we are now conducting internal audits to assess maturity levels, with a formal PSM journey set to launch across our Indian sites this year.

Proven Safety Performance: Our commitment to a safe workplace is reflected in a Lost Time Injury Frequency Rate (LTIFR) of 0.12 (calculated per 2,00,000 man-hours worked) across both our Indian and overseas operations.

Environmental Stewardship: We remain dedicated to responsible resource management, energy efficiency, and waste minimization. By focusing on reducing our environmental footprint, we are ensuring that Sudarshan scales sustainably.

The Path Forward

As we enter the next phase of our journey, manufacturing excellence remains the cornerstone of our global leadership ambition. Our future priorities are focused on:

Process Optimization and Automation:

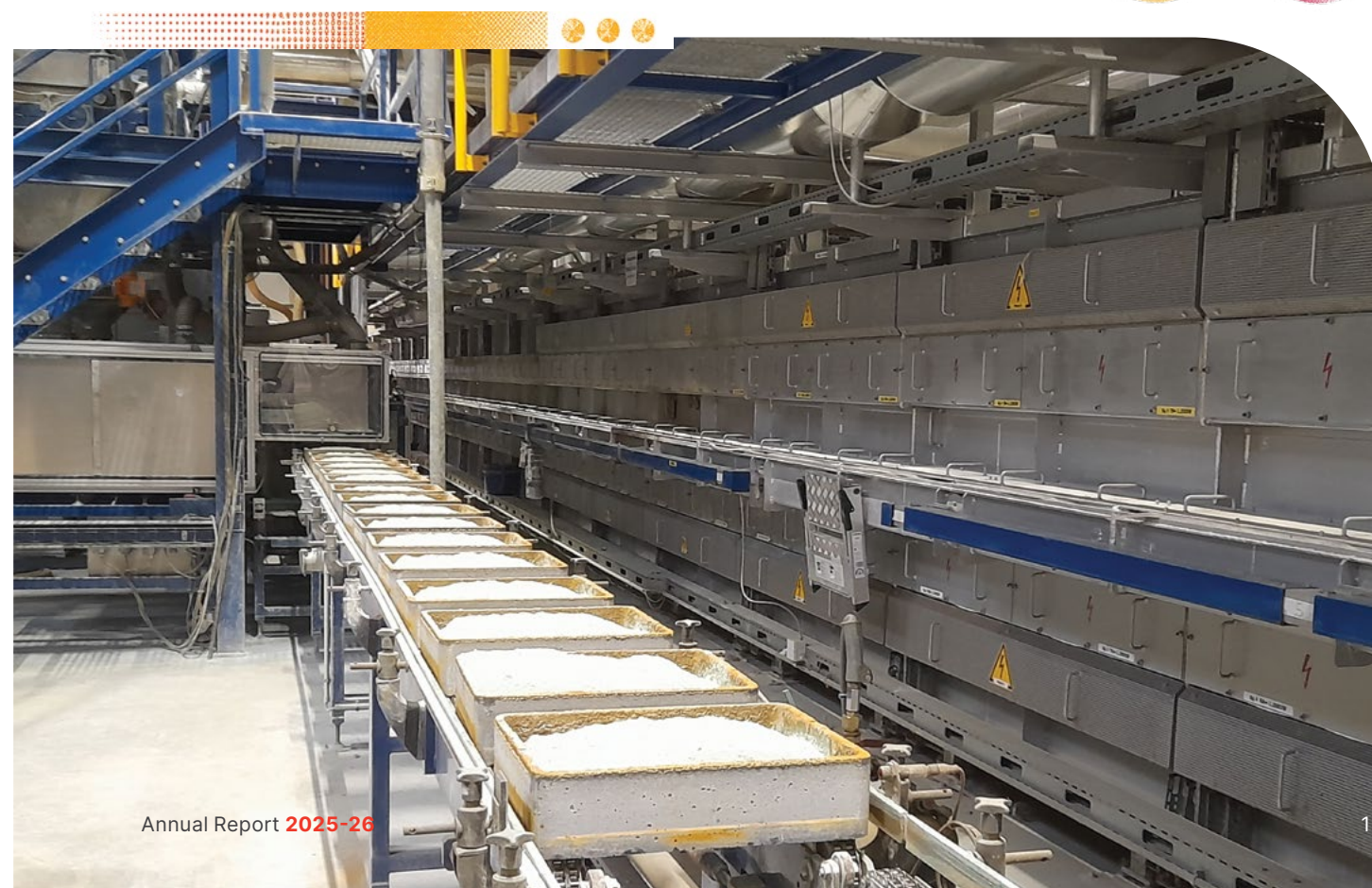
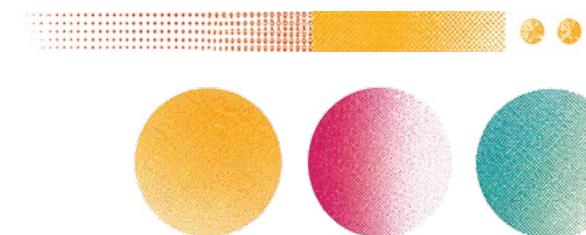
Driving cost competitiveness and productivity through advanced technology.

Disciplined Capacity Utilization:

Leveraging capacity across our 19 sites to support growth.

Consistent World-Class Output: Continuing to invest in facility upgrades, strengthening quality systems, and reinforcing safety standards to meet the evolving expectations of a global customer base.

By uniting centuries of heritage with modern manufacturing agility, Sudarshan is uniquely positioned to deliver superior value to stakeholders and lead the global colorants industry into a new era.



R&D and Innovation

Innovating Beyond 75 Years

Innovation has been at the heart of Sudarshan's journey for 75 years. Today, our global R&D network combines scientific excellence with market insights to create solutions that shape the future of the colorants industry.

12

Global Technical Centers

20

Product Launches

200+

Technical Experts (FTEs)

55%

of total R&D expenditure contributed to environment-friendly processes

A Global Network of Expertise

We anchor our technical superiority in a massive infrastructure comprising 12 Global Technical Centers. These centers operate in strategic hubs and create a distributed model that allows our teams to capture regional market insights and translate them into globally scalable innovations.

A powerhouse team of 200+ Technical Experts (FTEs) drives this network. These specialists manage our extensive portfolio consolidation and co-create value-added solutions directly with our customers.

OUR GLOBAL TECHNICAL CENTERS

- India**
 - Ankleshwar
 - Juinagar
 - Sutarwadi
 - Roha
- Brazil**
 - Suzano
- North America**
 - Santa Clara
 - Charlotte
- South Africa**
 - Chamdor
- Germany**
 - Frankfurt
 - Langelsheim
- Japan**
 - Shizuoka
- China**
 - Shanghai



Human Capital

Cultivating a Culture Of Inclusion And Leadership

For 75 years, Sudarshan has built its success on the strength of its people, fostering a culture of learning, care, inclusion, and performance that continues to shape its future.

Our FY 2026 Workforce at a Glance

3,825

Global Workforce Strength

38,251

Training Hours Delivered

18.59%

Global Gender Inclusion



Learning and Development: Sustainable Innovation

In FY 2026, we focused on capability-building across leadership development, technical expertise, and digital skills. Our commitment to growth is reflected in our training coverage: 94.79% of our employees and 100% of our workers participated in structured awareness and skill-upgradation programs, delivering 38,251 training hours to over 3,800 employees.

Employee Engagement:
Uniting ONE Sudarshan

We use several platforms to maintain transparent, two-way communication:

Suda Connect and Suda Interconnect: These annual and quarterly town halls allow leadership to share performance updates and future vision directly with all employees.

HR and IR Ninja: These dedicated engagement initiatives serve as primary points of contact for HR queries and grievance redressal, ensuring that employee concerns are resolved promptly.

Purpose, Mission and Values (PMV) Sessions:

Rolled out globally to align our ONE Sudarshan culture, reaching 3,800+ employees across AMEA, Americas, Europe, and India with near-100% attendance.

Culture and Engagement Survey: Our first ONE Sudarshan Culture and Engagement Survey drew 1,882 responses at an 86% response rate, reflecting strong purpose, alignment with our REAPS values, and a shared “One” identity.

Diversity and Inclusion:
Diversity That Drives Progress

We are actively building an equitable workplace that reflects our global reach. Currently, our gender inclusion stands at 18.59%, with a roadmap to reach 20% by the end of FY 2027. Notably, we have already achieved 30% female representation on our Board of Directors, setting a strong example of leadership diversity from the top.

REGIONAL DIVERSITY
(FULL-TIME EMPLOYEES)

2,260	250
India	AMEA
377	910
Americas	Europe



Our ESG Commitment

Where Legacy
Meets Responsibility

Built on 75 years of legacy and strengthened through a more integrated platform, Sudarshan’s ESG journey reflects a clear commitment to responsible growth, operational excellence, and long-term value creation. As we enter a new era of leadership, sustainability remains central to how it grows, how it works, and how it creates impact for stakeholders and the world around it.



Environmental
Stewardship

At Sudarshan, environmental stewardship is central to how we create value responsibly, with a focus on lowering our footprint, improving efficiency, and protecting natural resources.

71.3%	27.28%
Waste diverted away from landfills	Reduction in freshwater consumption
56%	5.73%
Renewable electricity in total purchased energy (50% in FY 2025)	Reduction in Scope 1 and 2 emissions over the past two years (FY 2024 to FY 2026)
2.08%	10.5%
Reduction in emissions intensity over the past two years (FY 2024 to FY 2026)	Reduction in waste generation intensity
18.4%	100%
Increase in recycled water usage	Manufacturing plants maintain ISO 14001 certification

Social
Responsibility

Our social agenda reflects our belief that long-term success is built on safe workplaces, inclusive growth, responsible sourcing, and stronger communities.

51%	90%+
of manufacturing inputs sourced sustainably	Employees trained on human rights

100%
Manufacturing plants certified to ISO 45001 (reflecting continued focus on occupational health and safety)

Robust Governance

Strong governance underpins every decision at Sudarshan, ensuring accountability, transparency, and the discipline needed to support sustainable leadership.

30%
Women representation on the Board of Directors

Board-level ESG Committee led by Independent Directors.

ISO 27001 Certification for Information Security

Corporate Social Responsibility

Where Legacy Shapes Futures

For 75 years, Sudarshan has created value beyond business by partnering with communities, fostering inclusive growth, and driving meaningful, long-term social impact.

1,31,228

Number of Beneficiaries

Education: Empowering Future Leaders

Education remains a primary focus at Sudarshan as we aim to enhance the quality of rural education through a multi-dimensional approach:

Infrastructure and Digital Literacy: We supported 16 schools and five Anganwadis through ISO quality enhancement and the BALA (Building as Learning Aid) concept, while establishing e-learning facilities in three schools to bridge the digital divide.

Life Skills Development: Our structured 10-session curriculum reached nearly 2,000 students across 15 schools, focusing on critical areas like communication, decision-making, and emotional management.



Sudha Sitara Scholarship: This flagship employee-driven initiative achieved a major milestone by supporting 500 meritorious students in a single year, surpassing its cumulative impact from the previous four years.

Global Recognition: Our excellence in this pillar was validated by several honours, including the Global CSR Award on Education and the Mahatma Award for employee volunteering.

Women Empowerment: Fostering Economic Resilience

We believe that sustainable empowerment is inseparable from economic independence. Our Sukushal Uniform Making Center serves as a self-reliant social enterprise, providing skill training to over 100 women. Currently, 40 women are actively engaged in the unit, which specializes in industrial workwear.

This year, the centre completed an order of 1,500 uniforms and is currently executing an additional order of 5,000, ensuring regular income and entrepreneurship opportunities for rural women. Moreover, 85%+ of the outreach this year was represented by women.



Environment: Advancing A Greener Future

Our environmental initiatives focus on decentralized waste management and resource conservation:

Compost Planter (CP) Initiative: To promote a circular economy, we have installed 627 units (233 in FY 2026) that process ~1.3 Tons of kitchen waste per month, converting it into nutrient-rich organic compost.

Water Resource Development (WRDP): We strengthened rural livelihoods by establishing 27 agricultural plots and 7 horticulture wadis, positively impacting over 50 hectares of agricultural land through improved water conservation structures.

Tree Plantation: We planted 1,182 saplings this year with an impressive 87% survival rate, contributing to increased green cover and ecological resilience.



Community Development: Strengthening Rural Foundations

Representing our largest area at 42% of total beneficiaries, community development at Sudarshan focuses on village governance and social security.

Socially Secured Village: We assist vulnerable populations in accessing government welfare schemes through household-level assessments and community mobilization.

Governance and Infrastructure: We support **Gram Panchayat ISO certification** to improve service delivery and transparency. Additionally, we have integrated **solar energy** into community infrastructure to provide clean, reliable power for public institutions.

Leadership and Board Visit: Khamb Village

As part of our commitment to impact-driven CSR, Sudarshan's senior leadership and Board members conducted a comprehensive visit to Khamb Village. The delegation reviewed the success of our integrated development models, School ISO Program, Gram Panchayat ISO Certification, Social Secured Village Initiative, and Decentralized Waste Management Program. By interacting directly with beneficiaries and local stakeholders, the Board reaffirmed Sudarshan's dedication to community-led growth. This visit highlighted how our initiatives are collectively improving educational standards, strengthening local governance, and fostering environmentally sustainable waste management practices at the grassroots level.



Board of Directors

Leading the Legacy Forward

Built on 75 years of legacy and strengthened for the future, the Board provides strategic direction, independent oversight, and steady leadership as Sudarshan advances into its next era of growth and delivery.



Mr. Rajesh Rathi
Chairman and Managing Director

Mr. Rajesh Rathi holds a BE (Mechanical) from MIT, Pune, a BSc (Chemical) from Ohio University, USA, and an MBA from the University of Pittsburgh, USA. He has been associated with Sudarshan Chemical Industries Limited for more than three decades.



Mrs. Sudha Navandar
Non-Executive and Independent Director

Mrs. Sudha Navandar is a qualified Chartered Accountant, Certified Public Accountant (USA), and Insolvency Professional with post-qualification certification on Information System Audit (DISA). She is a partner at M/s. Pravin R. Navandar & Co., Chartered Accountants. Mrs. Navandar has over 30 years of experience in handling audit and corporate consultancy. Being an Insolvency Resolution Professional, she is a Designated Partner of Saksham Insolvency Resolution LLP and handles various matters under Insolvency and Bankruptcy Code (IBC) 2016.



Mrs. Anu Wakhlu
Non-Executive and Independent Director

Mrs. Anu Wakhlu is a distinguished professional with over three decades of leadership in human resource development, organizational change, leadership excellence, and executive coaching with extensive experience across diverse industry sectors, particularly within the manufacturing domain, in India and internationally. She has played a pivotal role in driving transformational initiatives that align people strategy with business growth. Mrs. Wakhlu has been recognized for her strategic insight and commitment to developing high-performing, future-ready organizations. Mrs. Wakhlu continues to contribute significantly to advancing leadership capability, culture-building, and organizational effectiveness across global enterprises.



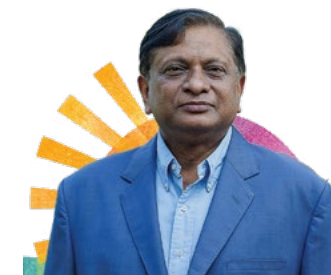
Ms. Bhumika Batra
Non-Executive and Independent Director

Ms. Bhumika Batra is a law graduate and a fellow member of The Institute of Company Secretaries of India. She is also a recipient of the Executive Program in Management from Cornell University, USA. She is a Partner at Crawford Bayley & Co., one of the oldest law firms in India. Ms. Batra possesses over 22 years of experience in regulatory and legal practice, specializing in corporate law. She has assisted in several Publications of Journal Publications viz. India Business Law Journal – 2019, Company Law Ready Reckoner – 2014, Transfer and Transmission of Shares – A treatise – 2005, and Asia Business Law Journal – 2007. She is an Independent Director in several listed and unlisted companies.



Mr. Naresh Raisinghani
Non-Executive and Independent Director

Mr. Naresh Raisinghani is the CEO and Executive Director of BMGI, India, which is engaged in providing consultancy services to reputed corporate houses. He has completed his Owner/President Management (OPM) Program from Harvard Business School and his Bachelor's in Mechanical Engineering from University of Mumbai. Mr. Raisinghani is widely regarded as a leading thinker and an expert on Operational Excellence, Innovation, and Strategy Deployment.



Mr. Apurva Chandra
Non-Executive and Independent Director

Mr. Apurva Chandra is a retired IAS officer with over 36 years in the Government of India and Maharashtra, having served as Secretary in the Health, Information and Broadcasting, and Labour Ministries, and Principal Secretary (Industries), Maharashtra. He holds a degree from IIT Delhi, and a diploma in Business Finance from CFA and Accountancy Certificate from London School of Economics.



Mr. Rajendra Mariwala
Non-Executive and Independent Director

Mr. Rajendra Mariwala holds an undergraduate degree from A. C. College of Technology, Chennai, and a Master's in Chemical Engineering from Cornell University, USA. He is Managing Director of Eternis Fine Chemicals Limited, a leading specialty chemicals exporter, and brings over 30 years of experience in the chemicals industry, serving on multiple boards.



Mr. Amitabha Mukhopadhyay
Non-Executive and Non-Independent Director

Mr. Amitabha Mukhopadhyay is a fellow member of the Institute of Chartered Accountants of India and a practicing lawyer, with over 30 years of experience leading Finance, Legal, and Business divisions at Thermax, Tata Auto Comp Systems, and Tata Steel. He holds directorships in several companies and founded Lexcelon Corporate Advisors.



Mr. Sanjay Asher
Non-Executive and Non-Independent Director

Mr. Sanjay Asher is a Senior Partner at M/s. Crawford Bayley & Co., practicing as an Advocate, Solicitor, and qualified Chartered Accountant. He specializes in corporate and commercial law, M&A, cross-border transactions, joint ventures, private equity, and capital markets, with over 35 years of experience, and has authored a book on the Companies Act.



Mr. Ashish Vij
Whole-Time Director

Mr. Ashish Vij holds a BE (Chemical) from Panjab University, Chandigarh, and is a certified Six Sigma Black Belt and Lean Practitioner from Uniworld, USA, and BMGI. He has completed the Strategy Intervention Program under Mr. Ranjan Das' Strategy Academy and has been associated with Sudarshan for over 20 years.

Awards and Recognition

Honoring a Legacy Of Excellence

Over 75 years, Sudarshan has built a legacy of excellence. The recognitions earned this year reflect the strength of that foundation, the impact of our transformation, and the growing confidence of customers, partners, and industry peers in our journey towards leadership.



Mahatma Award for Employee Volunteering

Recognized for the Sudha Sitara Scholarship Program

Global CSR Award – Education Category

Honoured with the Global CSR Award for outstanding contributions to the education sector

Best CSR Video Award

Received at India's 1st CSR Film Festival, organized by SocioCSR

1st Prize Category – Excellent Performance in Safety and Hazard Control

DPMAI (Dyes and Pigment Manufacturing Association of India)

Education Excellence Award

Conferred by Raigad Shikshan Prasarak Mandal and the Education Department, recognizing advancements towards education, infrastructure, and learning outcomes across Mahad and Poladpur, Raigad

IBG AGNI SURAKSHA PURASKAR-1st Fire Award

IBC Fire & Security Excellence Awards 2026

Certificate of Merit (Manufacturing Sector Group B)

NSCI Safety Award 2025



Corporate Information

Board Composition as on 31st March 2026

Mr. Rajesh Rathi

Chairman and Managing Director (appointed as Chairman effective close of business hours on 29th May 2025, in addition to current role as Managing Director)

Mrs. Sudha Navandar

Non-Executive and Independent Director

Mrs. Anu Wakhlu

Non-Executive and Independent Director

Ms. Bhumika Batra

Non-Executive and Independent Director

Mr. Apurva Chandra

Non-Executive and Independent Director

Mr. Rajendra Mariwala

Non-Executive and Independent Director

Mr. Naresh Raisinghani

Non-Executive and Independent Director

Mr. Sanjay Asher

Non-Executive and Non-Independent Director

Mr. Amitabha Mukhopadhyay

Non-Executive and Non-Independent Director

Mr. Ashish Vij

Wholetime Director

Committee Composition as on 31st March 2026

Audit Committee

Mrs. Sudha Navandar: Chairperson

Ms. Bhumika Batra: Member

Mr. Apurva Chandra: Member

Mr. Naresh Raisinghani: Member

Mr. Sanjay Asher: Member

Mr. Amitabha Mukhopadhyay: Member

Nomination and Remuneration Committee

Mrs. Anu Wakhlu: Chairperson

Mr. Naresh Raisinghani: Member

Mr. Sanjay Asher: Member

Stakeholders' Relationship Committee

Ms. Bhumika Batra: Chairperson

Mr. Rajesh Rathi: Member

Mr. Naresh Raisinghani: Member

Risk Management Committee

Mr. Apurva Chandra: Chairperson

Mr. Naresh Raisinghani: Member

Mr. Amitabha Mukhopadhyay: Member

Mr. Ashish Vij: Member

Mr. Nilkanth Natu (CFO): Member

Corporate Social Responsibility Committee

Mrs. Anu Wakhlu: Chairperson

Mrs. Sudha Navandar: Member

Mr. Rajesh Rathi: Member

Chief Financial Officer

Mr. Nilkanth Natu

Company Secretary and Compliance Officer

Mr. Mandar Velankar

Statutory Auditors

M/s. S R B C & CO. LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003

Secretarial Auditor

M/s. J. B. Bhawe & Co.,
Practising Company Secretaries

Cost Auditor

Mrs. Ashwini Kedar Joshi
Practising Cost Accountant

Internal Auditor

PricewaterhouseCoopers
Services LLP

Bankers

- Axis Bank Limited
- Bank of Maharashtra
- Citi Bank N.A
- The Federal Bank Limited
- HDFC Bank Limited
- Hongkong and Shanghai Banking Corporation Limited
- Standard Chartered Bank
- ICICI Bank Limited
- State Bank of India

Registered Office

7th Floor, Eleven West Panchshil,
Survey No. 25,
Near PAN Card Club Road, Baner,
Pune – 411 069,
Maharashtra, India

E-mail id.: shares@sudarshan.com

Website: www.sudarshan.com

CIN: L24119PN1951PLC008409

Registrar and Share Transfer Agent

MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)

Akshay Complex, Block No. 202,
2nd Floor,
Off Dhole Patil Road,
Pune – 411 001, Maharashtra
Telephone: +91 2046014473
26161629

E-mail: pune@in.mpms.mufg.com

Website: www.in.mpms.mufg.com

Management Discussion & Analysis

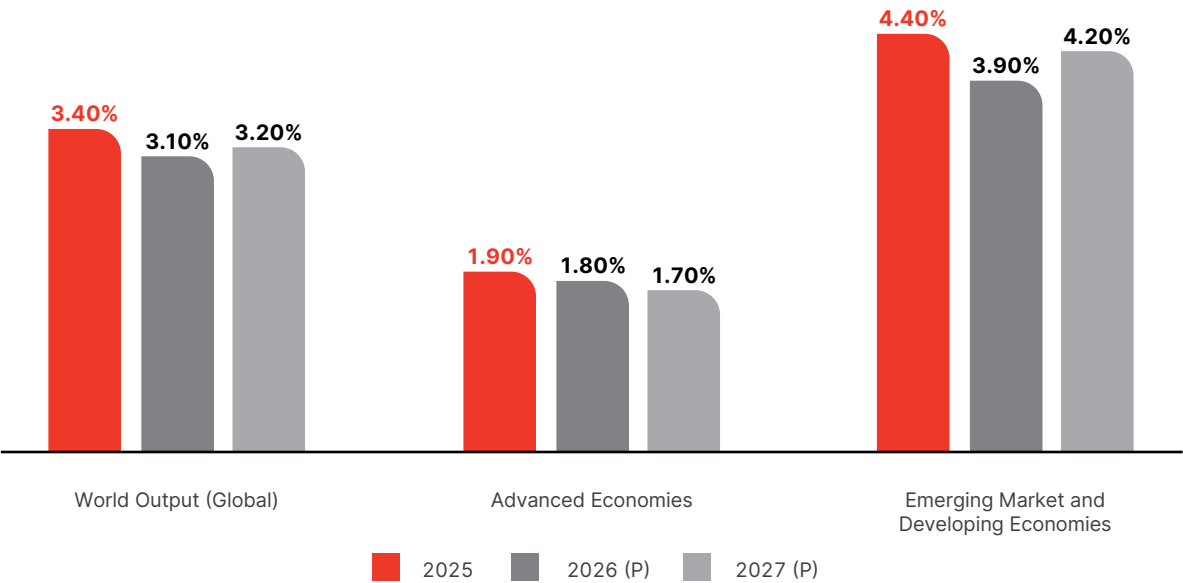
GLOBAL ECONOMIC OVERVIEW

Despite heightened geopolitical tensions and policy uncertainty, the global economy demonstrated remarkable resilience in 2025, achieving a 3.4% growth rate. This steady expansion was primarily fueled by robust global trade and a massive surge in tech sector investments, particularly in Artificial Intelligence (AI). Growth was further supported by favorable financial conditions, a weaker US dollar, and proactive fiscal measures in major economies, including the US and Germany.

Inflation continued to moderate from earlier peaks, although it remained above comfort levels in several economies due to tariff actions, supply chain shifts and renewed energy price volatility.

Ultimately, trade acted as a critical economic engine, marked by record-breaking merchandise goods trade surpluses in China, which hit \$1.2 Trillion (6% of GDP) in 2025 and a boom in Asian tech exports. Overcoming early-year trade barriers and policy shifts, the global economy closed out 2025 with stronger-than-anticipated momentum, as global growth in the fourth quarter of 2025 increased to 3.9% on an annualized basis.

GDP Growth [2025 to 2027(P)]



Outlook

The global outlook became more cautious in early 2026 amid escalating geopolitical tensions in the Middle East, with growth projected to moderate to 3.1% in 2026 before recovering modestly to 3.2% in 2027. Against this backdrop, demand for pigments is expected to remain supported by resilient end-use industries, although geopolitical uncertainties and evolving trade dynamics may continue to influence supply chains and market sentiment.

(Source: IMF)

INDIAN ECONOMIC OVERVIEW

India remained one of the world’s fastest-growing major economies in FY 2026, with GDP growth accelerating to 7.7% from 7.1% in FY 2025. This was driven by a 7.9% increase in Gross Value Added (GVA), due to strong performance in the manufacturing and services sectors. Concurrently, macro stability was bolstered by a sharp drop in food and fuel prices, which helped cool headline inflation to an average of 1.7% between April and December 2025.

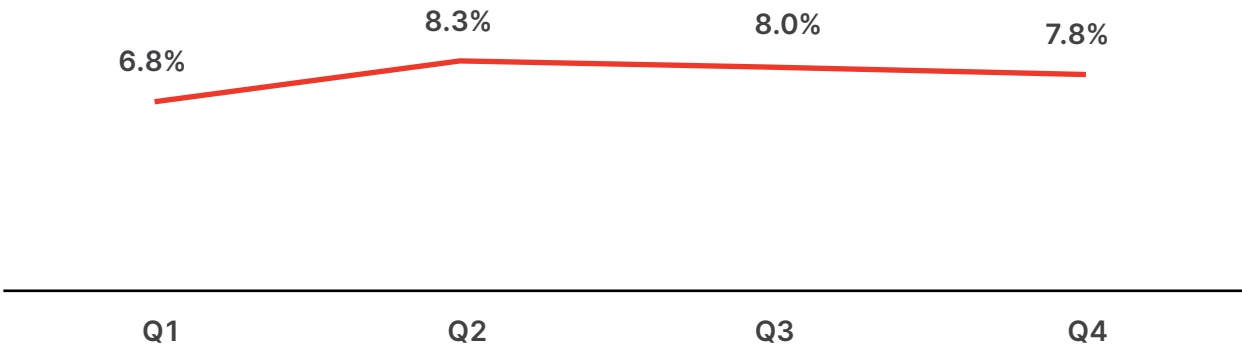
The Union Budget 2026-27 reinforces this foundation, targeting a 4.3% fiscal deficit while sustaining aggressive public investment. Over 350 structural reforms, including GST 2.0 and new Labour Codes, continue to improve the ease of doing business.

Outlook

India is poised to maintain its global growth leadership, with FY 2027 GDP projected to expand between 6.8% and 7.2%, depending on oil prices and geopolitical friction. While headline inflation may experience a minor uptick, it is expected to remain within the RBI’s 2%-6% target band. Strong macro fundamentals (infrastructure investment, manufacturing expansion, and digitalization) should continue to support demand for pigments across paints and coatings, plastics, and inks, among others.

However, external risks remain elevated, with ongoing conflicts in Eastern Europe and the Middle East, alongside evolving tariff regimes and trade restrictions which are contributing to volatility in energy prices, commodity costs, and global trade flows. As a net importer of crude oil, India remains exposed to these developments. Currency market volatility could continue to exert pressure on the Indian rupee and influence inflation and input cost dynamics.

India's GDP Growth in FY 2026



(Sources: Economic Times, PIB, Economic Survey 2025-26, India Budget 2026-27)

GLOBAL PIGMENTS MARKET OVERVIEW

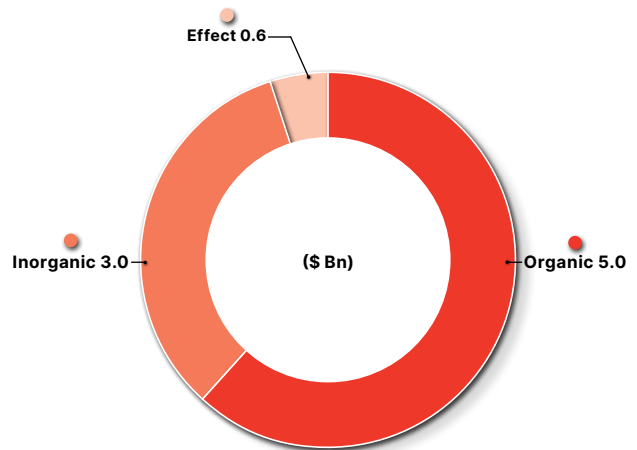
The global color pigments market* is expanding steadily, with a current size of nearly \$8.6 Billion and an expected CAGR of 3% over the next few years. Organic pigments are widely used across paints and coatings, plastics, textiles, printing inks, cosmetics, and automotive, where their high color strength, vivid brightness, and lower environmental impact offer clear advantages over inorganic alternatives.

Some Key Observations on the Global Pigments Market:

- Market is increasingly consolidated, but not all integrations have created more successful companies.
- Geopolitical volatility underlines the importance of global manufacturing footprints and truly global partners.
- Future growth is driven by custom solutions and deep pigment expertise.

*Excludes Black, White, and Metallic Pigments.

(Source: Internal Pigment industry study and various market research reports)



BUSINESS OVERVIEW

Founded in 1951, Sudarshan Chemical Industries Limited has grown into one of the world’s leading pigment manufacturers, backed by over 270 years of combined expertise following the Heubach Group acquisition. Today, we are the world’s leading pigment and color solutions producer, serving diverse industries with a broad portfolio of high-performance, sustainable color solutions.

At a group level, we operate 19 manufacturing facilities across 11 countries, as our portfolio spans approximately 1,600 products and 63 brands, catering to applications across coatings, plastics, printing inks, digital inks, special applications, including cosmetics, home and personal care, agriculture, and other segments.

Innovation remains central to our growth strategy. More than 200 technology and R&D professionals across global innovation centers work closely with customers to develop differentiated solutions, including sustainable and high-performance pigments that address evolving regulatory and market requirements.

Underpinning these capabilities is a strong culture of operational excellence, customer-centricity, and responsible growth. Guided by the philosophy of Seva, Sudarshan combines global capabilities with local responsiveness to build enduring customer relationships and create long-term stakeholder value.

19

Manufacturing Facilities

11

Countries

1,600+

Products

63

Brands

Through our Subsidiaries we operate 19 manufacturing sites across 11 countries and five continents. Roha gives us scale and Frankfurt and other German sites handle complex specialties. We are not immune to demand shifts and policy volatility, but our ability to serve customers has never been stronger than before, given our expanded global presence.

We serve over 4,000 customers in more than 120 countries and across every major industry, with a portfolio of more than 1,600 products - one of the widest ranges in our industry - supported by a technology team of over 200 people.

Performance and Integration Review

Comparability between FY 2026 and FY 2025 is significantly affected by the first full year of consolidation

of the acquired business. Consolidated revenue from operations increased to ₹ 9,787 Crores from ₹ 3,346 Crores. Consolidated EBITDA, excluding other income, was ₹ 590 Crores compared with ₹ 381 Crores in the previous year. Consolidated profit before tax was ₹ 157 Crores and profit after tax was ₹ 41 Crores.

Within the combined pigments business, operating conditions were uneven during the year. Revenue in the legacy Sudarshan business remained broadly stable, with performance influenced by changes to the go-to-market and distributor model in parts of Europe and Latin America. The acquired business experienced customer destocking during parts of the year. Against this background, we prioritized customer service, supply reliability, commercial and technical support, and value-capture measures across procurement, operations and support functions. These actions supported an improvement in the operating profitability of the acquired business as the year progressed and strengthened the platform for future growth.

Integration advanced across commercial, operational, technology and support workstreams. ONE Sudarshan is migrating from four SAP environments to a common platform, expanding shared capabilities and continuing to align teams around a common operating model. The integration is creating opportunities to simplify processes, share expertise, improve visibility across the business and use the expanded footprint more effectively. The progress achieved during the year provides a stronger foundation for further value capture, faster decision-making and more consistent customer service.

RIECO Industries Limited also improved performance. The business reported revenue of approximately ₹ 268 Crores, compared with ₹ 228 Crores in FY 2025, and EBITDA of ₹ 10 Crores, compared with an EBITDA loss of ₹ 17 Crores in the previous year. Management attributed the improvement in performance to stronger project execution, organizational restructuring, fixed-cost actions and closer project-cost control.

Balance-sheet focus remained an important priority. Net debt stood at ₹ 755 Crores as at 31st March 2026, with a net debt-to-equity ratio of 0.3x. During the fourth quarter, inventory in the acquired business was reduced by ₹ 29 Million against an internal target of ₹ 20 Million. We will continue to pursue working-capital efficiency while maintaining the inventory and service levels required to support customers.



Financial Performance

Particulars	Standalone	Standalone	Consolidated	Consolidated
	FY 2026	FY 2025	FY 2026	FY 2025
(₹ in Crores)				
Income from Operations	2,397	2,534	9,787	3,346
Other Income	90	30	79	33
Total Income	2,487	2,564	9,866	3,379
Earnings before exceptional items, interest, tax, and depreciation and amortisation (EBITDA) (Excluding other income)	437	351	590	381
Profit before tax and exceptional items	350	212	186	203
Add: Exceptional Item	(21)	(18)	(29)	(104)
Profit before tax	329	194	157	99
Less: Tax Expense	39	53	116	39
Profit after tax	290	141	41	60

PEOPLE AND CULTURE

Bringing together colleagues from different organizations and countries was one of the defining management priorities of the year. Our people are the foundation of Sudarshan’s growth and global ambitions. During FY 2026, we continued to build a high-performing workforce of 3,825 employees, strengthened by new hires who enhanced our global talent pool. With an average age of 42, our teams combine deep industry expertise with the agility to innovate and deliver for customers worldwide.

As we integrated our global operations, we focused on building a unified culture. Purpose, Mission and Values (PMV) sessions achieved 100% employee awareness, while the ONE Sudarshan Culture & Engagement Survey recorded an 86% response rate from 1,882 employees. The survey reflected a strong sense of purpose, pride, and alignment with our REAPS values: Respect, Entrepreneurship, Agility, Passion, and Seva.

We also invested in strengthening future-ready capabilities through 38,251 hours of training, covering leadership development, technical excellence, and integration-focused learning to support long-term growth.

RISKS AND CONCERNS

1. Risk Framework and Assessment

Sudarshan operates across diverse geographies, exposing itself to a broad spectrum of risks, which are proactively monitored, assessed, and mitigated through a comprehensive Enterprise Risk Management (ERM) framework.

This framework is designed to identify uncertainties within the business environment and implement effective mitigation strategies to address them. Sudarshan recognizes potential risks stemming

from various sources, including industry-specific challenges, sustainability concerns, operational disruptions, financial exposures, and cyber \ information security threats. Effective risk management and the agility to seize emerging opportunities are integral to its strategic approach. Risk assessments are conducted by evaluating both the potential impact and the likelihood of occurrence over various time horizons.

The ERM team actively monitors current and emerging risks that could influence the achievement of strategic and operational objectives. This structured risk management approach is closely aligned with Sudarshan’s values and forms a core component of its overall business model, reinforcing its sustainability.

2. Risk Management

Sudarshan’s risk management framework is overseen by the Board of Directors, with dedicated supervision by the Risk Management Committee, established in accordance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary mandate of the Committee is to review its risk management strategy and ensure that key risks are effectively managed within defined risk tolerance levels.

The risk management system comprises a formalised Risk Management Policy and a dynamic Risk Register, both of which are regularly reviewed and updated in response to changes in the operating environment and business activities. To ensure robustness, independent assessments of Sudarshan’s risk management controls and procedures are conducted annually.



The outcomes of these assessments are presented to the Risk Management Committee twice a year for review. In addition, Sudarshan maintains a comprehensive insurance program aimed at mitigating insurable risks and safeguarding against potential catastrophic losses, further strengthening its overall risk preparedness.

We have initiated steps to extend the same mechanism for ONE Sudarshan to ensure that we continue to have effective and robust risk management framework.

Board of Directors	Ultimate Responsibility for Managing Risks
Risk Management Committee	Reviewing Sudarshan's risk management strategy and ensuring that risks are managed within acceptable bounds are the Committee's major objectives.
Enterprise Risk Management Team	Alignment and coordination of risk management activities (risk identification, risk register updates, mitigation plan tracking).
Department Heads	Operational risk management.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At Sudarshan, we view internal control as a core pillar of corporate governance: one that empowers management with operational freedom while maintaining a strict framework of checks and balances. We have established a robust internal control framework tailored to scale, nature, and risk profile to prevent any disruption to our strategic objectives. This system provides reasonable assurance that all operational transactions are properly authorized, accurately recorded, and transparently reported.

To safeguard financial reporting, we utilize a comprehensive control framework consisting of entity-level policies, structured processes, and operating-level Standard Operating Procedures (SOPs). Advanced Information Technology (IT) policies and systems act as critical enablers in this setup. By continuously integrating best-in-class automation, refined business processes, and the latest digital tools, we consistently reinforce financial and commercial discipline.

Our integrated control framework is specifically engineered to guarantee data credibility and regulatory compliance, ensuring:

- Accurate recording and reporting of financial and operational information
- Strict adherence to all applicable statutory requirements and corporate policies
- Safeguarding corporate assets against unauthorized use or disposal
- Executing business transactions strictly within approved limits
- Proactive prevention and timely detection of fraud and errors
- Continuous modernization and upgrading of core IT systems

Management evaluated the effectiveness of our internal financial controls over financial reporting as of 31st March 2026. To ensure an objective and rigorous evaluation, Sudarshan appointed Price waterhouse Coopers (PwC) to assess these internal controls. Operating under an internal audit plan designed in consultation with the Audit Committee, their independent assessment confirmed that the controls are both adequate and commensurate with the scale of our operations.

Following a thorough review of the reports submitted by both Management and the Internal Auditors, the Audit Committee evaluated the framework in accordance with Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI Listing Regulations, 2015. Based on this evaluation, the Audit Committee concluded that, as of 31st March 2026, our internal financial controls were robust, adequate, and operating effectively.

ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG)

At Sudarshan, we integrate Environmental, Social, and Governance (ESG) principles into our business strategy, operations, and decision-making, supporting responsible growth and long-term value creation.

During FY 2026, the share of renewable electricity in our total purchased energy rose to 56%, from 50% the previous year, supporting our decarbonisation efforts. We continued to strengthen resource efficiency through circular economy practices, achieving a 71.3% landfill diversion rate and reducing freshwater consumption by 27.28%, supported by an 18.4% increase in recycled water usage.

We also advanced diversity and workplace safety. Women represented 24% of our permanent workforce during the year.

A Process Safety Management (PSM) framework, introduced across all global sites this year with internal audits now underway, and ISO 45001-certified manufacturing sites reinforce our focus on employee safety. Oversight by a Board-level ESG Committee, led by Independent Directors, ensures ESG priorities remain embedded across the business, strengthening resilience and long-term value creation.

Cautionary Statement

Under the applicable securities laws and regulations, certain comments within 'Management Discussion and Analysis' that describe the Company's goals, plans, estimates, expectations, or predictions may be considered 'forward-looking statements.' The Company's operations are influenced by several internal and external factors beyond its control. Therefore, even though the expectations are based on reasonable assumptions, the actual results may materially differ from those stated or indicated. The Company denies any obligation to update forward-looking statements in the public domain in light of new information, future developments, or other factors.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 75th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2026.

The annexed Financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, (hereinafter to be referred as “the Act”) the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act.

1. FINANCIAL HIGHLIGHTS ON STANDALONE BASIS:

Particulars	(₹ in Crores)	
	FY 2025-26	FY 2024-25
Revenue from Operations	2,396.7	2,533.9
Earnings Before Interest, Tax, Depreciation and Amortisation	527.1	381.4
Less : Interest	28.6	28.3
Less : Depreciation	148.0	140.7
Add: Exceptional Gain / (Loss)	(21.1)	(18.2)
Less : Provision for Tax	39.1	53.3
Total Profit After Tax	290.3	140.9
Other Comprehensive Income	18.4	11.3
Total Comprehensive Income	308.7	152.2
Add : Surplus Brought Forward	1,020.3	886.8
Transfer from OCI to Hedge Reserve	(6.7)	(14.1)
Transfer from Share Options (ESOP) Outstanding Reserve	-	2.3
Net Profit available for Appropriation	1,322.3	1,027.2
Appropriation		
Dividend	(35.4)	(6.9)
Surplus to be carried forward	1,286.9	1,020.3

2. (A) FINANCIALS:

Revenue from operations for the year ended 31st March, 2026 aggregated to ₹2,396.7 Crores as against ₹2,533.9 Crores achieved during the previous year. Profit after tax for the year ended 31st March, 2026 was ₹290.3 Crores as against ₹140.9 Crores earned during the previous year.

For Subsidiary Companies' performance please refer to **Annexure II**.

On a Consolidated basis, your Company's Total Income for the year ended 31st March, 2026 stood at ₹9,866.4 Crores, as compared to ₹3,379.0 Crores for the year ended 31st March, 2025.

During the year under review, your Company has delivered a robust financial and operational performance on Revenue and EBITDA margins. The group has business EBITDA of ₹579 Crores during the current financial year compared to ₹402 Crores in previous year.

(B) EXPORTS:

Your Company continues to focus on export markets. Initiatives are directed towards engaging with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth. Your Company continues to remain watchful towards international geographies considering ongoing geo-political issues.

(C) OPERATIONS:

Information on the operations of the Company and details on state of affairs of the Company are covered in the Management Discussion and Analysis Report.

(D) CAPACITY EXPANSION:

During the Financial Year 2025-26, the Company continued its expansion plans and has incurred capex spend of ₹29.0 Crores during the year under review. This capital expenditure is primarily aimed at augmenting production capacities at Roha and Mahad facilities.

(E) ACQUISITION OF GLOBAL PIGMENT BUSINESS OPERATIONS OF HEUBACH GROUP AND UPDATE ON OPEN OFFER CONSEQUENT TO ACQUISITION

Sudarshan Europe B.V., Wholly Owned Subsidiary of the Company (“SEBV”) had entered into a definitive agreement on 11th October, 2024 for the acquisition of Global Pigment Business Operations of Heubach Group through a combination of an asset and share deal, subject to completion of customary conditions and receipt of requisite regulatory approvals. The said acquisition was completed on 3rd March, 2025 for a preliminary purchase consideration of approx. ₹1,389.90 Crores.

The acquisition comprised of the acquisition of (a) Assets and business operations of (i) Heubach Colorants Germany GmbH, (ii) Heubach GmbH (iii) Dr. Hans Heubach GmbH and (iv) Heubach Group GmbH and participations held by Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG) in downstream Group Companies in various countries; and (b) 100% shareholding of Sudarshan Lux Holding S.a.r.l (formerly known as Heubach Holding S.a.r.l) a Luxembourg based Heubach Group Company having investments in shareholding of companies based in India and USA. The said acquisition was funded by combination of equity and debt.

Pursuant to the acquisition related agreements, the acquisition of assets, business operations and shares were interdependent and were executed together to acquire the entire business operations of the Heubach Group. This acquisition was a strategic move aimed at consolidating market expertise and expanding global reach in the pigment industry.

Subsequent to the said acquisition, and pursuant to the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (hereinafter “SEBI (SAST) Regulations”) SEBV (hereinafter the “Acquirer”), along with the Company (designated as “PAC-1”), Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG, designated as “PAC-2”), and Sudarshan Switzerland HLD2 AG (formerly known as Heubach EBITO Chemiebeteteiligungen AG, designated as “PAC-3”), (Collectively to be referred as “PACs”) was mandatorily required to make an open offer to acquire up to 60,01,268 fully paid-up equity shares of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) (the “Target Company”) at an offer price

of ₹602.03 per equity share (the “Open Offer”) aggregating upto ₹361.0 Crores (approximately).

In connection with the Open Offer, the Acquirer along with the PACs completed the dispatch of the Letter of Offer dated 1st September, 2025, to the eligible shareholders of the Target Company on 3rd September, 2025. The tendering period, during which eligible shareholders of the Target Company were eligible to participate in the Open Offer by tendering their shares at the offer price of ₹602.03 per equity share of the Target Company, was open from 11th September, 2025 upto 24th September, 2025.

On 3rd October, 2025, 36,68,036 shares (15.89%) were acquired by the Acquirer in the said Open Offer against which an amount of ₹220.83 Crores (approximately) was paid to the Shareholders of the Target Company through Open Offer Escrow Account maintained with the Bank. Post the Open Offer, the Company indirectly holds 1,62,16,847 shares (70.25%) of the Target Company through the Acquirer, PAC-2 and PAC-3.

(F) HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARY / ASSOCIATE / JOINT VENTURE COMPANIES:

Shareholders are requested to refer **Annexure II** for highlights of performance of the subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the year under review.

As on 31st March, 2026, the Company has 56 subsidiaries (including step-down subsidiaries) and 2 joint venture companies. Pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014, the names of the companies which have been incorporated or ceased to be the subsidiaries, or associate companies during the year under review are provided in **Annexure II**.

3. DIVIDEND

The Board of Directors at its meeting held on 25th July, 2025, had recommended a Final Dividend of ₹4.50/- (Rupees Four and Fifty Paise only) per Equity Share of ₹2.00/- each (i.e. 225%), which was declared by the shareholders at the 74th Annual General Meeting held on 29th September, 2025. The Final Dividend was paid to the eligible shareholders within the statutory timelines.

The Board of Directors at its meeting held on 25th May, 2026, recommended Final Dividend of ₹5.00/- (Rupees Five only) per Equity Share of ₹2.00/- each (i.e. 250%), for the Financial Year 2025-26, which shall be paid within statutory timelines after declaration

of the Dividend at the ensuing 75th Annual General Meeting i.e., on or before 8th September, 2026.

In terms of provisions of the Income Tax Act, 1961, as amended by the Income Tax Act, 2025, dividend paid or distributed by the Company shall be fully taxable in the hands of Shareholders at their applicable slab rates. Accordingly, the Company shall make the payment of Final Dividend after deduction of tax at source (TDS). There will be no Dividend Distribution Tax (DDT) payable by the Company. The dividend, if declared, will be taxable in the hands of the shareholders subject to TDS at the applicable rates. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company.

The dividend payout is in accordance with the Dividend Distribution Policy of the Company. The Dividend Distribution Policy is provided as **Annexure III** to this Report, and is also available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

4. (A) SHARE CAPITAL:

During the Financial Year 2025-26, there was no public issue, rights issue, bonus issue, issue of shares with differential voting rights or issue sweat equity shares. However, following changes in the Share Capital occurred during the period under review.

Allotment of Equity Shares under Sudarshan Employee Stock Option Plan, 2018

During the Financial Year 2025-26, the Company made allotments of employee stock options (“ESOPs”) under the Sudarshan Employee Stock Option Plan, 2018 in the following manner:

Sr. No.	Date of Allotment of ESOPs	Number of ESOPs allotted
1.	29 th July, 2025	23,584
2.	9 th October, 2025	10,004
3.	17 th December, 2025	5,463

Pursuant to these allotments, as on 31st March, 2026, the total issued capital of the Company increased from ₹15.71 Crores comprising 7,85,73,385 shares to ₹15.72 Crores comprising 7,86,12,436 shares, and the total paid-up capital increased from ₹15.71 Crores comprising 7,85,72,885 shares to ₹15.72 Crores comprising 7,86,11,936 shares.

Further, subsequent to Financial Year 2025-26, on 27th April, 2026, the Company made allotment of 15,640 ESOPs. As a result, the total issued capital of the Company increased from ₹15.72 Crores comprising of 7,86,12,436 shares to

₹15.73 Crores comprising of 7,86,28,076 shares and the total paid-up capital increased from ₹15.72 Crores comprising of 7,86,11,936 shares to ₹15.73 Crores comprising of 7,86,27,576 shares.

Fund Raising through Preferential Issue

During the Financial Year 2024-25, on 13th December, 2024, the Company made preferential allotment of 9,80,000 Warrants each convertible into or exchangeable for 1 (One) fully paid-up Equity Share of face value of ₹2.00/- each to Mr. Rajesh Rathi, Chairman and Managing Director and member of the Promoter and Promoter Group at a conversion price of ₹1,019.75/- per Warrant (including a premium of ₹1,017.75/- per Warrant), pursuant to the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”).

In accordance with the terms of issue and as per the provisions of SEBI ICDR Regulations, 25% of issue price amounting to ₹2,498 Lakh (approximately) was received by the Company at the time of subscription and allotment of the said Warrants as initial payment and balance ₹7,495 Lakh (approximately) will be received at the time of conversion of the said Warrants into equivalent number of Equity Shares within a period of 18 months from the date of allotment of the Warrants viz., 13th December, 2024. As on 31st March, 2026, the said Warrants have not been converted into Equity Shares.

(B) NON - CONVERTIBLE DEBENTURES:

Based on the approval of the Board including its Committees and Shareholders, the Company made allotment of 990 (Nine Hundred and Ninety only) Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (“NCDs”) with face value of ₹10,00,000/- each on private placement basis on 18th July, 2022 and which were listed on the Wholesale Debt Market Segment of BSE Limited.

During the Financial Year 2025-26, on 18th July, 2025 the said NCDs were redeemed in full. All the statutory formalities have been duly complied with. Therefore, as on 31st March, 2026, the Company has no outstanding debt securities.

(C) EMPLOYEE STOCK OPTION:

The Company grants share-based benefits to eligible employees with a view to attracting and retaining talent, to encourage employees to align individual performance with the Company objectives and to promote their increased participation in the growth of the Company.

“Sudarshan Employee Stock Option Plan 2018 (“Sudarshan ESOP Plan 2018 / Plan”)” and “Sudarshan Employee Stock Option Scheme 2018 (“Sudarshan ESOP Scheme 2018 / Scheme”)” were approved based on the approvals accorded by the Nomination and Remuneration Committee and Board of Directors dated 27th June, 2018 and approval accorded by the Shareholders at the 67th Annual General Meeting held on 9th August, 2018. The Plan and Scheme were introduced pursuant to provisions of SEBI (Share Based Employee Benefits) Regulations, 2014.

In 2021, SEBI introduced new Regulations viz. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, for regulating the ESOP Schemes. Therefore, an approval of Shareholders at the 73rd Annual General Meeting held on 2nd August, 2024 for making consequential amendments / changes for implementation of Sudarshan ESOP Plan 2018 was obtained in terms of the aforesaid SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year under review, the Nomination and Remuneration Committee, at its meetings held on 22nd April, 2025 and 29th August, 2025, approved vesting of ESOPs to the eligible employees of the Company as per Sudarshan ESOP Plan 2018 and in line with the vesting criteria approved by the Committee. During the year under review, the Committee did not approve any options / Stock Appreciation Rights (“SARs”) to eligible employees.

During the Financial Year 2025-26, there were no material changes in the Sudarshan ESOP Plan 2018 and the same is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

M/s. J. B. Bhawe & Co., Company Secretaries, Secretarial Auditor of the Company has reviewed and certified that the Schemes of the Company have been implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the resolutions passed by the Members for the respective Schemes. Copy of the compliance certificate is available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/> and the same shall be placed at the ensuing AGM for inspection by the Members.

Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are given in the Notes to Accounts section of this Annual Report.

(D) RECLASSIFICATION UNDER REGULATION 31A OF SEBI LISTING REGULATIONS, 2015:

Mr. Anuj Narayandas Rathi (5,447,620 equity shares held i.e. 6.93%), Mr. Narayandas Jagannath Rathi (437,650 equity shares held i.e. 0.56%), Mrs. Archana Anuj Rathi (nil equity shares held), Anuj Narayandas Rathi (HUF) (nil equity shares held) and NJR Finance Private Limited (nil equity shares held), belonging to the category of “Promoter and Promoter Group” of the Company, had each vide requests for reclassification dated 14th February, 2025 under Regulation 31A of SEBI Listing Regulations, 2015 requested the Company for reclassification to the “Public” category. The Board of Directors at its meeting held on 14th February, 2025 considered the aforesaid requests and were of the view that the aforesaid requests made were in compliance with the provisions of Regulation 31A of SEBI Listing Regulation, 2015. The Company received no objection / approval letters from the Stock Exchanges on 4th April, 2025. Further, approval of the Shareholders by way of an Ordinary Resolution through Postal Ballot was accorded on 24th May, 2025. Accordingly, Mr. Anuj Narayandas Rathi, Mr. Narayandas Jagannath Rathi, Mrs. Archana Anuj Rathi, Anuj Narayandas Rathi (HUF) and NJR Finance Private Limited (collectively holding 5,885,270 equity shares i.e. 7.49%) had been reclassified from “Promoter and Promoter Group” category to “Public” category effective 24th May, 2025.

Mr. Pradeep Ramwilas Rathi (3,424,740 equity shares held i.e. 4.36%), Mr. Rahul Pradeep Rathi (3,023,859 equity shares held i.e. 3.85%) and Mrs. Subhadra Pradeep Rathi (nil equity shares held), belonging to the category of Promoter and Promoter Group of the Company, had each vide requests for reclassification dated 29th May, 2025 under Regulation 31A of SEBI Listing Regulations, 2015 requested the Company for reclassification to the “Public” category. The Board of Directors at its meeting held on 29th May, 2025 considered the aforesaid requests and were of the view that the aforesaid requests made were in compliance with the provisions of Regulation 31A of SEBI Listing Regulation, 2015. The Company received no objection / approval letters from the Stock Exchanges on 15th July, 2025. Further, approval of the Shareholders by way of an Ordinary Resolution through Postal Ballot was accorded on 6th September, 2025. Accordingly, Mr. Pradeep Ramwilas Rathi, Mr. Rahul Pradeep Rathi and Mrs. Subhadra Pradeep Rathi (collectively holding 6,448,599 equity shares i.e. 8.21%) had been reclassified from “Promoter and Promoter Group” category to “Public” category effective 6th September, 2025.

5. TRANSFER TO RESERVE:

As permitted by the Companies Act, 2013, and Rules made thereunder, the Directors do not propose to transfer any amount to the General Reserve pertaining to Financial Year 2025-26.

6. FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposit from the public / members pursuant to Section 73 and Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time, and hence as on 31st March, 2026, no amount of deposit remains outstanding.

7. DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under Section 134(3)(c) of the Companies Act, 2013, Directors of the Company, to the best of their knowledge and belief with respect to Financial Year 2025-26, state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments 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 Financial Year and of the profit and loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

8. CORPORATE GOVERNANCE:

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") a separate chapter titled 'Report

on Corporate Governance' has been included in this Annual Report, along with the reports on the Management Discussion and Analysis and General Shareholder Information.

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of the Company for the Financial Year ended 31st March, 2026. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified under the SEBI Listing Regulations, 2015.

A certificate from a Practising Company Secretary regarding compliance with the conditions of corporate governance is given separately in this Annual Report.

9. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A Management Discussion and Analysis Report covering a wide range of issues relating to industry trends, Company Performance, Business and Operations is given separately in the Annual Report.

10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT:

In terms of Regulation 34(2) of the SEBI Listing Regulations, 2015, as amended, and as per SEBI circulars issued from time to time, the Company has included Business Responsibility and Sustainability Report ("BRSR") for the Financial Year 2025-26 in the prescribed format as part of this Annual Report.

11. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with related parties during the Financial Year were in the ordinary course of business and at arm's length basis, which were approved by the Audit Committee. The Board has approved a policy for related party transactions which is available on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

The particulars of contracts or arrangements made with related parties pursuant to Section 188 of the Companies Act, 2013, is covered in Notes to the Financial Statements and material contracts / arrangements made with related parties is given in Form AOC-2 which is attached as **Annexure IV** to this report. None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the

disclosure set out in Notes to Financial Statements forming part of the Annual Report.

The particulars of loans / advances / investments, etc., required to be disclosed pursuant to Para A of Schedule V of SEBI Listing Regulations, 2015, are furnished as a part of the Financial Statements.

The transaction(s) of the Company with any person or entity belonging to the promoter / promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to Para A of Schedule V of the SEBI Listing Regulations, 2015 is disclosed separately in the Financial Statements of the Company.

Prior omnibus approvals are granted by Audit Committee for Related Party Transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis.

There were no Material Related Party Transactions entered into by the Company or its subsidiaries

Name	Category	Details of meetings during the tenure of member	
		Held	Attended
Mrs. Sudha Navandar	Chairperson (Non - Executive and Independent Director)	5	5
Ms. Bhumika Batra	Member (Non - Executive and Independent Director)	5	4
Mr. Apurva Chandra	Member (Non - Executive and Independent Director)	1	1
Mr. Naresh Raisinghani	Member (Non - Executive and Independent Director)	4	3
Mr. Sanjay Asher	Member (Non - Executive and Non-Independent Director)	1	1
Mr. Amitabha Mukhopadhyay	Member (Non - Executive and Non-Independent Director)	1	1

Notes:

During the Financial Year 2025-26, the following changes took place in the composition of the Audit Committee:

1. Mr. Apurva Chandra, Mr. Amitabha Mukhopadhyay and Mr. Sanjay Asher were appointed as Members of the Audit Committee effective close of business hours on 12th November, 2025.
2. Mr. Naresh Raisinghani ceased as a Member of the Audit Committee effective close of business hours on 12th November, 2025 and was again re-inducted as a Member of the Committee effective 19th February, 2026.

All recommendations made by the Audit Committee were deliberated and accepted by the Board during the Financial Year 2025-26.

Details of composition of the Committee are also available on website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

14. OTHER COMMITTEES OF THE BOARD

The following Committees constituted by the Board to effectively cater its duties towards diversified role

requiring approval of the Members of the Company in terms of Regulation 23 of the SEBI Listing Regulations, 2015 and Section 188 of the Companies Act, 2013.

12. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, 6 (Six) Board meetings were held. The details of the meetings held and attended by the Directors during the Financial Year 2025-26 are provided in Report on Corporate Governance.

13. AUDIT COMMITTEE:

Pursuant to the provisions of Section 177 of the Companies Act, 2013, and Rules made thereunder and Regulation 18 of the SEBI Listing Regulations, 2015, the Company has in place an Audit Committee.

As on 31st March, 2026, the Audit Committee of the Board consisted of the following Directors:

under the Companies Act, 2013 and the SEBI Listing Regulations, 2015:

1. Nomination and Remuneration Committee
2. Stakeholders' Relationship Committee
3. Risk Management Committee
4. Corporate Social Responsibility Committee

Details of composition, terms of reference and number of meetings held in Financial Year 2025-26 for the aforementioned committees are given in the Report on Corporate Governance, which forms part of this Report.

15. CORPORATE SOCIAL RESPONSIBILITY:

The Company has in place a Corporate Social Responsibility ("CSR") Committee constituted as per the provisions of Section 135 of the Companies Act, 2013, and Rules made thereunder, details of which are mentioned in the Report on Corporate Governance forming part of this Annual Report. The Company has been carrying out various CSR activities in the areas specified in terms of Section 135 read with Schedule VII of the Companies Act, 2013, and Rules made

thereunder. The details of CSR activities undertaken by the Company are annexed herewith as **Annexure V**. The CSR Policy of the Company is available on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

CSR Policy in brief: The focus of CSR activities is on women empowerment, environment, health, community development, and education etc., and the projects are planned and implemented accordingly.

The Company shall spend at least 2% (two per cent) of the average net profits, calculated in accordance with the provisions of the Companies Act, 2013, and Rules made thereunder, made by it in the three immediately preceding financial years. The Annual Report on CSR activities is annexed herewith as **Annexure V**.

16. RISK MANAGEMENT AND CONTROL:

The Company has put in place appropriate risk assessment and minimisation procedures, which are reviewed by the Risk Management Committee, Audit Committee and the Board. As per the requirements of SEBI Listing Regulations, 2015, a Risk Management Committee has been constituted with responsibility of preparation of Risk Management Plan, reviewing and monitoring the same on regular basis, to identify and review critical risks on regular basis, to report key changes in critical risks to the Board on an ongoing basis, to report critical risks to Audit Committee in detail on yearly basis and such other functions as may be prescribed by the Board. The Committee is supported by an Enterprise Risk Management ("ERM") team which provides advice on various risks and the appropriate governance framework and ensures that risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Committee holds meetings periodically where gap between two meetings does not exceed 210 days and that at least two meetings are held in a Financial Year. The risks faced by the Company and their minimization procedures are assessed periodically.

According to Section 134(5)(e) of the Companies Act, 2013, and Rules made thereunder, the term Internal Financial Control ("IFC") means the policies and procedures adopted by the Company 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. The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures ("SOPs")

and audit and compliance checks by the Statutory Auditors and the Internal Auditor. The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board. To further strengthen the compliance processes, the Company has a robust internal compliance management framework for assisting statutory compliances. Risk Management Policy is available on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Details of the Risk Management Committee are given in the Report on Corporate Governance.

17. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Company's policy on appointment of Directors, including criteria for determining qualifications, positive attributes, independence of a Director is available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

The policy on Remuneration and other matters provided in Section 178(3) of the Companies Act, 2013, is available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

During the Financial Year 2025-26, the managerial remuneration paid to the Directors and Key Managerial Personnel was in terms of the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations, 2015 and as per the terms for payment of Managerial Remuneration approved by the Shareholders, as the case may be.

Further, as per the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013, and Rules made thereunder, as amended from time to time, and Regulation 17(6) (e) of SEBI Listing Regulations, 2015, approval of the Shareholders by way of Special Resolution was accorded at the 73rd Annual General Meeting for payment of remuneration to Mr. Rajesh Rathi (DIN: 00018628), Managing Director, in excess of ₹5 Crores or 2.5% of the net profits of the Company, whichever is higher, during the remaining tenure of his appointment upto 31st May, 2028 which shall not exceed the limits specified in the applicable provisions of the Companies Act, 2013 and Rules made thereunder, read with Schedule V appended to the Companies Act, 2013.

18. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the Financial Year 2025-26, the following changes took place in the composition of Board of Directors:

- Mr. Ashish Vij (DIN:08140194), Whole-Time Director, was liable to retire by rotation, and being eligible, had offered himself for the re-appointment at the 74th Annual General Meeting held on 29th September, 2025. Based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of Shareholders was accorded at the 74th Annual General Meeting for re-appointment of Mr. Ashish Vij as a Whole-Time Director, liable to retire by rotation.
- Mr. Pradeep Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025.
- The Board, at its meeting held on 29th May, 2025, appointed Mr. Rajesh Rathi (DIN:00018628) as a Chairman, in addition to his current role as a Managing Director, effective close of business hours on 29th May, 2025.
- Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 23rd September, 2025, approved appointments of Mr. Apurva Chandra (DIN:02531655) and Mr. Rajendra Mariwala (DIN:00007246) as an Independent Directors (Additional) and of Mr. Amitabha Mukhopadhyay (DIN:01806781) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective 1st October, 2025. Further, based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on 12th November, 2025 approved appointment of Mr. Sanjay Asher (DIN:00008221) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective close of business hours on 12th November, 2025. All these appointments were approved by the Shareholders on 25th December, 2025 by way of Postal Ballot.

As per the provisions of Section 152 of the Companies Act, 2013, and Rules made thereunder and as per the Articles of Association of the Company and based on the recommendations of the Nomination

and Remuneration Committee (NRC) and Board of Directors, for the Financial Year 2025-26, Mr. Amitabha Mukhopadhyay (DIN:01806781) a Non-Executive and Non-Independent Director of the Company, retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking Shareholders' approval for his re-appointment forms part of Notice of the 75th Annual General Meeting.

During the year under review, the Non-Executive Directors of the Company had no material pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

The Board has made the recommendation for the above appointment(s) / re-appointment(s) of Director(s) based on the recommendation of NRC. The NRC has made its recommendation after ensuring that none of the Director(s) seeking appointment(s) / re-appointment(s) is debarred from holding the position of a Director by virtue of any Order from SEBI, The Ministry of Corporate Affairs ("MCA") or any other Regulatory Authority.

The Board is of the opinion that the Independent Directors appointed / re-appointed / proposed to be appointed, as the case may be, are of integrity and possess the requisite expertise and experience (including the proficiency). Details of the Director(s) seeking appointment(s) / re-appointment(s) including profile of such Director(s), are given in the Notice convening the 75th Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of Section 203 of the Companies Act, 2013, and Rules made thereunder, following are the Key Managerial Personnel of the Company for the year ended 31st March, 2026:

- Mr. Rajesh Rathi, Chairman and Managing Director (Mr. Rajesh Rathi was appointed as a Chairman effective close of business hours on 29th May, 2025, in addition to his current role of Managing Director)
- Mr. Ashish Vij, Wholetime Director
- Mr. Nilkanth Natu, Chief Financial Officer
- Mr. Mandar Velankar, General Counsel and Company Secretary

19. DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have submitted declaration that each of them meets the

criteria of independence as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations, 2015.

The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. There has been no change in the circumstances affecting their status of Independent Directors of the Company. The Independent Directors have also given declaration in compliance with Rule 6(1) and 6(2) of the Companies (Appointment and qualification of Directors) Rules, 2014, as amended from time to time, with respect to their name appearing in the data bank of Independent Directors maintained by 'The Indian Institute of Corporate Affairs, Manesar' ("IICA") and that they are exempt / have cleared the Online Proficiency Assessment Test, as applicable.

In the opinion of the Board, all Independent Directors possess requisite qualifications, experience, expertise and hold high standards of integrity required to discharge their duties with an objective independent judgment and without any external influence. List of key skills, expertise and core competencies of the Board, including the Independent Directors forms part of the Report on Corporate Governance.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Companies Act, 2013 which is a guide to professional conduct for Independent Directors of the Company. All Independent Directors have affirmed compliance with this Code for the Financial Year 2025-26.

Annual Evaluation of Board of Directors, its Committees and Individual Directors:

The Board of Directors upon recommendation of the Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors, and accordingly, an annual evaluation of the performance of the Board, Committees and individual Directors has been carried out pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

In a separate meeting of Independent Directors held on 13th March, 2026, the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of Executive and Non-Executive Directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At separate meetings of Nomination and Remuneration Committee and Board, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. The Directors were satisfied with the evaluation results, which reflected the overall commitment and sense of duty. The Board has also adopted a Board Diversity Policy. The policies of Board diversity and performance evaluation of Directors of the Company can be accessed from the company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

20.INDUSTRIAL RELATIONS:

Industrial relations continue to remain cordial at Roha and Mahad plants and at R&D Laboratory situated at Ambadvet (Sutarwadi), Dist. Pune. The Board of Directors records its appreciation of the commitment and support of employees at all levels.

21.FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly and effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are

updated on changes developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment and on matters affecting the Company. The details of the programmes are placed on the website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

22.DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Pursuant to the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the said Act. During the year under review, no complaint was received by the Internal Complaints Committee of the Company. To build awareness amongst its employees, the Company has been conducting induction/training programmes in the organisation on a continuous basis.

The Company has the Policy on Prevention of Sexual Harassment at Workplace which is available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Pursuant to the provisions of 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', Annual Report for Calendar Year 2025 was submitted for all locations of the Company within the statutory timelines.

Further, below is the status of complaints received under 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	No. of Complaints
1.	Number of Sexual Harassment Complaints received during Financial Year 2025-26	Nil
2.	Number of Sexual Harassment Complaints disposed off during Financial Year 2025-26	Nil
3.	Number of Sexual Harassment Complaints pending beyond 90 days	Nil

23.AUDITORS AND AUDITORS' REPORT:

Pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013, and Rules made thereunder M/s. S R B C & CO LLP (Firm Registration No.: 324982E/E300003), Chartered Accountants, Pune, were appointed as Statutory Auditors of the Company for a term of 5 (Five) years i.e. from the conclusion of 71st

Annual General Meeting upto the conclusion of the 76th Annual General Meeting to be held in year 2027.

The notes on the Audited Financial Statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments. The Auditor's Report on Standalone and Consolidated Financial Statements does not contain any qualifications, reservations, adverse remarks or disclaimer.

24.COST AUDITORS:

Pursuant to Section 148 of the Companies Act,2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board has appointed Mrs. Ashwini Kedar Joshi (Sole Proprietor), Cost Accountant, Pune (Registration No.: 102387) for conducting the cost audit of the Company for Financial Year 2026-27.

Mrs. Joshi has confirmed that her appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013, and Rules made thereunder, and has also certified that she is free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013 and Rules made thereunder.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the Company. Accordingly, resolution seeking Shareholders' ratification for remuneration to be paid to Cost Auditor is included in the Notice convening the 75th Annual General Meeting.

Further, the Board hereby confirms that the maintenance of cost records specified by the Central Government as per Section 148(1) of the Companies Act, 2013, and Rules made thereunder, is required and accordingly, such accounts / records have been made and maintained.

The Cost Auditors' Report for the Financial Year 2025-26 did not contain any qualifications, reservations, adverse remarks or disclaimer.

25.SECRETARIAL AUDIT AND SECRETARIAL STANDARDS:

In terms of Regulation 24A of SEBI Listing Regulations, 2015, as amended from time to time and Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, at the 74th Annual General Meeting held on 29th September, 2025, the Shareholders approved the appointment of M/s. J. B. Bhave & Co., Practising Company Secretaries, a peer reviewed firm (Peer Review Certificate No. 1238/2021

and UIN S1999MH025400) as the Secretarial Auditor of the Company for a period of five consecutive years commencing from the Financial Year 2025-26 till the Financial Year 2029-30. The Secretarial Audit Report submitted in the prescribed form MR - 3 is attached as **Annexure VI** and forms part of this report.

The Secretarial Audit Report does not contain any qualifications, reservations, adverse remarks or disclaimer.

Secretarial Audit Report of Material Unlisted Subsidiary

Pursuant to Regulation 24A of SEBI Listing Regulations, 2015, a listed company is required to annex the Secretarial Audit Report of its material subsidiary situated in India to its Annual Report. The Secretarial Audit Report of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) and Sudarshan Gujarat MFG Private Limited (formerly known Heubach Colour Private Limited), material Subsidiaries of the Company for the Financial Year 2025-26, in the prescribed form MR-3 has been annexed to this Report as **Annexure-VI** as per SEBI Listing Regulations, 2015.

The Secretarial Audit of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) was conducted by Mr. Jayavant Bhаве, Proprietor J. B. Bhаве & Co. Company Secretaries, (FCS No. 4266, C. P. No. 3068) Pune and Secretarial Audit of Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited) was conducted by M/s. Rajesh Karunakaran & Co., Practising Company Secretary, (FCS: 7441, CP No. 6581) Pune, as the Secretarial Auditors of these respective material subsidiaries for the Financial Year 2025-26. The said Reports do not contain any qualification, reservation, adverse remark or disclaimer.

The Company is compliant with the Secretarial Standard on Meetings of the Board of Directors (“SS-1”) and Secretarial Standard on General Meetings (“SS-2”), issued by ‘The Institute of Company Secretaries of India’ (“ICSI”).

26.INTERNAL AUDITORS:

PricewaterhouseCoopers Services LLP, Chartered Accountants, Pune, were appointed as Internal Auditors of the Company for the Financial Year 2025-26. As prescribed under Section 138 of the Companies Act, 2013, and Rules made thereunder, PricewaterhouseCoopers Services LLP carried out the Internal Audit of the Company. An action taken report containing significant audit observations /suggestions and corrective actions are periodically presented to

the Audit Committee of the Board. The Internal Audit was completed as per the scope defined by the Audit Committee from time to time.

27.DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12):

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013, and Rules made thereunder.

28.DETAILS IN RESPECT OF ADEQUACY OFINTERNALFINANCIALCONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

Your Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for checks and balances. The Company has maintained a proper and adequate system of internal controls. The system is designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations. The organisation is well structured and the policy guidelines are well documented with pre-defined authority where monetary decision is involved. Structured management information and reporting systems together with an exhaustive budgetary control process for all major operational activities form part of the overall control mechanism to ensure that requisite information related to all operations are reported and are available for control and review. The Company has established a well laid out policy to maintain the highest standards of environment, safety and health while maintaining operational integrity. This policy is strictly adhered to at all locations of the Company. The Company’s internal control systems are commensurate with the nature and size of its business operations. The Audit Committee of the Board of Directors regularly reviews the adequacy of internal control system.

The Company, with a view to encourage independent approach, has appointed a team of qualified professionals in the form of Internal Auditors duly supported by the Finance Department who conduct operational and system audits in accordance with an audit plan approved by the Audit Committee. Internal Auditors as part of their assignment, evaluate and assess the adequacy and effectiveness of internal control measures and the compliance with policies, plans and statutory requirements. The internal audit reports are reviewed at Audit Committee Meetings and appropriate action on the recommendations is initiated by the Management.

29.RESEARCH AND DEVELOPMENT:

The Company recognizes the need to have well equipped Research & Development (“R&D”) facilities to meet customer requirements and developing cutting edge products. As a natural corollary, your Company continues to invest in a comprehensive R&D Programme leveraging its world-class infrastructure, benchmarked processes, state-of-the-art technology and a business focused R&D strategy.

The Company has spent ₹32.5 Crores during the year under review on R&D. Company’s in-house R&D facilities are recognised by The Ministry of Science and Technology, New Delhi, on behalf of The Government of India.

Details related to Research and Development are mentioned in **Annexure I** to this Report.

Details of Expenditure incurred on Research and Development are as follows:

Particulars	(₹ in Crores)	
	2025-26	2024-25
Capital	2.5	6.6
Recurring	30.0	25.9
Total	32.5	32.5

30.DISCLOSURES:

Board and its Committees:

The details of the Board and its Committees are given in the Report on Corporate Governance.

Meetings of the Board:

During the Financial Year 2025-26, 6 (Six) Board Meetings were held, details of which are given in the Report on Corporate Governance, which is a part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013 and Rules made thereunder.

Material changes and commitments if any, affecting the financial position of the Company:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year and the date of this report.

Annual Accounts of Subsidiary Companies:

A copy of the Audited Financial Statements for each of the Subsidiary Companies for the year ended 31st March, 2026, wherever applicable, will be made available to the members of the Company seeking such information at any point of time and will also

be available for inspection at the Registered Office of the Company during working hours till the date of the 75th Annual General Meeting. The same shall also be placed on the website at www.sudarshan.com The salient features of Financial Statements of Subsidiary Companies is given in **Annexure II** of this report.

Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited), Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited), Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG), and Inventories Frankfurt GmbH are the Material Subsidiaries of the Company for the year ended 31st March, 2026. The Company has complied with all the legal requirements in respect of the Material Subsidiary.

In conformity with the provisions of the SEBI Listing Regulations, 2015, the Board has formulated a policy for determining “Material Subsidiaries”. The Policy can be accessed from the Company’s website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

There has been no material change in the nature of the business of Subsidiaries.

Consolidated Financial Statements:

Your Company’s Board of Directors is responsible for the preparation of the Consolidated Financial Statements of your Company and its Subsidiaries (“the Group”), in terms of the requirements of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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 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 Directors of your Company, as aforesaid. The Consolidated Financial Statements of the Company and its subsidiaries is provided separately and forms part of the Annual Report.

Reporting on Audit Trail Feature:

In terms of requirements prescribed by proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the Financial Year commencing on or after the 1st day of April, 2023, every company that uses accounting software for maintaining its books of account should ensure that the accounting software used has an audit trail feature that cannot be disabled.

Your Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for changes, if any, made using certain administrative access rights to the application and underlying database, as described in note 58 to the financial statements. These administrative rights were restricted to limited users. Further, these administrative access rights at the application level have been revoked and audit trail feature at database is enabled subsequent to the year end. Further, no instance of audit trail feature being tampered with was noted in respect of such accounting software where the audit trail has been enabled.

Vigil Mechanism / Whistle Blower Policy:

Your Company's Whistle Blower Policy encourages Directors and employees and business associates to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact your Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is your Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee.

During the year under review, no complaint was received from a whistleblower.

The vigil mechanism / whistle blower policy is available on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Annual Return:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, and Rules made thereunder, the Annual Return of the Company in Form MGT-7 for the year under review is available on the website of the Company at www.sudarshan.com

Particulars of loans, guarantees or investments under Section 186:

Information regarding loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, has been disclosed in the Audited Financial Statements.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this Report vide **Annexure I.**

Particulars of Employees and Related Parties:

The information required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, has been provided as **Annexure VII.**

Disclosure pursuant to Section 197(14) of the Companies Act, 2013, and Rules made thereunder:

The Managing Director and Wholetime Director of the Company are not in receipt of any remuneration and / or commission from any Holding / Subsidiary Company, as the case may be.

Significant and Material Orders passed by the Regulators and Courts:

There are no significant material orders passed by regulators or courts which would impact the going concern status of the Company and its future operations.

Restriction on purchase by Company or giving of Loans by it for purchase of its Shares:

Pursuant to the provisions of Section 67(3)(c) of the Companies Act, 2013, and Rules made thereunder, the Company has not given any loan exceeding the limit mentioned therein, to persons in the employment of the Company other than its Directors or Key Managerial Personnel, for purchasing or subscribing to the shares of the Company.

Statement of Deviation(s) and Variation(s):

During the Financial Year 2022-23, the Company allotted 990 Rated, Listed, Taxable, Unsecured, Redeemable Non - Convertible Debentures ("NCDs") on 18th July, 2022, on private placement basis. The

said NCDs were listed on the Wholesale Debt Market Segment of BSE Limited effective 21st July, 2022. During the year under review, there is no deviation / variation in use of debt issue proceeds.

The Company has made necessary disclosures to the Stock Exchanges, Debenture Trustees, within statutory timelines, as per the provisions of SEBI Listing Regulations, 2015, and any other Rules & Regulations as may be applicable, confirming no deviation / variation in use of debt issue proceeds.

Further, during the Financial Year 2025-26, on 18th July, 2025 the NCDs were redeemed in full. Therefore, as on 31st March, 2026, the Company has no outstanding debt securities.

Fund raising through Preferential Allotment

On 13th December, 2024, the Company made allotment of 9,80,000 warrants each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company of face value of ₹2/- each, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (Eighteen) months to Mr. Rajesh Rath, Member of the Promoter and Promoter Group and Chairman and Managing Director at a price of ₹1,019.75 (Including premium of ₹1,017.75 per Warrant) for cash consideration of ₹2,498.31 Lakhs, being 25% of the total consideration amount of ₹9,993.55 Lakhs.

On 13th January, 2025, the Company made allotment of 18,69,000 fully paid-up equity shares of face value of ₹2 each at a price of ₹1,043.33 (including premium of ₹1,041.33) per equity share aggregating to approximately ₹19,499.84 Lakhs, to the identified investors, not belonging to "Promoter and Promoter Group" of the Company by way of a preferential issue of Equity Shares on private placement basis, for cash consideration, pursuant to the provisions of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Fund raising through Qualified Institutions Placement ('QIP')

On 29th January, 2025, the Company made allotment of 74,76,635 fully paid up equity shares of face value of ₹2 each at a price of ₹1,070 per equity share (including premium of ₹1,068 per equity share), representing a discount of ₹37.89 to the floor price of ₹1,107.89 per equity share, to the eligible Qualified Institutional Buyers aggregating to approximately ₹79,999.99 Lakhs, in accordance with the provisions of Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, Issue proceeds

of the Preferential Issue of Convertible Warrants amounting to ₹2,498.31 Lakhs (being 25% of the total consideration) and Preferential Issue of Equity Shares of ₹19,499.84 Lakhs had been fully utilized by the Company during Financial Year 2024-25 for the same objects or purposes for which funds were raised and there is no unutilized amount as at the year ended 31st March, 2026.

Out of the total proceeds of QIP Issue amounting to ₹79,999.99 Lakhs, ₹286.87 Lakhs remained unutilized as on 31st March, 2025, and the same were utilized for the same objects or purposes for which funds were raised during the Financial Year 2025-26. Therefore, there is no unutilized amount as at the year ended 31st March, 2026.

The Company has made necessary disclosures to the Stock Exchanges within statutory timelines, as per the provisions of SEBI Listing Regulations, 2015, and any other Rules & Regulations as may be applicable confirming no deviation / variation in use of proceeds of preferential allotment and qualified institutional placement.

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016, during the year along with their status as at the end of the Financial Year:

Nil, hence not applicable.

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof:

Nil, hence not applicable.

No. of employees as on the closure of the Financial Year:

Sr. No.	Particulars	No. of employees
1.	Male	1,016
2.	Female	321
3.	Transgender	0
Total		1,337

Compliance of provisions of the Maternity Benefit Act, 1961:

In accordance with the Companies (Accounts) Second Amendment Rules, 2025 notified by the Ministry of Corporate Affairs on 30th May, 2025, the Board confirms that the Company is fully compliant with the Maternity Benefit Act, 1961.



The Company remains committed to upholding its Maternity Policy in strict accordance with both the intent and provisions of the Maternity Benefit Act, 1961, and continues to provide maternity leave benefits, protection of employment during the maternity period, insurance coverage, while fostering a supportive and inclusive work environment.

31. RECOGNITION:

Details of the awards received during the year under review are disclosed separately in this Annual Report.

32. APPRECIATION:

The Directors thank the Company's employees, customers, vendors, investors and business partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

Your Directors place on record their gratitude to Bank of Maharashtra, State Bank of India, ICICI Bank Limited, HDFC Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Citi Bank N.A., Axis Bank Limited, Standard Chartered Bank and The Federal Bank Limited for their co-operation and assistance.

The Directors appreciate and value the contribution made by every member of the Sudarshan family.

For and on Behalf of the Board of Directors

Date: 25th May, 2026
Place: Pune

Rajesh Rathi
Chairman and Managing Director
DIN:00018628

ANNEXURE I
REPORT OF THE BOARD OF DIRECTORS UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

1. (A) CONSERVATION OF ENERGY:

i. Steps taken or impact on conservation of energy:

Electrical Power of 50 Million Units was generated from Cogen Power Plant during the year. Total saving achieved by the Company due to the said power generation amounted to ₹1,556 Lakhs.

Overall savings in Steam Turbine by improved power generation resulted in savings of ₹192 Lakhs.

Optimization of VAM operations by regular monitoring and controlling (i.e. cleaning of condensers and maintaining cooling tower temperatures) has resulted in savings of ₹27 Lakhs.

The Company made an Investment in high efficiency compressor for chilled water with air cooled technology replacing the water-cooled compressor.

ii. Steps taken by the company for utilizing alternate sources of energy (green energy):

Electrical power of 36 Million Units was generated from Solar Power Plant. Total savings achieved by the Company amounted to ₹1,677 Lakhs.

Electrical power of 7 Million Units was generated from Windmills during the year. Total savings achieved by the Company amounted to ₹264 Lakhs.

iii. The capital investment on energy conservation equipments:

During the Financial Year 2025-26, the Company had made capital investment on energy conservation equipments considering future requirements.

1. (C) TECHNOLOGY ABSORPTION:

i. The efforts made towards technology absorption:

- High efficiency chilling Compressor KC6.3 replaced with Compressor KC9.3
- Addition of high efficiency screw Air Compressor
- Replacement of Old MCC Panel for better safety and Efficiency.
- Installation of high efficiency Compressor for chilled water generation
- Installation of automatic sensors for cooling tower temperature control
- Installation of IE3 and IE4 high efficiency motors and pumps
- Installation of energy efficient cooling tower fans
- Installation of Fire Suppression in critical Panel for safety precaution from fire

II. The Benefits Derived Like Product Improvement, Cost Reduction, Product Development, Or Import Substitution:

The initiatives mentioned above resulted in saving of energy.

i. In case of Imported Technology (imported during the last three years reckoned from the beginning of the Financial Year):

- Details of technology imported – Basket Mill for Ink Grade Pigments which has been installed in Printex Plant.
- The year of Import – 2023-24
- Whether the technology been fully absorbed – Yes
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable

- Details of technology imported – Membrane Filter Press (3 Nos.)
 - The year of Import – 2023-24
 - Whether the technology been fully absorbed – Yes
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable.
 - Details of technology imported – Filter Press
 - The year of Import – 2024-25
 - Whether the technology been fully absorbed – Yes
 - If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – Not Applicable.
- ii. **Specific areas in which R&D has been carried out are:**

 - a) New grades of Pigments, Classical, High Performance and Effect Pigments - Development and Introduction
 - b) New grade of pigments added for digital ink application and home and personal care application.
 - c) Delivered process innovation, establishing a new mica grinding method that significantly improved process yields and generated substantial cost savings.
 - d) Improvement in products to meet global regulations.
 - e) Existing Pigments - Improvement in quality, productivity and cost reduction to meet the customer's changing requirements.
 - f) Development of new ranges in pigment dispersions
 - g) New cost competitive intermediate grade is developed.
 - h) Publications by team dispersion
 - An overview on surfactants
- Milling Equipment in Coating Industries
 - An Overview on Sustainability in Pigment Dispersions
 - Selection of Surfactants for Pigment Dispersion
 - i) Representing Sudarshan at IIT Bombay
 - Presented at conference “Colloids and Surfactants in Industrial Applications: Fundamental Principles and Advances” at IIT BOMBAY on topic “Role of Surfactants in Pigment Dispersion” by team dispersion
 - j) 3-4 projects are initiated under sustainability in the Financial Year 2026-27
- iii. **Benefits derived as a result of the above R&D:**

 - a) New products generated additional business
 - b) Improvement in product quality and productivity that helps to reduce ETP load
 - c) Increase in capacities of existing products to meet the growing customer demand
 - d) Cost competitive products to meet the Chinese competition
 - e) Reduction in waste generated and energy inputs
 - f) Developed innovative filler concepts to enhance effective utilization of mica and reduce waste generation; associated benefits are expected to be realized in the coming year.
 - g) Reduce dependence for critical raw material sourcing
1. **(D) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

 - Total Foreign Exchange Earned: ₹1,076.4 Crores (Previous year ₹1,273.6 Crores)
 - Total Foreign Exchange Used: ₹403.7 Crores (Previous year ₹481.9 Crores)

2. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

There was no change in nature of Business during the year.
3. **DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR:**

Details with respect to the changes in Directors and/ or Key Managerial Personnel are mentioned in the Directors' Report.
4. **THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:**

Details with respect to the changes in the subsidiaries / joint ventures or associate companies are mentioned separately in the Annual Report.
5. **DETAILS RELATING TO DEPOSITS, COVERED UNDER CHAPTER V OF THE ACT:**

 - a. accepted during the year - Nil
 - b. remained unpaid or unclaimed as at the end of the year – Nil

- c. whether there has been any default in repayment of deposits or payment of interest thereon during the year – No
 - d. and if so, number of such cases and the total amount involved -Nil
6. **DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE CHAPTER V OF THE ACT:** Nil
7. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:** Nil
8. **INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED:**

(A) The ratio of remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, for the financial year.

Median Salary for Financial Year 2025-26: ₹4,71,888/-

Name	Total Remuneration	Ratio	% increase in Remuneration
Mr. Pradeep Rathi*	11,83,984	3:1	(83.1)
Mr. Rajesh Rathi**	16,19,93,385	343:1	(4.3)
Mrs. Sudha Navandar***	22,00,000	5:1	80.3
Mrs. Anu Wakhlu***	22,00,000	5:1	115.7
Ms. Bhumika Batra***	22,00,000	5:1	147.2
Mrs. Shubhalakshmi Panse***	11,00,000	2:1	(36.4)
Mr. Naresh Raisinghani***	22,00,000	5:1	41.0
Mr. Apurva Chandra***	11,00,000	2:1	N.A.
Mr. Rajendra Mariwala***	11,00,000	2:1	N.A.
Mr. Sanjay Asher***	11,00,000	2:1	N.A.
Mr. Amitabha Mukhopadhyay***	11,00,000	2:1	N.A.
Mr. Ashish Vij****	3,96,65,422	84:1	68.5
Mr. Nilkanth Natu*****	1,40,54,336	30:1	22.4
Mr. Mandar Velankar*****	87,81,581	19:1	19.3

*Remuneration to Mr. Pradeep Rathi consists of Pension as per Pension Policy and Commission proposed to be paid this year.

**Remuneration to Mr. Rajesh Rathi, includes PLVA, special incentive, as the case may be and does not include Commission since the same is not proposed to be paid to Executive Director.

***Commission is proposed to be paid to Non-Executive Directors for the Financial Year 2025-26.

****Remuneration to Mr. Ashish Vij, includes PLVA and perquisite value of ESOPs exercised by him during Financial Year 2025-26, as the case may be and does not include Commission since the same is not proposed to be paid to Executive Director.



*****Remuneration to Mr. Nilkanth Natu and Mr. Mandar Velankar includes PLVA.

- (B) the percentage increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the financial year- Please refer table above.
- (C) the percentage increase in the median remuneration of employees in the Financial Year: Financial Year 2025-26 – median salary – ₹4,71,888/- Financial Year 2024-25 - median salary – ₹6,50,004/-;
- (D) the number of permanent employees on the rolls of Company: There were 1,223 permanent employees on the rolls of Company.
- (E) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Other employees were given increments in accordance with the remuneration policy. The average percentile increase made in the salaries of employees other than the managerial personnel during Financial Year 2025-26 aggregates to 11.9%

- (F) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes
- (G) Details as required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be made available upon receipt of specific request from the shareholder in writing to the Company.

ANNEXURE II

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES VIDE FORM NO. AOC-1

Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014

PART “A” SUBSIDIARIES [AS PER SECTION 2(87) OF THE COMPANIES ACT, 2013]

Sr. No.	Name of the subsidiary	Country	Date of Acquisition	Financial Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Shareholding
1	RIECO Industries Limited	India	N.A.	April to March (Financial year)	₹	1.00	12.5	(1.4)	174.7	163.6	-	265.2	1.3	0.7	0.6	100%
2	Sudarshan CSR Foundation	India	N.A.	April to March (Financial year)	₹	1.00	0.0	0.1	0.1	0.0	-	1.0	(0.3)	0.0	(0.3)	100%
3	Sudarshan Europe B.V.	The Netherlands	N.A.	April to March (Financial year)	₹	109.01	23.7	(1.0)	2,988.8	2,966.1	1,582.6	221.9	(143.5)	(9.2)	(134.3)	100%
4	Sudarshan North America, Inc.	USA	N.A.	April to March (Financial year)	₹	94.83	24.7	23.3	173.1	125.1	-	281.3	13.5	2.7	10.8	100%
5	Sudarshan Mexico S. de R.L. de CV.	Mexico	N.A.	Jan to Dec (calendar year)	₹	94.83	0.0	18.1	59.4	41.3	-	84.7	6.0	1.8	4.2	100%
6	Sudarshan (Shanghai) Trading Company Limited	China	N.A.	April to March (Financial year)	CNY	13.72	4.8	(4.7)	2.8	2.7	-	1.2	0.3	0.0	0.3	100%
7	Sudarshan Japan Limited	Japan	N.A.	April to March (Financial year)	JPY	0.59	0.6	(0.3)	2.4	2.1	-	-	0.4	0.0	0.4	100%
8	Sudarshan Brasil Ltda.*	Brazil	N.A.	April to March (Financial year)	BRL	18.01	-	-	-	-	-	-	-	-	-	100%
9	Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)**	Germany	14-01-2025	Jan to Dec (calendar year)	₹	109.01	0.2	(3.8)	3.9	7.5	-	-	(1.9)	0.0	(1.9)	100%
10	Sudarshan Middle East General Trading L.L.C.*	United Arab Emirates	N.A.	April to March (Financial year)	₹	109.01	0.0	22.8	87.9	65.1	-	-	24.9	3.7	21.2	100%
11	Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemiebetteilungen AG)##	Switzerland	03-03-2025	Jan to Dec (calendar year)	CHF	118.61	2.0	156.5	306.1	147.6	306.0	-	(5.7)	0.0	(5.7)	100%
12	Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)##	Switzerland	03-03-2025	Jan to Dec (calendar year)	CHF	118.61	263.5	899.4	2,674.5	1,511.6	1,419.4	1,121.2	91.2	5.7	85.5	100%
13	Heubach Colorants Middle East FZE\$##	United Arab Emirates	03-03-2025	Jan to Dec (calendar year)	AED	25.82	2.4	(2.5)	0.0	0.1	-	-	(6.4)	0.0	(6.4)	100%
14	Heubach Colorants Argentina S.A.U.**	Argentina	03-03-2025	Jan to Dec (calendar year)	ARS	0.07	0.1	(19.3)	24.8	44.0	-	48.4	(7.0)	-	(7.0)	100%



Sr. No.	Name of the subsidiary	Country	Date of Acquisition	Financial Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Shareholding	
15	Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)##	Belgium	03-03-2025	Jan to Dec (calendar year)	₹	109.01	0.2	25.2	88.1	62.7	-	101.1	4.7	(0.5)	5.2	100%
16	Sudarshan Brasil MFG Ltda. (Formerly known as Heubach Colorants Brasil Ltda.)##	Brazil	03-03-2025	Jan to Dec (calendar year)	BRL	18.01	65.50	43.1	451.2	342.6	-	477.1	3.1	1.1	2.0	100%
17	Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)##	Canada	03-03-2025	Jan to Dec (calendar year)	CAD	68.17	16.90	(14.6)	15.0	12.7	-	35.2	1.3	0.2	1.1	100%
18	Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)##	Switzerland	03-03-2025	Jan to Dec (calendar year)	CHF	118.61	1.0	(91.2)	101.6	191.8	-	163.9	55.0	0.0	55.0	100%
19	Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)##	Switzerland	03-03-2025	Jan to Dec (calendar year)	CHF	118.61	1.0	0.1	0.1	(1.0)	0.0	-	(0.1)	0.0	(0.1)	100%
20	Sudarshan Chile Industria Quimica Limitada (Formerly known as Heubach Colorants Chile Industria Quimica Limitada)##	Chile	03-03-2025	Jan to Dec (calendar year)	CLP	0.10	16.9	(24.1)	25.1	32.3	-	34.6	(3.6)	0.0	(3.6)	100%
21	Heubach Colorants Pigment Preparations (Tianjin) Ltd.##	China	03-03-2025	Jan to Dec (calendar year)	CNY	13.72	58.9	14.5	97.3	23.9	-	98.7	1.9	(0.5)	2.4	100%
22	Heubach Colorants (Shanghai) Ltd.##	China	03-03-2025	Jan to Dec (calendar year)	CNY	13.72	294.0	(240.0)	320.8	266.8	-	752.9	17.4	(12.8)	30.2	100%
23	Sudarshan Colombia SLO S.A.S (Formerly known as Heubach Colorants Colombia S.A.S.)##	Colombia	03-03-2025	Jan to Dec (calendar year)	COP	0.03	11.8	(0.8)	31.1	20.1	-	45.1	1.0	0.0	1.0	100%
24	Heubach Colorants Iberica, S.L.U.##	Spain	03-03-2025	Jan to Dec (calendar year)	₹	109.01	32.1	(3.7)	140.6	112.2	-	157.2	(1.8)	(1.6)	(0.2)	100%
25	Sudarshan France SLO S.A.S (Formerly known as Heubach Colorants France SAS)##	France	03-03-2025	Jan to Dec (calendar year)	₹	109.01	2.7	17.2	57.1	37.2	-	77.6	3.3	1.2	2.1	100%

Sr. No.	Name of the subsidiary	Country	Date of Acquisition	Financial Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Shareholding
26	Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)##	UK	03-03-2025	Jan to Dec (calendar year)	GBP	125.59	38.8	(23.1)	62.9	47.2	-	64.8	5.2	1.3	3.9	100%
27	P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)##	Indonesia	03-03-2025	Jan to Dec (calendar year)	IDR	0.01	5.4	6.4	39.6	27.8	-	78.1	3.7	0.6	3.1	100%
28	P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)##	Indonesia	03-03-2025	Jan to Dec (calendar year)	IDR	0.01	11.5	(11.9)	14.1	14.5	-	27.4	(1.8)	0.0	(1.8)	100%
29	Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##^	India	03-03-2025	April to March (Financial year)	₹	1.00	23.1	547.0	804.8	234.7	4.2	780.6	57.6	13.1	44.5	70.25%
30	Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)##	Italy	03-03-2025	Jan to Dec (calendar year)	₹	109.01	47.6	29.2	152.1	75.3	-	86.6	7.1	(1.6)	8.7	100%
31	Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)##	Japan	03-03-2025	Jan to Dec (calendar year)	JPY	0.59	14.6	363.5	493.9	115.8	-	496.8	58.7	22.7	36.0	100%
32	Heubach Colorants Korea Ltd.##	Korea	03-03-2025	Jan to Dec (calendar year)	KRW	0.06	3.6	4.0	9.5	1.9	-	-	2.9	(0.6)	3.5	100%
33	Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)##	Malaysia	03-03-2025	Jan to Dec (calendar year)	MYR	23.51	9.7	3.3	22.9	9.9	-	39.0	3.4	1.0	2.4	100%
34	Heubach Colorants Peru S.A.C. \$\$\$##	Peru	03-03-2025	Jan to Dec (calendar year)	PEN	27.20	4.8	(4.8)	0.0	0.0	-	-	0.3	0.0	0.3	100%
35	Heubach Colorants Scandinavia AB \$\$\$##	Scandinavia	03-03-2025	Jan to Dec (calendar year)	SEK	10.00	0.0	0.0	0.0	0.0	-	-	(14.0)	0.0	(14.0)	100%
36	Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)##	Singapore	03-03-2025	Jan to Dec (calendar year)	SGD	73.55	19.4	34.6	245.9	191.9	-	739.6	60.7	0.8	59.9	100%



Sr. No.	Name of the subsidiary	Country	Date of Acquisition	Financial Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Shareholding
37	Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)##	Thailand	03-03-2025	Jan to Dec (calendar year)	THB	2.89	25.7	(3.2)	41.3	18.8	-	64.9	2.3	0.7	1.6	100%
38	Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.Ş.)##	Turkey	03-03-2025	Jan to Dec (calendar year)	TRY	2.13	0.4	21.3	26.3	4.6	-	0.9	4.1	1.0	3.1	100%
39	Heubach Colorants Taiwan Co., Ltd.##	Taiwan	03-03-2025	Jan to Dec (calendar year)	TWD	2.97	0.3	3.0	4.6	1.3	-	-	1.8	0.6	1.2	100%
40	Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)##	South Africa	03-03-2025	Jan to Dec (calendar year)	ZAR	5.53	32.8	(0.4)	51.0	18.6	-	55.8	2.9	0.8	2.1	100%
41	Heubach Europa EWIV-	Germany	03-03-2025													100%
42	Sudarshan Mexico MFG, S.A. de C.V. (Formerly known as Heubach Colorants México, S.A. de C.V.)##	Mexico	03-03-2025	Jan to Dec (calendar year)	MXN	5.23	0.2	231.0	575.8	344.6	56.5	536.6	54.8	19.3	35.5	100%
43	Sudarshan Mexico MFG Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)##	Mexico	03-03-2025	Jan to Dec (calendar year)	MXN	5.23	1.0	39.9	45.9	5.0	0.0	-	0.8	(0.3)	1.1	100%
44	Sudarshan Lux Holding S.à.r.l (Formerly known as Heubach Holdings S.a.r.l)##	Luxembourg	03-03-2025	Jan to Dec (calendar year)	€	94.83	1.4	237.8	255.1	15.9	235.8	-	(0.5)	0.0	(0.5)	100%
45	Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)##	USA	03-03-2025	Jan to Dec (calendar year)	€	94.83	175.9	12.3	298.8	110.6	298.8	-	(1.3)	0.0	(1.3)	100%
46	Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)##	USA	03-03-2025	Jan to Dec (calendar year)	€	94.83	0.0	120.3	395.9	275.6	-	827.3	15.9	1.9	14.0	100%

Sr. No.	Name of the subsidiary	Country	Date of Acquisition	Financial Period	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	% of Shareholding
47	Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)##	India	03-03-2025	April to March (Financial year)	₹	1.00	8.8	490.6	778.1	278.7	27.2	645.5	123.5	39.4	84.1	100%
48	Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)##	Japan	03-03-2025	April to March (Financial year)	JPY	0.59	0.3	10.5	23.7	12.9	-	33.5	1.0	0.1	0.9	100%
49	Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)##	India	03-03-2025	April to March (Financial year)	₹	1.00	40.0	(689.7)	57.5	707.2	-	19.4	(79.8)	0.0	(79.8)	100%
50	Heubach Research Centre s.r.o**	Czech Republic	03-03-2025	April to March (Financial year)	CZK	4.44	0.1	(2.3)	1.0	3.2	-	-	1.6	0.0	1.6	100%
51	Heubach Foundation**	India	03-03-2025	April to March (Financial year)	₹	1.00	0.0	0.0	0.0	0.0	-	-	0.0	0.0	0.0	100%
52	Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)**	Germany	20-12-2024	Jan to Dec (calendar year)	₹	109.01	0.2	(4.2)	2,351.0	2,355.0	722.6	2,137.9	(565.7)	(20.7)	(545.0)	100%
53	Inventories Frankfurt GmbH##	Germany	03-03-2025	Jan to Dec (calendar year)	₹	109.01	0.2	946.2	954.7	8.3	-	249.0	26.2	0.0	26.2	100%
54	VP4 Frankfurt GmbH##	Germany	03-03-2025	Jan to Dec (calendar year)	₹	109.01	0.20	61.6	106.7	44.9	-	160.8	37.5	11.9	25.6	100%
55	Inventories Langelshelm GmbH##	Germany	03-03-2025	Jan to Dec (calendar year)	₹	109.01	0.20	226.3	274.4	47.9	-	71.9	26.4	0.0	26.4	100%
56	Sudarshan Langelshelm PLT GmbH (Formerly known as Blitz F24-523 GmbH)**	Germany	20-12-2024	Jan to Dec (calendar year)	₹	109.01	0.2	0.8	429.2	428.2	-	800.5	(56.4)	6.2	(62.6)	100%
57	Sudarshan Langelshelm RE GmbH (Formerly known as Blitz F24-524 GmbH)**	Germany	20-12-2024	Jan to Dec (calendar year)	₹	109.01	0.2	(0.4)	104.2	104.4	-	-	(0.2)	0.0	(0.2)	100%
58	Sudarshan Fairless Hils MFG Ltd., LP (Formerly known as Heubach Ltd.)##	USA	03-03-2025	Jan to Dec (calendar year)	₹	94.83	43.7	21.6	626.2	560.9	-	299.9	(1.0)	(0.4)	(0.6)	100%

Sr. No.	Name of the associate/ joint venture	Latest Audited Balance Sheet Date	Date on which associate/ joint venture was associated or acquired	No. of Equity shares held	Proportion of ownership interest	Cost of Investments	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
								Considered in Consolidation	Not considered in consolidation
1	Hangzhou Baihe Heubach Pigments Co. Ltd.##	31/03/2026	03/03/2025	0	49%	264.8	184.7	28.9	-
2	Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)##	31/03/2026	03/03/2025	2,48,00,000	50%	24.8	35.3	2.3	-

Notes :

1. All figures provided are in ₹ in Crores.
2. Turnover is excluding other income.

*Incorporated on 12th August 2024. The said step-down subsidiary is yet to commence business operations and there has been no transactions since incorporation and hence same has not been consolidated as on the reporting period end.

**Acquired on 20th December 2024

***Acquired on 14th January 2025

#Incorporated on 13th February 2025. The said step-down subsidiary is yet to commence business operations and there has been no transactions since incorporation and hence same has not been consolidated as on the reporting period end.

##Acquired on 3rd March 2025 pursuant to the acquisition of Heubach Group of Germany

\$Under liquidation

\$\$Liquidated on 29th December 2025

\$\$\$Liquidated on 6th March 2026

%The resulting gain on liquidation of Heubach Colorants Scandinavia AB and Heubach Colorants Peru S.A.C. during the year amounting to ₹1.7 Crores and ₹0.6 Crores respectively, is grouped under exceptional items.

^Sudarshan Europe B.V. acquired equity shares representing 15.89% of total shareholding on 3rd October 2025 after completion of the Open offer process.

^^Subsidiary figures in Annexure II are shown at 100% ownership level and are not adjusted for Non Controlling Interest.

For and on Behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Date: 25th May, 2026
Place: Pune

Rajesh Rath
Chairman and Managing Director
DIN:00018628



DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Sudarshan Chemical Industries Limited ("the Company") in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed there under, as may be in force for the time being ("Companies Act").

PREAMBLE

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its Profits. The Profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholder. The Company may choose to retain a part of its Profits for further expansion and modernization of the business and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of Profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay- out keeping in mind the need to provide greater clarity on the dividend pay-out philosophy of the Company.

CATEGORY OF DIVIDENDS

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend(s) during the financial year, as and when they consider it ft.

Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and also meets the expectations of other stakeholders.

The Dividend pay-out decision depends upon certain financial parameters, external and internal factors.

Financial Parameters

The following financial parameters will be considered while declaring or recommending dividend:

- (i) Operating cash flows ;
- (ii) Outstanding borrowings and obligations to creditors;
- (iii) Liquidity position;
- (iv) Stability of earnings;
- (v) Profit Before Tax and Profit After Tax;
- (vi) Profit growth targets for the current financial year, Profits for any previous financial year or years and market expectations;
- (vii) Availability of free reserves in conformity with the provisions of the Companies Act, 2013 and the relevant rules there under;

External Factors

State of Economy - in case of uncertain or recessionary economic and business conditions, the Board will endeavor to retain larger part of Profits to build up reserves to absorb future shocks.

Capital Markets - when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay- out in order to conserve cash outflows.

Statutory Restrictions - The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include-

- i) Profits earned during the year;
- ii) Present & future capital requirements of the existing businesses;
- iii) Brand / Business Acquisitions;
- iv) Expansion / Modernisation / Restructuring of existing businesses;
- v) Additional investments in subsidiaries / associates of the Company;
- vi) Any other factor as deemed ft by the Board.

Circumstances in which Company may not declare / propose dividend

The Board of Directors will evaluate the financial parameters as well as the internal and external factors affecting / or which may adversely affect the performance of the Company in the short run before taking a decision as to not declare and / or propose dividend.

Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the Profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavor to

maintain an Annual Dividend pay-out in the range of 25% to 40% of Profits after tax (PAT) on standalone financials. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

Disclosure

This Policy will be disclosed in the annual report of the Company and on the website of the Company, as required under the Listing Regulations.

Policy review

The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever.

This Policy was approved by the Board of Directors at its meeting held on 10th February 2017.



ANNEXURE IV

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis: Nil

Details of material contracts or arrangements or transactions at arm's length basis: Nil

For and on Behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Date: 25th May, 2026
Place: Pune

Rajesh Rathi
Chairman and Managing Director
DIN:00018628

ANNEXURE V

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

Introduction

Brief Outline on CSR Policy of the Company

Your Company’s aspiration to create sustainable and inclusive societal value is reflected through its Corporate Social Responsibility (CSR) initiatives implemented under the aegis of SUDHA (Sudarshan’s Holistic Aspiration). The Company focuses on empowering disadvantaged and underserved communities residing in and around its manufacturing locations at Roha and Mahad, District Raigad, Maharashtra, through need-based and participatory development interventions. The CSR initiatives are aligned with the Company’s core philosophy of responsible growth and community partnership, with a strong emphasis on grassroots capacity building, environmental sustainability, and inclusive development.

Guided by Sudarshan’s Purpose — “Unleashing Vibrancy, Joy & Possibilities” — SUDHA strives to create meaningful and lasting social impact through initiatives in the areas of Livelihood, Health, Education, Women Empowerment, Environment, and Community Development. SUDHA is envisioned as a collaborative movement that strengthens the relationship between the Company and the communities in which it operates, while contributing towards improved quality of life, environmental stewardship, and sustainable community development.

To achieve the aforesaid goals, the Company adopted a series of CSR initiatives in Financial Year 2025-26 which involved programs, projects and activities to create a significant positive impact on identified stakeholders. All these programmes fall within the purview of Schedule VII of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

SUDHA works towards sustainable growth of communities around its plants in Roha, Mahad and around its R&D Centre and Registered Office in Pune. In 2017, SUDHA started work on the Ideal Village Development Project. The work touches major areas such as women empowerment, education, health, environment, and community development.

SUDHA has outlined a systematic approach to address the ongoing issues in nearby areas. The organization collaborates with government authorities at various levels and works in coordination with Gram Panchayats of respective villages to initiate new activities. Apart from identifying the issues in respective villages and working with self-help groups to solve the problem, the Company

also partners with nearby NGOs and corporates to ensure overall development of area through combined work.

Vision Mission and Objectives of SUDHA

Vision: Wholesome sustainable growth of each member of the community around Sudarshan Plants.

Mission: Reach out to communities and make lives better by engaging in projects pertaining to Women Empowerment, Health, Education, Environment and Community Development.

Objectives:

- Serve Communities for a better future
- Create belongingness through sustainable inclusive growth
- Empower women for leadership
- Create groups to lead projects ahead

Framework of SUDHA

SUDHA has projects in 5 broad areas - Women Empowerment, Environment, Health, Community Development and Education.

Details of projects are as under:

1. WOMEN EMPOWERMENT –

The objective of the projects under this area is to empower underprivileged women in the local community by livelihood enhancement and vocational skill development. The purpose is to make women proficient enough through training to carry out the activities independently and earn a living. We have empowered 2,999 women. Projects undertaken so far include:

- A. Paper Bag Project:** The Paper Bag Project stands as one of Sudarshan’s flagship CSR initiatives, successfully running for over nine years. This project empowers women by providing training in the production and marketing of eco-friendly paper bags of various sizes and strengths. These bags are crafted from recycled newspapers and can be produced at home, requiring no machinery or electricity, making it an accessible and sustainable source of income for rural women.
- B. Sukushal Training Center :** The Sukushal skill development initiative was started to run various skill-based training programs for rural youth, including stitching, beautician courses, and more. Initially, it focused on stitching, particularly

for industry workers. Women have been trained in these skills, and as a result, they now earn an average of ₹5,000 to ₹15,000 per month. The Uniform Centre is a community-based skill development initiative aimed at enhancing employability among rural women and youth. It provides practical training in tailoring, garment production, and fashion design, promoting sustainable livelihoods and encouraging local entrepreneurship.

2. ENVIRONMENT

Under the Sudarshan CSR framework, SUDHA’s environmental initiatives focus on sustainable waste management and eco-friendly agriculture. Collectively, these efforts have benefitted 10,924 individuals, contributing to environmental conservation, soil health improvement, and sustainable rural development.

Green Zone

Aligned with Sudarshan CSR’s climate goals, Green Zone focuses on:

- **Tree Plantation Drives** – Expanding green cover on common and marginal lands.
- **Awareness Campaigns** – Educating communities on climate change and biodiversity.
- **Wadi Model for Farmers** – Promoting horticulture-based livelihoods by integrating fruit trees with agricultural crops to enhance farmers’ income and ecological resilience.

A. Water Conservation Project

Key interventions in the Mahad region include Gabion structures, Nala plugging, farm bunding, CCT, and CNB. These have improved groundwater recharge and water availability, positively impacting 6,500+ individuals across 8 villages.

B. Improved Agriculture

Through the Horticulture Wadi Project and organic farming support, 1,200+ farmers (including 150+ organic farmers) benefit from sustainable techniques, productivity enhancement, and eco-friendly practices, boosting income and livelihood security.

C. Waste Management

Engaging 3,224+ families to create garbage-free villages. Wet waste is converted into compost using a decentralised Compost Planter (CP) Model, promoting community-led sustainable waste practices.

3. HEALTH

Under the Sudarshan CSR framework, SUDHA’s health initiatives focus on strengthening rural healthcare systems through government collaboration, frontline worker capacity building, and community awareness on mental health and menstrual hygiene. Collectively, these efforts have benefitted 12,202 individuals across various interventions.

- **Collaborative Efforts with Government:** Through partnerships with block-level rural hospitals and Primary Health Centres (PHCs), health camps and eye check-ups have benefitted 8,500+ community members, improving access to basic healthcare and strengthening local health infrastructure.
- **Capacity Building of ASHA Workers:** Structured training programmes on leadership, communication, mental wellbeing, and community healthcare practices have reached 345 ASHA workers, empowering them to deliver better frontline health services.
- **Awareness on Community Mental Health:** Mental health awareness sessions conducted for school students, ASHA workers, Community Resource Persons (CRPs), and Aarogya Sakhies have benefitted 1,217 individuals, promoting understanding of mental health and encouraging help-seeking behaviour.
- **Awareness on Menstrual Hygiene:** A dedicated menstrual hygiene awareness programme has reached 600+ adolescent girls and 540+ Tribal Katkari women (total 1,140 individuals), promoting safe menstrual practices, access to sanitary products, and dignity for women and girls.

4. EDUCATION

Under the Sudarshan CSR framework, SUDHA is committed to transforming rural education. In Financial Year 2025-26, the Sudha Sitara initiative has adopted 500 students to provide sustained educational support and mentorship.

A. Comprehensive Development of Rural Educational Institutes: ISO Certification for Schools & Anganwadis

Education is fundamental to human development and national progress. SUDHA focuses on upgrading rural government schools by promoting digital learning, establishing science labs and libraries, and encouraging sports. The goal is to achieve global standards through ISO certification for schools and Anganwadis, ensuring quality education for rural children. To date, 44 Schools and 23 Anganwadis have been ISO certified, benefiting 17,335 students. These ongoing efforts are significantly improving educational quality in rural communities.

B. Collaboration with Expert Organizations for Promotion of Education Facilities

SUDHA has partnered with expert organizations to provide quality education to underprivileged children, including those in urban slums, benefiting 2,105 students through supportive classes, Abhyasikas, and summer camps. Key collaborators include NGO – Seva Sahyog, Pune, supporting 405 children in Kothrud slum areas, and JMRE School, Roha, promoting education for 1,700 students.

C. Sudha Sitara Scholarship Programme

The Sudha Sitara Scholarship Programme is a flagship initiative under Sudarshan CSR, aimed at promoting higher education for meritorious students from economically weaker sections across Raigad district. To date, the programme has benefited 938 students through financial assistance and academic encouragement. The initiative places special emphasis on supporting girls and differently-abled students, fostering inclusive and equitable access to education. Through this programme, Sudarshan continues to invest in future-ready youth, empowering them to build sustainable careers and contribute positively to society.

D. Life Skill Development Programme

The Life Skill Development Programme is designed to equip school and college students with essential personal, social, and professional competencies required for holistic development. Under this initiative, a comprehensive life skill training module was developed and implemented across 18 colleges, benefiting more than 2,000 students. The programme focuses on enhancing communication skills, leadership, decision-making, emotional resilience, confidence, and fostering a positive mindset among youth. Through interactive sessions and experiential learning approaches, the initiative has contributed towards building responsible, self-aware, and future-ready young individuals.

5. COMMUNITY DEVELOPMENT

Under the Sudarshan CSR framework, SUDHA is committed to fostering holistic community development through model village transformation, strengthening local governance, and ensuring social security for rural populations. To date, these initiatives have benefitted 27,058 individuals across project locations.

A. Ideal Village Development Project & ISO Certification for Gram Panchayats

To embody holistic development, SUDHA launched the Ideal Village Development Project across its operational locations, preserving the essence of rural India while fostering integrated development in personal, economic, social, and human spheres. Guided by the Adarsh Gram Yojana guidelines, the initiative aims to transform villages into model communities. The project has been implemented in multiple villages, impacting thousands of lives, with 15 Gram Panchayats successfully achieving ISO certification.

B. Transforming Village Governance: Capacity Building for Empowered Gram Panchayat Leadership

SUDHA, under Sudarshan CSR, has initiated the Gram Panchayat Capacity-Building Programme to strengthen local self-governance and empower grassroots leadership. Implemented in collaboration with the Zilla Parishad and Block Panchayat authorities, the programme focuses on enhancing knowledge and capabilities of elected representatives in local governance, leadership development, participatory planning, and Gram Panchayat Development Plan (GPD) preparation and implementation.

Programme Coverage:

- Gram Panchayat members trained across Roha and Mahad blocks -As part of the initiative, exposure visits to model villages are organized to provide practical learning opportunities. The programme has also motivated Gram Panchayats to participate in block and district-level governance awards, promoting healthy competition, improved governance practices, and community participation.

C. Socially Secured Village

SUDHA's Socially Secured Village Initiative aims to strengthen community awareness and access to various government social security schemes at the village level, including health, insurance, pensions, education, and livelihood support. Eligible beneficiaries are identified and guided for enrolment through systematic community outreach. In collaboration with government departments, social security camps are organized to ensure easy access to scheme-related services. Digital platforms are promoted to improve transparency and access. Through these efforts, the initiative has contributed to developing socially secure villages and enhancing social protection coverage.

Composition of CSR Committee:

As on 31st March, 2026, CSR Committee consisted of following members:

Sr. No.	Name of Director	Category	No. of Meetings during the tenure of Member	
			Held	Attended
1.	Mrs. Anu Wakhlu	Chairperson (Non - Executive and Independent Director)	2	2
2.	Mrs. Sudha Navandar	Member (Non - Executive and Independent Director)	1	1
3.	Mr. Rajesh Rathi	Member (Chairman and Managing Director)	2	2

Notes:

Following changes took place in the composition of Corporate Social Responsibility Committee:

- Mr. Pradeep Rathi ceased as a member of CSR Committee effective close of business hours on 29th May, 2025 consequent to his resignation.
- Mr. Ashish Vij was appointed as a member of CSR Committee effective close of business hours on 29th May, 2025. He, further ceased as a member of the Committee effective 7th January, 2026.
- Mrs. Sudha Navandar was appointed as a member of CSR Committee effective 7th January, 2026.

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company - <https://www.sudarshan.com/investor/company-policies-sudarshan/>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - Not Applicable for FY 2025-26
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - As per table below.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	FY 2022-23	266,565/-	2,66,565/- (set-off during FY 2023-24)
2.	FY 2023-24	12,02,978/-	12,02,978/- (set-off during FY 2025-26)
3.	FY 2024-25	2,18,719/-	14,21,697/- (Included surplus/excess of 1,202,978/- from FY 2023-24 and 218,719/- from FY 2024-25 which was set-off during FY 2025-26)

- Average net profit of the Company as per section 135(5). – ₹1,15,76,45,677/-
- (a) Two percent of average net profit of the Company as per section 135(5) – ₹2,31,52,914/-
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – Nil
(c) Amount required to be set off for the financial year, if any - ₹14,21,697/-
(d) Total CSR obligation for the financial year (5a+5b-5c). ₹2,17,31,216/-
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent (in ₹)	Amount Spent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
2,42,71,736	Nil	N.A.	N.A.	Nil	Nil

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



No amount spent on ongoing projects during the year

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Project Duration	Amount allocated for the project (in ₹)	Amount transferred to Unspent CSR Account for the project was as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
							Name	CSR Registration Number
Nil								

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

Sr. No	Name of Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Amount spent for the Project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Women Livelihood Promotion through Skill Development & Entrepreneurship	Skill Development	Yes	Maharashtra	Raigad, Pune	11,33,584	Yes	NA	NA
2	JMRE School, Roha	Promotion of Education	Yes	Maharashtra	Raigad, Pune	20,00,000	No	JM Rathi Trust	CSR00000907
3	Seva Sahayog Abhyasika Program	Promotion of Education	Yes	Maharashtra	Pune	18,69,000	No	Seva Sahyog	CSR00000756
4	Development of peripheral schools in the community	Promotion of Education	Yes	Maharashtra	Raigad, Pune	29,72,679	Yes	NA	NA
5	Ideal Village Dev., Swachh Bharat Abhiyan, Community bonding activity	Community Development	Yes	Maharashtra	Raigad, Pune	62,36,173	Yes	NA	NA
6	Environment Sustainability & Natural Resource Conservation	Ensuring Water Sustainability	Yes	Maharashtra	Mahad	45,00,876	No	Vanarai Foundation	CSR00001205
7	Waste Management & Circular Economy Initiatives	Ensuring Environmental Sustainability	Yes	Maharashtra	Raigad, Pune	20,45,270	No	Know How Foundation	CSR00002818
8	Management of any Disaster, promotion of Health facility	Disaster, Management	Yes	Maharashtra	Raigad, Pune	16,31,489	No	International Association for Human Values	CSR00000683
9	Promotion of Traditional Arts and Culture	Art and Culture	Yes	Maharashtra	Raigad, Pune	10,00,000	Yes	NA	NA

(d) Amount spent in Administrative Overheads – ₹8,82,665/-

(e) Amount spent on Impact Assessment, if applicable - Not applicable for FY 2025-26

(f) Total amount spent for the Financial Year (6b+6c+6d+6e) – ₹2,42,71,736/-

(g) Excess amount for set off, if any -

Sr. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	2,31,52,914/-
ii.	Total amount spent for the Financial Year	2,42,71,736/-
iii.	Excess / (Deficit) amount spent for the financial year [(ii)-(i)]	11,18,822/-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,18,822/-

7. (a) Details of unspent CSR amount for the preceding three financial years

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any Fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Nil							

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

Sr. No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project - Completed /Ongoing
Nil								

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year- (asset-wise details) - Not Applicable for the FY 2025-26.

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

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

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

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

9. Specify the reason(s), if the Company has failed to spend two % of the average net profit as per section 135(5). - Not Applicable since the Company has spent according to its CSR obligation.

Date: 25th May, 2026
Place: Pune

Sd/-
Nilkanth Natu
Chief Financial Officer

Sd/-
Rajesh Rathi
Chairman and
Managing Director
DIN:00018628

Sd/-
Anu Wakhlu
Chairperson -
CSR Committee
DIN:00122052

ANNEXURE VI

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 No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sudarshan Chemical Industries Limited
7th Floor, Eleven West Panchshil, Survey No. 25,
Near PAN Card Club Road, Baner, Pune, 411069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sudarshan Chemical Industries Limited** having **CIN: L24119PN1951PLC008409** (Hereinafter called ‘the Company’)

Secretarial Audit was conducted for the Financial Year 2025-26, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2026 (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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 the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - 1. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 2. SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - 3. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - 4. SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
 - 5. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - 6. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with the client;
 - 7. SEBI (Delisting of Equity Shares) Regulations, 2021; **(Not applicable during the audit period)**
 - 8. SEBI (Buyback of Securities) Regulations, 2018; **(Not applicable during the audit period)**
 - 9. SEBI (Depositories and Participants) Regulations, 2018

and circulars/ guidelines issued thereunder;

- (vi) Other Applicable Laws: As informed by the management, there were no laws specifically applicable to the Company.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors,

Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda are sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

The decisions were passed by the Board members unanimously/ requisite majority and recorded as a part of minutes.

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

I further report that during the audit period: -

- 1. The members approved the requests for reclassification of shareholding of the following from “Promoter / Promoter Group” category to the “Public” category:
 - Mr. Anuj N. Rathi Group: vide Ordinary resolution through Postal Ballot dated May 24, 2025.
 - Mr. Pradeep R. Rathi Group: vide Ordinary resolution through Postal Ballot dated September 6, 2025.
- 2. Following the acquisition of the Global Pigment Business operations of the Heubach Group, and pursuant to the applicable provisions of the SEBI (SAST) Regulations, Sudarshan Europe B.V. (“SEBV”), a wholly owned subsidiary of the Company (the “Acquirer”), along with the Company (designated as “PAC-1”), Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG, designated as “PAC-2”), and Sudarshan Switzerland HLD2 AG (formerly known as Heubach EBITO Chemiebeteiligungen AG, designated as “PAC-3”) (collectively to be referred as PACs), was

mandatorily required to make an open offer to acquire up to 60,01,268 fully paid-up equity shares of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) (the “Target Company”) at an offer price of ₹ 602.03 per equity share (the “Open Offer”) aggregating upto ₹ 361 Crores (approximately).

In connection with the above, the Acquirer along with PACs issued/ published Public Announcement, Detailed Public Statement and also submitted the Draft Letter of Offer (DLOF) to SEBI for its review.

SEBI issued its final observations on the DLOF on 22nd August, 2025. After incorporating suggestions given by SEBI, the Acquirer along with the PACs completed the dispatch of the Letter of Offer dated 1st September, 2025, to the eligible shareholders of the Target Company on 3rd September, 2025. The eligible shareholders of the Target Company tendered their shares during the Tendering Period.

Upon completion of the Tendering Period, total 36,68,036 shares were tendered in the said open offer against which an amount of ₹ 220.83 Crores (approximately) was paid by the Acquirer to the Shareholders of Target Company through Open Offer Escrow Account maintained with the Bank. Post the Open Offer, the Company indirectly holds 1,62,16,847 shares (70.25%) of the Target Company through the Acquirer and PAC-2 and PAC-3.

- 3. On May 27, 2025, the Company had made an application to BSE Limited and National Stock Exchange of India Limited seeking extension for submission and publication of audited financial results for the quarter and year ended March 31, 2025 and in accordance with the SEBI Circular No. CIR/CFD/CMD-1/142/2018 dated November 19, 2018, the Company, on May 30, 2025, had intimated the same to the Stock Exchanges stating detailed reasons for delay in submission and publication of audited financial results for the quarter and year ended March 31, 2025. Further, the Company has paid the fines levied by the respective Stock Exchanges in this regard, detailed as under:

Sr. No.	Nature of non- compliance/ contravention	Fine levied by BSE (₹)	Fine levied by NSE (₹)
1.	*Non-submission of the audited financial results for the quarter and year ended March 31, 2025, under Regulation 33 of the SEBI Listing Regulations, 2015, within the period prescribed.	1,53,400/-	3,18,600/-
2.	*Non-submission of the disclosures as required under Regulations 50, 52, and 54 of SEBI Listing Regulations, 2015 within the period prescribed.	2,05,320/-	N.A.

*The Company submitted the audited financial results (Standalone and Consolidated) for the quarter and year ended March 31, 2025 on July 25, 2025.

- 4. On July 18, 2025, the Company redeemed in full the 990 unsecured, rated, listed, redeemable, Non-Convertible Debentures of face value of ₹10 Lakh each, aggregating upto ₹9,900 Lakh and intimated the same to the Stock Exchanges as per the applicable provisions.



ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF
SUDARSHAN CHEMICALS INDUSTRIES LIMITED
AUDITORS’ RESPONSIBILITY

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

In accordance with the ICSI Auditing Standards (CSAS-1 to CSAS-4) I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the company.
My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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 are the responsibility of management. My examination was limited to the verification of procedures on 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 J. B. Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068

Place: Pune
Date: May 25, 2026

5. Further, the Company had applied to the Stock Exchanges for grant of an extension for submission of the unaudited financial results for the quarter ended June 30, 2025 as per SEBI Listing Regulations, 2015. The said was intimated to the Stock Exchanges on August 13, 2025. The Company has paid the fines levied by the respective Stock Exchanges in this regard, detailed as under:

Sr. No.	Nature of non- compliance/ contravention	Fine levied by BSE (₹)	Fine levied by NSE (₹)
1.	*Non-submission of the unaudited financial results for the quarter ended June 30, 2025 under Regulation 33 of the SEBI Listing Regulations, 2015, within the period prescribed.	1,71,100/-	1,71,100/-
2.	*Non-submission of the unaudited financial results for the quarter ended June 30, 2025 under Regulation 33 of the SEBI Listing Regulations, 2015, within the period prescribed.	47,000/-	47,520/-

*The Company submitted the unaudited financial results (Standalone and Consolidated) for the quarter ended June 30, 2025 on September 23, 2025.

6. The changes in Board structure were as under:

Sr. No.	Particulars	Designation	Appointment/ Cessation	Effective Date
1.	Mr. Pradeep Ramvilas Rathi (DIN: 00018577)	Chairman and Non-Executive Director	Cessation on account of resignation	May 29, 2025
2.	Mr. Rajesh Balkrishna Rathi (DIN: 00018628)	Chairman and Managing Director	Change in Designation	May 29, 2025
3.	Mrs. Shubhalakshmi Aamod Panse (DIN: 02599310)	Non-Executive, Independent Director	Cessation upon completion of tenure	August 13, 2025
4.	Mr. Apurva Chandra (DIN: 02531655)*	Non-Executive, Independent Director	Appointment	October 1, 2025
5.	Mr. Rajendra Mariwala (DIN: 00007246)*	Non-Executive, Independent Director	Appointment	October 1, 2025
6.	Mr. Amitabha Mukhopadhyay (DIN: 01806781)**	Non-Executive Director	Appointment	October 1, 2025
7.	Mr. Sanjay K. Asher (DIN: 00008221)#	Non-Executive Director	Appointment	November 12, 2025

*Appointed as an Additional Director by Board of Directors at their meeting held on September 23, 2025 and appointed by the members vide Special Resolution passed through Postal Ballot dated December 25, 2025.

**Appointed as an Additional Director by Board of Directors at their meeting held on September 23, 2025 and appointed by the members vide Ordinary Resolution passed through Postal Ballot dated December 25, 2025.

#Appointed by Board of Directors at their meeting held on November 12, 2025 and appointed by the members vide Ordinary Resolution passed through Postal Ballot dated December 25, 2025.

7. The Company allotted shares through ESOP Scheme in the following manner:

Sr. No.	Date of Allotment	No. of Equity Shares Allotted under ESOP
1.	July 29, 2025	23,584
2.	October 9, 2025	10,004
3.	December 17, 2025	5,463
Total		39,051

8. The composition of the Audit Committee (“AC”) as required under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was inadequate for the quarter ending December 31, 2025. However, the AC was duly re-constituted on February 19, 2026 in accordance with the said Regulation.

For J. B. Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
UIN: S1999MH025400
PR No. 7781/2026
UDIN: F004266H000453517

Place: Pune
Date: May 25, 2026

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2026

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

To,
The Members,
Sudarshan Colorants India Limited
(formerly known as Heubach Colorants India Limited)
Rupa Renaissance, B Wing, 25th Floor,
D-33, MIDC Road, TTC Industrial Area Juinagar,
Navi Mumbai, Thane - 400705, Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited)** having CIN: L24110MH1956PLC010806 (Hereinafter called “the Company”)

Secretarial Audit was conducted for the financial year 2025-26, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to me and representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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 the following list of laws and regulations:

- (i) The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - e. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
 - f. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021; **(Not applicable to the Company during the Audit Period)**
 - g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
 - h. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with the client;
 - i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

- (vi) Other Applicable Laws: As informed by the management, no other laws are applicable specifically to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (Hereinafter referred to as SEBI Listing Regulations, 2015).

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings. The decisions were passed by the Board members unanimously and recorded as a part of minutes.

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

I further report that during the audit period:

- 1. The members approved the following resolutions relating to appointment of auditors at the 68th Annual General Meeting held on Monday, September 29, 2025:

Sr. No.	Particulars	Type of Resolution
1.	Reappointment of M/s. M S K A & Associates, Chartered Accountants as Statutory Auditors of the Company.	Ordinary Resolution
2.	Appointment of M/s. J. B. Bhave & Co., Company Secretaries as Secretarial Auditor for a term of five consecutive years from FY 2025-26 to FY 2029-30.	Ordinary Resolution
- 2. Sudarshan Europe B.V., Wholly Owned Subsidiary of Sudarshan Chemical Industries Limited, had entered into a definitive agreement on October 11, 2024 for the acquisition of Global Pigment

Business Operations of Heubach Group through a combination of an asset and share deal, subject to completion of customary conditions and receipt of requisite regulatory approvals. The said acquisition was completed on March 03, 2025.

Consequent to the aforesaid acquisition, Sudarshan Europe B.V. (“Acquirer”), Wholly Owned Subsidiary of Sudarshan Chemical Industries Limited (“Person acting in Concert (PAC) PAC-1”) acquired entire shareholding of Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG and Colorants International AG) (“PAC-2) and Sudarshan Switzerland HLD2 AG (formerly known as Heubach Ebito Chemieeteiligungen AG and Ebito Chemieeteiligungen AG) (PAC-3”), promoters of the Company, resulting in indirectly acquiring 36.56% and 17.80% shareholding, respectively, in the Company.

The Acquirer along with PAC-1, PAC-2 and PAC-3 had given an offer to the Public Shareholders to acquire upto 60,01,268 (Sixty Lakh One Thousand Two Hundred Sixty-Eight) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each of the Company constituting 26.00% (Twenty-Six percent) of the total voting Share Capital of the Company at an Offer Price of ₹602.03/- (Rupees Six Hundred and Two and Paise Three Only) in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“Open Offer”). The Acquirer directly acquired 36,68,036 (15.89%) Equity Shares of the Company through the aforesaid Open Offer.

Post completion of the Open Offer on October 03, 2025, the Acquirer along with PAC-1, PAC-2 and PAC-3 exercise control over the Company constituting 70.25% of the total voting Share Capital of the Company.

- 3. Due to non-submission of audited financial results for the quarter and year ended March 31, 2025 within the period prescribed under Regulation 33 of the SEBI Listing Regulations, 2015, National Stock Exchange of India Limited and BSE Limited had imposed a fine of 12,65,500/- (basic fine plus GST) and 11,53,400/- (basic fine plus GST) respectively, on the Company for the said delay and the same has been paid by the Company within the prescribed timeline.
- 4. The members approved the change of Name of the Company from “Heubach Colorants India Limited” to “Sudarshan Colorants India Limited” and consequent alteration in the Memorandum of Association and Articles of Association of the Company, by passing a Special Resolution through Postal Ballot ended December 06, 2025. Further, the Registrar of Companies approved the change in Name of the Company effective December 12, 2025.

5. The following changes took place in the Board of Directors and Key Managerial Personnel (“KMP”) of the Company:

Sr. No.	Name of Director/ KMP	Appointment/ Cessation	Designation	Effective Date
1.	Mr. Amitabha Mukhopadhyay	Appointment	Independent Director*	April 14, 2025
2.	Mr. Naresh T. Raisinghani	Appointment	Independent Director*	April 14, 2025
3.	Mrs. Anu Arun Wakhlu	Appointment	Independent Director*	April 14, 2025
4.	Mr. Rajesh Rathi	Appointment	Non-Executive Director*	April 14, 2025
5.	Mr. Mandar Velankar	Appointment	Non-Executive Director*	May 02, 2025
6.	Mr. Ravi Kapoor	Cessation	Chairman and Non-Executive Director	July 16, 2025
7.	Mr. Rajesh Rathi	Appointment	Designated as the Chairman	July 16, 2025
8.	Ms. Ashwini Natekar	Cessation	Company Secretary and Compliance Officer (Interim)	July 16, 2025
9.	Mr. Adwait Joshi	Appointment	Company Secretary and Compliance Officer	August 01, 2025
10.	Mr. Amitabha Mukhopadhyay	Cessation	Independent Director	August 11, 2025
11.	Mr. Jugal Sahu	Cessation	Executive Director#	August 11, 2025
12.	Mr. Kewal Handa	Cessation	Independent Director	October 28, 2025
13.	Mr. Amitabha Mukhopadhyay	Appointment	Non-Executive Director**	October 31, 2025
14.	Mr. Sambit Roy	Re- appointment	Managing Director**	November 25, 2025
15.	Mrs. Sudha Navandar	Appointment	Independent Director***	February 03, 2026
16.	Mr. Jugal Sahu	Cessation	Chief Financial Officer	March 09, 2026
17.	Mr. Sunirmal Talukdar	Cessation	Independent Director	March 31, 2026

*Appointment was approved by the members by passing the Ordinary/ Special Resolutions through Postal Ballot ended July 06, 2025.

**Appointment was approved by the members by passing the Ordinary Resolutions through Postal Ballot ended December 06, 2025.

***Appointment was approved by the members by passing the Special Resolution through Postal Ballot ended April 09, 2026.

#Mr. Jugal Sahu continued as a Chief Financial Officer of the Company till his resignation effective March 09, 2026.

For J. B. Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
UIN: S1999MH025400
PR No.: 7781/2026
UDIN: F004266H000321330

Date: May 11, 2026
Place: Pune

ANNEXURE TO THE SECRETARIAL AUDIT REPORT
SUDARSHAN COLORANTS INDIA LIMITED
(FORMERLY KNOWN AS HEUBACH COLORANTS INDIA LIMITED)
AUDITORS’ RESPONSIBILITY

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

In accordance with the ICSI Auditing Standards (CSAS-1 to CSAS-4) -

1. The Secretarial Audit for the financial year has been conducted as per the applicable Auditing Standards.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.
3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination is limited to verification of procedure on test basis.
6. This 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 J. B. Bhave & Co.
Company Secretaries

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068

Date: May 11, 2026
Place: Pune

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the year ended 31st March, 2026

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

To,
The Members,
SUDARSHAN GUJARAT MFG PRIVATE LIMITED
(Formerly known as Heubach Colour Private Limited)
601, 6th floor, The Baroda Crossway, Akota Dandia Bazar Road, Vadodara, Vadodara, Gujarat, India, 390001.

I have conducted a Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sudarshan Gujarat MFG Private Limited, (CIN: U24110GJ1993PTC033372) (hereinafter called the ‘Company’) for the financial year ended 31st March 2026, (the year/ ‘audit period/ ‘period under review’).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the company’s corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and provided either as hard copies or scanned copies by email and also the information provided by the Company, its officers, and authorized representatives, during the conduct of Secretarial Audit, I hereby report that in my opinion, during the audit period, the Company has 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 made hereunder.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year according to the provisions of:

- i) The Companies Act, 2013 (**“the Act”**) and the rules made thereunder;
- ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable

The Company has been identified as unlisted material subsidiary of Sudarshan Chemical Industries Limited (“Sudarshan”),

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

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

I further report that-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice along with agenda were given to all directors to schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent/delivered in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Necessary consents from the Directors were obtained to hold Board Meeting at shorter notices, if any. During the year under review, directors have also participated in the board / committees' meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Companies Act read with Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014. 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.

I further report that on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by respective officials and taken on record by the Board of Directors at their meetings and as per explanations obtained and relied upon by me the Company has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Other Applicable Laws: As informed by the management, there were no laws specifically applicable to the Company.

I report further that there are no specific events /major decisions or activities undertaken in pursuance of the above laws, rules and regulations, guidelines, etc., during the financial year ended 31st March 2026, having a major bearing on the Company affairs except the following.

- 1. The name of the Company was changed from Heubach Colour Private Limited to “Sudarshan Gujarat MFG Private Limited on August 8, 2025 vide approval received from Registrar of Companies (CPC).
- 2. The following changes in Board of Directors took place during the period under review:

Sr. No.	Particulars	Designation	Appointment/ Cessation	Effective Date
1	Mr. Rajesh Balkrishna Rathi	Director	Appointment	April 03, 2025
	Mr. Rajesh Balkrishna Rathi	Director	Cessation on account of Resignation	January 31, 2026
2	Mr. Nilkanth Jayant Natu	Director	Appointment	April 03, 2025
3	Ms. Shivalika Arvind Raje	Director	Appointment	April 03, 2025
4	Mr. Himanshu Jayantilal Trivedi	Director	Appointment	April 03, 2025
5	Mr. Ashish Vij	Additional Director	Appointment	February 02, 2026

This report is to be read with the letter of even date which is annexed as Annexure – I which forms an integral part of this report.

For RAJESH KARUNAKARAN & CO.,
COMPANY SECRETARIES

RAJESH KARUNAKARAN
COMPANY SECRETARY
FCS No. 7441/CP No. 6581
UDIN- F007441H000391561

Pune, 18th May 2026

Peer Review Certificate no. 1260/2021 dated 28th June, 2021

Note: This report is to be read with my letter of even date, which is appended below and forms an integral part thereof.

Annexure 1

ANNEXURE VII

To,
The Members,
SUDARSHAN GUJARAT MFG PRIVATE LIMITED
(Formerly known as Heubach Colour Private Limited)
601, 6th floor, The Baroda Crossway, Akota Dandia Bazar Road, Vadodara, Vadodara, Gujarat, India, 390001.

My Secretarial Audit Report of even date is to be read along with this letter.

MANAGEMENT RESPONSIBILITY

- 1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on audits.

AUDITORS RESPONSIBILITY

- 1. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the fairness of the contents of the Secretarial records. The verification was done on test basis to ensure that facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- 2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 3. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis to the extent applicable to the Company.

DISCLAIMER

- 5. 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 RAJESH KARUNAKARAN & CO.,
COMPANY SECRETARIES

RAJESH KARUNAKARAN
COMPANY SECRETARY
FCS No. 7441/CP No. 6581
UDIN- F007441H000391561

Pune , 18th May 2026

Peer Review Certificate no. 1260/2021 dated 28th June, 2021

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF RULE 5(2)(I) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014 AND FORMING PART OF THE DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2026

Sr. No.	Name and Age (in years)	Designation	Nature of Employment	Total Remuneration (In ₹)	Qualification and Experience (In years)	Date of Commencement of Service	Last Employment held before joining the Company
1.	Mr. Rajesh Rathi (57)	Chairman and Managing Director	Permanent Employee	16,19,93,385	B.E. Mech. Engg. - MIT, Pune, B. S. Chem. Engg. - Ohio University, USA. M.B.A.- Pittsburgh University - USA (30 years)	1 st October, 1992	-
2.	Mr. Ashish Vij (56)	Wholetime Director	Permanent Employee	3,96,65,422	B. E. Chem. (30 years)	8 th December, 2005	Jubilant Organosys Limited, Gajraula (UP)

- 1. The gross remuneration includes Salary, PLVA, Company’s contribution to Provident Fund and Superannuation Scheme, Leave Travel Allowance, Medical, House Rent Allowance, Pension and value of perquisites in respect of car facility, which is calculated in accordance with the provisions of the Income Tax Act, 1961, and the Rules made thereunder. Remuneration paid to Mr. Ashish Vij includes amount of perquisite value of Employee Stock Options exercised during the Financial Year 2025-26.
- 2. The conditions of employment are contractual.
- 3. Other terms and conditions are as per rules of the Company.
- 4. In terms of Rule 5(2)(iii) of the Companies (Appointment and Remuneration) Rules, 2014, it is clarified that during the Financial Year under review, no employee of the Company was in receipt of remuneration in that year, which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Working Directors and holds himself / herself along with their spouse and dependent children not less than 2% of the equity shares of the Company.
- 5. Mr. Rajesh Rathi, Chairman and Managing Director, forms part of the Promoter and Promoter Group and holds in his individual name 4,050,359 (5.15%) Equity Shares of the Company. Mr. Rajesh Rathi is not related to any Director of the Company in terms of the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI Listing Regulations, 2015.
- 6. Mr. Ashish Vij, Wholetime Director is not related to any Director of the Company and holds 5,721 Equity Shares of the Company as on 31st March, 2026. Subsequent to Financial Year 2025-26, on 27th April, 2026, 11,740 Equity Shares were allotted to Mr. Ashish Vij upon exercise of Employee Stock Options pursuant to Sudarshan Employee Stock Option Plan, 2018. Therefore, as on the date of this report, Mr. Ashish Vij holds 17,461 Equity Shares of the Company.
- 7. Details of remuneration of top 10 employees other than Directors which form part of the Directors’ Report, will be made available to any member on request, in terms of provision of Section 136(1) of the Companies Act, 2013.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

S No.	Particulars	Disclosure
1	Corporate Identity Number (CIN) of the Listed Entity	L24119PN1951PLC008409
2	Name of the Listed Entity	Sudarshan Chemical Industries Limited ("Sudarshan/the Company")
3	Year of incorporation	19 th February, 1951
4	Registered office address	7 th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
5	Corporate address	7 th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
6	E-mail	shares@sudarshan.com
7	Telephone	+91 20 682 81 200
8	Website	www.sudarshan.com
9	Financial year for which reporting is being done	FY 2025-26
10	Name of the Stock Exchange(s) where shares are listed	- National Stock Exchange of India Limited (Equity) - BSE Limited (Equity)
11	Paid-up Capital	₹15,72,23,872
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mandar Meenanath Velankar Contact: 020-68281200 Email: mmvelankar@sudarshan.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone-Basis Reporting
14	Name of assessment or assurance provider	TUV India Private Limited (CIN - U74140MH1989PTC052930)
15	Type of assessment or assurance obtained	Limited Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and Chemical Products, Pharmaceuticals, Medicinal Chemical and Botanical Products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of dyes and pigments from any source in basic form or as concentrate materials for various applications	20114	98%
2.	Manufacture of prepared pigments and other coloring matter of a kind used in the manufacture of paints or by artists or other painters	20224	2%



III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3*	5	8
International	0	0	0

*Note – Two (2) manufacturing plants at Roha and Mahad, District Raigad, Maharashtra, India and One (1) R&D center at Ambadwet; Five (5) offices at Pune (Head Office), Delhi, Mumbai, Kolkata and Chennai

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States, 8 Union Territories
International (No. of Countries)	120+ countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

During FY2025-26, the contribution of exports is 45.3% of the total turnover of Sudarshan.

c. A brief on types of customers

Customer focus remains a core value and key business priority for Sudarshan. As a global provider of color solutions, the Company offers a diverse portfolio comprising organic and inorganic pigments, effect pigments, performance colorants, pearlescent pigments, and specialty chemicals. These products cater to a wide range of industries, including paints and coatings, plastics, printing inks, cosmetics, and other specialized applications, supporting customers with high-quality and reliable solutions for their end products.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1,223	915	75%	308	25%
2.	Other than Permanent (E)	114	101	89%	13	11%
3.	Total employees (D+E)	1,337	1,016	76%	321	24%
WORKERS						
4.	Permanent (F)	213	213	100%	0	0%
5.	Other than Permanent (G)	2,545	2,327	91%	218	9%
6.	Total workers (F+G)	2,758	2,540	92%	218	8%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	7	5	71%	2	29%
2.	Other than Permanent (E)	1	1	100%	0	0%
3.	Total differently abled employees (D+E)	8	6	75%	2	25%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than permanent (G)	1	1	100%	0	0%
6.	Total differently abled workers (F+G)	2	2	100%	0	0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	3	30%
Key Management Personnel**	4	0	0%

**Key Management Personnel include Mr. Rajesh B. Rath, Managing Director (DIN: 00018628), Mr. Ashish Vij, Wholetime Director (DIN: 08140194), Mr. Nilkanth Natu, Chief Financial Officer and Mr. Mandar Velankar, General Counsel and Company Secretary



22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.5%	16%	16.5%	10.22%	3.67%	13.89%	12.9%	2.7%	15.6%
Permanent Workers	10%	0%	10%	2%	0%	2%	4.2%	0%	4.2%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of Holding / Subsidiary / Associate Companies / Joint Venture (A)	Indicate whether - Holding / Subsidiary, Associate Company. Joint venture	% Shares held by the Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	RIECO Industries Limited	Wholly-owned Subsidiary	100%	No
2	Sudarshan CSR Foundation	Wholly-owned Subsidiary	100%	No
3	Sudarshan Europe B.V.	Wholly-owned Subsidiary	100%	No
4	Sudarshan North America, Inc.	Step-down Subsidiary	100%	No
5	Sudarshan Mexico S. de R.L. de CV.	Step-down Subsidiary	100%	No
6	Sudarshan (Shanghai) Trading Company Limited	Step-down Subsidiary	100%	No
7	Sudarshan Japan Limited	Step-down Subsidiary	100%	No
8	Sudarshan Brasil Ltda.	Step-down Subsidiary	100%	No
9	Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)	Step-down Subsidiary	100%	No
10	Sudarshan Middle East General Trading L.L.C.	Step-down Subsidiary	100%	No
11	Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemiebeteiligungen AG)	Step-down Subsidiary	100%	No
12	Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)	Step-down Subsidiary	100%	No
13	Heubach Colorants Middle East FZE	Step-down Subsidiary	100%	No
14	Heubach Colorants Argentina S.A.U.	Step-down Subsidiary	100%	No
15	Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)	Step-down Subsidiary	100%	No
16	Sudarshan Brasil MFG Ltda. (Formerly known as Heubach Colorants Brasil Ltda.)	Step-down Subsidiary	100%	No
17	Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)	Step-down Subsidiary	100%	No
18	Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)	Step-down Subsidiary	100%	No
19	Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)	Step-down Subsidiary	100%	No
20	Sudarshan Chile Industria Química Limitada (Formerly known as Heubach Colorants Chile Industria Química Limitada)	Step-down Subsidiary	100%	No
21	Heubach Colorants Pigment Preparations (Tianjin) Ltd.	Step-down Subsidiary	100%	No

Sr. No.	Name of Holding / Subsidiary / Associate Companies / Joint Venture (A)	Indicate whether - Holding / Subsidiary, Associate Company. Joint venture	% Shares held by the Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
22	Heubach Colorants (Shanghai) Ltd.	Step-down Subsidiary	100%	No
23	Sudarshan Colombia SLO S.A.S (Formerly known as Heubach Colorants Colombia S.A.S.)	Step-down Subsidiary	100%	No
24	Heubach Colorants Iberica, S.L.U.	Step-down Subsidiary	100%	No
25	Sudarshan France SLO S.A.S (Formerly known as Heubach Colorants France SAS)	Step-down Subsidiary	100%	No
26	Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)	Step-down Subsidiary	100%	No
27	P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)	Step-down Subsidiary	100%	No
28	P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)	Step-down Subsidiary	100%	No
29	Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)	Step-down Subsidiary	70.25%	No
30	Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)	Step-down Subsidiary	100%	No
31	Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)	Step-down Subsidiary	100%	No
32	Heubach Colorants Korea Ltd.	Step-down Subsidiary	100%	No
33	Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)	Step-down Subsidiary	100%	No
34	Heubach Colorants Peru S.A.C.*	Step-down Subsidiary	100%	No
35	Heubach Colorants Scandinavia AB*	Step-down Subsidiary	100%	No
36	Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)	Step-down Subsidiary	100%	No
37	Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)	Step-down Subsidiary	100%	No
38	Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)	Step-down Subsidiary	100%	No
39	Heubach Colorants Taiwan Co., Ltd.	Step-down Subsidiary	100%	No
40	Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)	Step-down Subsidiary	100%	No
41	Heubach Europa EWIV	Step-down Subsidiary	100%	No
42	Sudarshan Mexico MFG, S.A. de C.V. (Formerly known as Heubach Colorants México, S.A. de C.V.)	Step-down Subsidiary	100%	No

Sr. No.	Name of Holding / Subsidiary / Associate Companies / Joint Venture (A)	Indicate whether - Holding / Subsidiary, Associate Company. Joint venture	% Shares held by the Listed Entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
43	Sudarshan Mexico Manufacturing Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)	Step-down Subsidiary	100%	No
44	Sudarshan Lux Holding S.à r.l (Formerly known as Heubach Holdings S.a r.l)	Step-down Subsidiary	100%	No
45	Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)	Step-down Subsidiary	100%	No
46	Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)	Step-down Subsidiary	100%	No
47	Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)	Step-down Subsidiary	100%	No
48	Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)	Step-down Subsidiary	100%	No
49	Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)	Step-down Subsidiary	100%	No
50	Heubach Research Centre s.r.o	Step-down Subsidiary	100%	No
51	Heubach Foundation	Step-down Subsidiary	100%	No
52	Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)	Step-down Subsidiary	100%	No
53	Inventories Frankfurt GmbH	Step-down Subsidiary	100%	No
54	VP4 Frankfurt GmbH	Step-down Subsidiary	100%	No
55	Inventories Langelsheim GmbH	Step-down Subsidiary	100%	No
56	Sudarshan Langelsheim PLT GmbH (Formerly known as Blitz F24-523 GmbH)	Step-down Subsidiary	100%	No
57	Sudarshan Langelsheim RE GmbH (Formerly known as Blitz F24-524 GmbH)	Step-down Subsidiary	100%	No
58	Sudarshan Fairless Hills MFG Ltd., LP (Heubach Ltd.)	Step-down Subsidiary	100%	No
59	Hangzhou Baihe Heubach Pigments Co. Ltd.	Joint Venture	49%	No
60	Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)	Joint Venture	50%	No

*Heubach Colorants Scandinavia AB was liquidated effective 29th December, 2025 and Heubach Colorants Peru S.A.C. was liquidated effective 6th March, 2026.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹ Crore): 2,371.4

(iii) Net worth (in ₹ Crore): 2,533.9

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. Sudarshan has kept complaint register on the main entry gate across the sites for all communities to facilitate anonymous feedback. Additionally, local residents are encouraged to submit their grievances electronically via the designated email address given below: grievance.redressal@sudarshan.com	0	0	NA	0	0	NA
Investors	Yes. Investors can register their grievances at the below email ID - grievance.redressal@sudarshan.com	0	0	NA	0	0	NA
Shareholders	Yes, Sudarshan Investor Policy Shareholders can register their grievances at the below email ID - grievance.redressal@sudarshan.com	7	0	NA	4	1	Complaint remaining unresolved as on 31 st March 2025 was treated as resolved after the conclusion of the Financial Year 2024-25 based on the Company's response.
Employees	Yes: Employees can register their grievances at the below email ID grievance.redressal@sudarshan.com	142	12	Employees closure rate: 92%	293	38	Employees closure rate: 87%
Workers	Yes, IR Ninja for Workers: Workers can register their grievances at the IR Ninja point of contact at the respective plants.	104	6	Workers closure rate: 94%	176	11	Workers closure rate: 94%
Customers	Customers can register their grievances at the below email ID - grievance.redressal@sudarshan.com	99	2	Customers closure rate: 98%	183	34	Customers closure rate: 81.4%
Value chain partners (suppliers, vendors, contractors, transporters, indirect material suppliers, etc.)	Yes, Sudarshan assigns dedicated buyers for distinct raw material categories ensuring consistent and ongoing communication with suppliers.	2	0	NA	0	0	No complaints were received from the suppliers.



26. Overview of the entity’s material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change & Energy Source Diversification	Opportunity	Transitioning to clean fuels and renewable energy has potential to reduce GHG emissions and operating costs over the long term while strengthening business resilience, supporting decarbonization targets, and enhancing competitiveness in global markets.		Positive
2	Employee Development & Engagement	Opportunity	Employee development and engagement can strengthen employer branding and the Employee Value Proposition by enhancing employee skills, fostering a positive workplace culture, improving talent attraction and retention, and supporting long-term organizational performance across global operations.		Positive
3	Occupational Health & Safety	Risk & Opportunity	Manufacturing operations involve exposure to operational, chemical, and workplace hazards, making health and safety management a critical priority for workforce well-being and operational continuity.	Strengthen occupational health and safety practices through periodic training, safety audits, risk assessments, implementation of preventive controls, and promotion of a strong safety culture across operations.	Positive / Negative
4	Product Stewardship & Innovation	Opportunity	Strengthening product stewardship through the development of sustainable and bio-based alternatives can reduce the environmental footprint of products while supporting evolving customer demand and regulatory expectations, driving innovation, and enhancing value proposition in global markets.		Positive
5	Business Ethics & Compliance	Risk	Non-compliance with business ethics and anti-trust regulations may lead to legal, financial, and reputational risks for the organization.	Conduct periodic surveys and mandatory training programs on business ethics and compliance, strengthen governance frameworks, and ensure adherence to anti-trust and regulatory requirements.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Labour Practices	Risk	Inadequate labour practices within the supply chain, along with labour absenteeism and retention challenges, may impact operational efficiency and workforce stability.	Conduct supplier labour practice evaluations, strengthen employee engagement and retention initiatives, and promote fair labour practices across operations and the value chain.	Negative
7	Customer Relationship Management	Opportunity	Strengthening customer relationship management by leveraging the sustainability benefits of products in the value proposition can enhance customer trust and loyalty, address evolving customer expectations, and differentiate products in the market.		Positive
8	Water & Wastewater Management	Opportunity	Strengthening water and wastewater management through increased water recycling can reduce freshwater consumption, improve resource efficiency, enhance operational resilience to water-related risks, and support sustainable operations across global manufacturing facilities.		Positive
9	Waste Management	Opportunity	Strengthening waste management by reducing waste sent to landfill can minimize environmental impacts, improve resource efficiency, lower waste management costs, and support more sustainable and circular operations across global manufacturing facilities.		Positive
10	Human Rights	Opportunity	Strengthening human rights due diligence across own operations and the value chain can help identify and address potential human rights risks, strengthen responsible business practices, enhance stakeholder trust, and support resilient and sustainable business operations.		Positive



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8
Policy and management processes									
1. a.	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b.	Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c.	Web Link of the Policies, if available	Sudarshan has updated all its corporate policies on its website, which are Board-approved. Please refer to the link to view the policies: Company Policies							
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Principle 2: - ISO 9001:2015 - Responsible Care Principle 3: - ISO 45001:2018 - ISO 20400:2017 - Responsible Care Principle 6: - OEKO-TEX/Eco Passport Certification - SDG Initiative - ISO 14001:2015 - Responsible Care Principle 9: - ISO 27001							
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Reduction in Operational Emissions: Reduce absolute scope 1 and 2 GHG emissions by 58.8% by FY2034-35 Reduction in Value Chain Emissions: Ensure 90% of our suppliers (by emissions covering purchased goods and services) will have Science-Based targets by FY2029-30 Employee ESG Training: Average 3 hours of annual ESG training conducted per person. Gender Diversity: 25% women in overall workforce by FY2029-30. Process Safety Events: Zero Process Safety Events (Tier 1 & 2 as per API 754) by 2029-30 Life cycle assessments: LCA disclosure of products contributing to 70% of revenue by 2029-30 CSR: Touch the lives of 1,50,000 beneficiaries by FY 2026-27 Regulatory Compliance: 100% compliance with all applicable regulations Board Diversity: 30% women directors on the Board Human rights due diligence (HRDD) assessment: Conduct HRDD for 100% of plants by FY 2026-27							

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Sudarshan's performance against the ESG targets will be disclosed in its ESG Report FY 2025-26								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)	At Sudarshan Chemical Industries Limited, sustainability has been integrated into the way business decisions are evaluated, investments are prioritized and operations are managed. During FY 2025–26, the Company continued to strengthen its ESG approach through alignment with frameworks such as SBTi, GRI, Responsible Care, UNGC, and the BRSR framework, supporting greater consistency, transparency, and accountability across sustainability governance and disclosures. The Company continued its participation in EcoVadis, CDP, and DJSI to support ESG benchmarking and strengthen sustainability disclosures. Environmental performance remained key focus area during FY2025–26, with ongoing efforts directed towards energy transition, emissions reduction, water stewardship, and waste management. Total energy consumption from renewable energy sources increased by 18.1%. Operational emissions intensity decreased by 1.3% compared to FY2024–25, demonstrating progress towards carbon efficiency. Water optimization measures reduced withdrawal intensity by 1% per metric tons of production. In addition, sustained efforts in waste management resulted in a landfill diversion rate of 71.5%, significantly reducing waste sent to landfill. During the year, we also undertook a Double Materiality Assessment (DMA) to reflect the evolving business structure, changing stakeholder expectations, and emerging ESG priorities, as One Sudarshan. Through CSR initiatives focused on education, healthcare, livelihood development, and community welfare, the Company positively impacted approximately 68,985 beneficiaries during FY 2025–26. As we advance as ONE Sudarshan, our operations, teams, and sustainability commitments are coming together into something more coherent and durable. That integration will shape how we strengthen our operations, progress on decarbonization, and meet the expectations of our customers, our markets, and the communities we operate in.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Rajesh B. Rathi, Chairman and Managing Director and the Board of Directors of the Company								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Sudarshan has established a structured governance framework for oversight and decision-making on sustainability-related matters at both the Board and management levels. During the year, the Company constituted an ESG Committee at the Board level to strengthen strategic oversight of environmental, social, and governance priorities. The Committee reviews the Company's ESG strategy, sustainability performance, material risks and opportunities, regulatory developments, and progress against key ESG objectives. It also provides guidance on integrating sustainability considerations into long-term business planning, stakeholder engagement, and governance practices.								

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
	At the management level, the ESG Steering Committee, chaired by the Managing Director, provides operational leadership and oversight to the Company's sustainability agenda. It is responsible for reviewing ESG priorities, monitoring implementation of sustainability initiatives, assessing performance against targets, strengthening external ESG disclosures and ratings, and supporting the Board and its committees on sustainability-related matters. The ESG Steering Committee is supported by a cross-functional ESG Working Group comprising representatives from various business functions. The Working Group drives implementation of ESG initiatives across operations, tracks key performance indicators, identifies emerging ESG risks and opportunities, supports internal reporting processes, and recommends improvement actions and policy interventions. Periodic updates on ESG performance and progress are shared with the Steering Committee and senior leadership for review and guidance.								

10. Details of Review of NGRBCs by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	• Yes – Steering Committee • Yes – ESG committee of the Board									• Monthly • Half-yearly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	• Yes – Steering Committee • Yes – ESG committee of the Board									• Monthly • Half-yearly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	No								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	6	PRINCIPLE 1: - Operation Plans and Strategy Discussions - Internal Audit and Compliance Process - SEBI Regulations, Secretarial Standards and other regulatory updates - Business Updates on Subsidiaries - Risk Management and Internal Control, Whistleblower Policy PRINCIPLE 8: - CSR Framework related updates	100%
Key Managerial Personnel	6	PRINCIPLE 1: - Operation Plans and Strategy Discussions - Internal Audit and Compliance Process - SEBI Regulations, Secretarial Standards and other regulatory updates - Business Updates on Subsidiaries - Risk Management and Internal Control, Whistleblower Policy PRINCIPLE 8: - CSR Framework related updates	100%
Employees other than BoD and KMP	226	PRINCIPLE 3: - Health & safety related awareness program. PRINCIPLE 5: - ESG & Human Rights Policy training coverage PRINCIPLE 1: CoC and Whistle blower	94.79%
Workers	163	PRINCIPLE 3: All workers are actively engaged in a health and safety-related toolbox talk and learning session to ensure their well-being and awareness of safety protocols.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

		Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case		Has an appeal been preferred? (Yes/No)	
Penalty/ Fine	1		Sudarshan Europe B. V., Wholly Owned Subsidiary of the Company completed acquisition of the Global Pigment Business Operations of Heubach Group on 3 rd March, 2025.		No	
		BSE Limited	BSE Limited - ₹5,76,820	In accordance with Regulation 33 of the SEBI Listing Regulations, 2015, the Company was required to submit its audited standalone and consolidated financial results for the quarter and year ended 31 st March, 2025 (including the financial results of the newly acquired subsidiaries on consolidated basis) by 30 th May, 2025. The Company intimated in advance to the Stock Exchanges regarding the delay in submission of the said standalone and consolidated financial results within the statutory timelines. As disclosed in the aforesaid intimation made to the Stock Exchanges, the delay was attributable to reasons including the challenges faced due to insolvency impact of the acquired entities, extensive financial reporting integration and complexities arising from business combination accounting.		
		National Stock Exchange of India Limited	National Stock Exchange of India Limited - ₹5,37,220	Further, in terms of Regulation 33 of the SEBI Listing Regulations, 2015, the Company was required to submit the unaudited financial results for the quarter ended 30 th June, 2025 by 14 th August, 2025. However, on account of the cascading effect of the above-mentioned delay in submission of audited financial results for the quarter and year ended 31 st March, 2025, there was a delay in submission of unaudited financial results for the quarter ended 30 th June, 2025.		
Settlement	No settlement amount was paid in FY 2025-26	NA	NA	NA	NA	
Compounding fee	No compounding fees were paid in FY 2025-26	NA	NA	NA	NA	

Non-Monetary				
NGRBC Principle		Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	No imprisonments observed in FY 2025-26	NA	NA	NA
Punishment	No punishments observed in FY 2025-26	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Sudarshan upholds a strong ethical framework and is firmly committed to preventing corruption and bribery across all aspects of its operations. The Company follows a zero-tolerance approach toward unethical or unlawful conduct, supported by its Code of Conduct and Whistleblower Policy, which promote integrity and provide safeguards against misconduct at every level.

The links to the policies are:

1. [Employee Code of Conduct](#)
2. [Whistle Blower Policy](#)
3. [Code Of Conduct for Directors and Senior Management Personnel](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

During FY2025-26, no such instances have occurred across Sudarshan

8. Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26	FY 2024-25
Number of days of accounts payables	96	85

9. Openness of Business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format.

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	18%	10%
	b. Number of trading houses where purchases are made from	135	379
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	61%	76%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	37%	39.64%
	b. Number of dealers / distributors to whom sales are made	114	119
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	50%	46.26%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	3%	0.28%
	b. Sales (Sales to related parties / Total Sales)	18%	22.67%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)*	0%	73.70%
	d. Investments (Investments in related parties / Total Investments made)	83%	75.17%

Note: As on 31 March 2026, all loans given to related parties have been repaid. Hence, the RPT under loans and advances is reported as 0%.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Principle 1 – Businesses should conduct and govern themselves with Integrity, and in a manner that is Ethical, Transparent and Accountable	90%

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No). If yes, provide details of the same.

Yes, the Board members and Senior Executives comply with the ‘Code of Conduct for Directors and Senior Management Personnel,’ which requires them to disclose any personal or business interests that may conflict with the Company’s objectives. They also submit an annual declaration affirming their commitment to act in the best interests of the Company to avoid any conflicts arising from external associations or dealings.

Link to access the Code of Conduct for Directors and Senior Management Personnel: https://www.sudarshan.com/wp-content/uploads/2025/09/COC_for_Directors_and_Senior_Management_Personnel.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	55%	79.80%	Investments in yield improvement projects
Capex	40%	20.20%	Investment in purchase of lab equipment

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, Sudarshan has established processes to support responsible and sustainable sourcing across its procurement and supply chain operations as per ISO 20400. Recognizing the importance of integrating ESG considerations, the Company implements its Responsible Supply Chain Initiative to encourage sustainable



procurement practices while reducing dependency on single-source suppliers. As part of this approach, suppliers are assessed on defined social and environmental parameters, and priority is given to local vendors who meet Sudarshan's quality and sustainability requirements, thereby supporting regional economic development.

- b. If yes, what percentage of inputs were sourced sustainably?
In FY 2025-26, 51% of the inputs was sourced sustainably.
3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Sr. No.	Product	Process to safely reclaim the product
i)	Plastics (including packaging)	The nature of contamination in packaging materials limits the possibility of recovery and reuse. Similarly, extracting pigments from end-use applications is not technologically viable at present. Therefore, Sudarshan does not carry out product or packaging reclamation at the end-of-life stage.
ii)	E-Waste	Sudarshan's products do not contribute to the generation of electronic waste at the end of their lifecycle.
iii)	Hazardous Waste	Sudarshan's products are incorporated into customers' final products, which makes recovery or reclamation at the end-of-life stage technically impractical.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. Sudarshan's operations are fully aligned with the applicable Extended Producer Responsibility (EPR) requirements, and the Company is registered as an importer under the relevant regulations. The Company emphasizes the use of recycled plastic packaging materials and avoids the production of virgin plastic materials wherever possible. In addition, all plastic waste generated from operations is channeled for authorized recycling in accordance with approvals and guidelines issued by the Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Sudarshan has conducted detailed Life Cycle Assessment of select products. The details are tabulated below:

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
20114	Quinacridone, Quinophthalone, Dioxazine Pigment, Effect Pigments and Complex Inorganic Color Pigment (CICP), Phthalocyanines.	21%	Cradle-to-Gate	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The LCA study did not identify any significant environmental or social concerns. The assessment indicated that the primary gate-to-gate environmental footprint arises from the consumption of steam and power generated through fossil fuel-based sources.

To address this impact, the Company has formulated a plan to diversify its energy mix through the adoption of biofuels, which is expected to significantly reduce the gate-to-gate environmental footprint.

Name of the Product/Service	Description of the Risk/Concern	Action Taken
Quinacridone	Nil	NA
Quinophthalone	Nil	NA
Dioxazine Pigment	Nil	NA
Effect Pigments	Nil	NA
Complex Inorganic Color Pigment (CICP)	Nil	NA
Phthalocyanines	Nil	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Methanol	85%	84%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26			FY 2024-25		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
	(A)	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	915	915	100%	915	100%	NA	NA	915	100%	699	76%
Female	308	308	100%	308	100%	308	100%	NA	NA	255	83%
Total	1,223	1,223	100%	1,223	100%	308	25%	915	75%	954	78%
Other than Permanent Employees											
Male	101	101	100%	0	0%	NA	NA	101	100%	92	91%
Female	13	13	100%	0	0%	13	100%	NA	NA	11	85%
Total	114	114	100%	0	0%	13	11%	101	89%	103	90%

Note: Other than permanent employees covered under ESIC excluding paternity benefits



b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	213	213	100%	213	100%	NA	NA	213	100%	213	100%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	213	213	100%	213	100%	0	0%	213	100%	213	100%
Other than Permanent Workers											
Male	2,327	2,327	100%	2,327	100%	NA	NA	0	0%	2,327	100%
Female	218	218	100%	218	100%	218	100%	NA	NA	218	100%
Total	2,545	2,545	100%	2,545	100%	218	9%	0	0%	2,545	100%

Note:

1. Under ESIC act Health insurance, accident insurance and maternity benefits are applicable to all Contract Workers (Other than Permanent workers)
2. Other than PW they are covered under workmen compensation policy.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the Company	0.09%	0.07%

2. Details of retirement benefits, for current FY and previous FY:

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	33%	100%	Y	31%	100%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Sudarshan actively promotes an inclusive workplace by valuing and supporting individuals with disabilities in alignment with Right of Persons with Disabilities Act, 2016. Sudarshan has integrated accessibility infrastructure including walkway ramps, wheelchair access, and specially designed washrooms throughout its premises to meet the needs of differently abled individuals. By offering such facilities, Sudarshan ensures equal opportunities for all employees to thrive and contribute to their unique abilities. Consistent with its ESG, Diversity & Inclusion, and Human Rights Policy, the Company is committed to upholding the rights and ensuring inclusion of people with disabilities and fostering a culture of dignity, respect, and inclusion for everyone. The links to the related policies can be accessed through:

Diversity & Inclusion Policy: [Diversity & Inclusion Policy.pdf](#)

Human Rights Policy: [Human Rights Policy.pdf](#)

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Sudarshan has established an Equal Employment Policy in line with the provisions of the Rights of Persons with Disabilities Act, 2016. The policies can be easily accessed through:

[Equal Employment Policy](#), [Diversity & Inclusion Policy](#)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Nil	Nil
Female	100%	83%	Nil	Nil
Total	100%	97%	Nil	Nil

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, IR Ninja and Works Committee as per The Industrial Dispute Act, 1947 have been established. A monthly Works Committee meeting is held to facilitate open communication and direct dialogue between the worker representatives and management for collaborative resolution. On behalf of the workers, the recognized union committee members participate in the meeting. From the management of Sudarshan, the Site Head, IR (Industrial Relations) Head, and IR team are available in the meeting. During these meetings, the union committee discuss grievances, issues, or suggestions raised by the workers. The forum serves as an important platform for addressing concerns, promoting mutual understanding, and working collaboratively towards resolving workplace matters in a constructive manner.
Other than Permanent Workers	Yes. IR Ninja All contract and permanent workers have access through IR Ninja platform to raise grievances, confidentially and securely. The platform ensures timely acknowledgment, tracking, and resolution of issues. Structured Redressal Process: Grievances submitted through IR Ninja are reviewed by the internal team in every Tuesday, with resolutions provided within a defined timeframe, ensuring fairness and transparency. Yes, Sudarshan has appointed an internal committee to address the employee grievances. The detailed grievance redressal mechanism is described below: HR Ninja & Suda Interconnect: HR Ninja is an employee engagement initiative designed to address HR-related queries and concerns across Sudarshan. It serves as the primary point of contact for employees, helping monitor employee concerns and providing timely guidance or escalation wherever required. The initiative also tracks and analyses employee query trends through dedicated records. Suda Interconnect comprises quarterly location-level town hall meetings, where site leadership shares quarterly performance updates and future with employees. Suda Connect: An annual Company-wide town hall conducted with all employees. - Lean Daily Management Meetings - Department-Level Meetings
Other than Permanent Employees	Yes, monthly meetings are undertaken to redress the grievances received. HR Ninja addresses a wide range of employee concerns, including: - Clarifications related to leave and attendance - Salary and payroll-related queries - Career development support and guidance - Queries regarding insurance and medical benefits - Onboarding and settling-in assistance for new employees - Identification of training and development needs - General workplace support and employee assistance



Yes/No (If yes, then give details of the mechanism in brief)
The grievance redressal process followed under HR Ninja includes:
• Query Submission: Employees approach HR Ninja with their concerns or queries. • Documentation: The query is recorded in the tracker for monitoring and follow-up purposes. • Initial Resolution: HR Ninja attempts to resolve the concern directly wherever feasible. • Escalation: Matters requiring additional intervention are escalated to the HR/IR Senior Ninja. • Stakeholder Coordination: Query sheets are prepared and discussed with relevant stakeholders such as payroll teams, training teams, or reporting managers. • Employee Communication: The resolution status and relevant updates are subsequently communicated to the employee.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total	No. of employees /	% (B/A)	Total	No. of employees/	% (D/C)
	employees / workers in respective category (A)	Workers in respective category, who are part of association(s) or Union (B)		employees/ workers in respective category (C)	workers in respective category, who are part of association(s) or Union (D)	
Total permanent employees	1,223	0	0%	1,148	0	0%
Male	915	0	0%	867	0	0%
Female	308	0	0%	281	0	0%
Total permanent workers	213	213	100%	202	202	100%
Male	213	213	100%	202	202	100%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26					FY 2024-25				
	Total	On health and		On Skill		Total	On health and		On Skill	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,016	762	75%	800	79%	966	642	66.45%	713	73.80%
Female	321	272	85%	266	83%	295	224	75.93%	228	77.28%
Total	1,337	1,034	77%	1,066	79%	1,261	866	68.67%	941	74.62%
Workers										
Male	2,540	2,403	95%	2,327	92%	2,599	2,599	100%	2,599	100%
Female	218	218	100%	218	100%	148	148	100%	148	100%
Total	2,758	2,621	95%	2,545	92%	2,747	2,747	100%	2,747	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,016	700	69%	966	687	71.12%
Female	321	221	69%	295	152	51.53%
Total	1,337	921	69%	1,261	839	66.53%
Workers						
Male	2,540	0	0%	2,599	0	0%
Female	218	0	0%	148	0	0%
Total	2,758	0	0%	2,747	0	0%

Note: Permanent workers undergo settlement activity every three year Workers: collective bargaining for contractual employee

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Sudarshan has implemented an Occupational Health & Safety Management System, with all its sites being certified under ISO 45001:2018.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Sudarshan's Risk Management System is structured to identify, assess, and manage health and safety hazards, along with credible risk scenarios associated with its operations. The system ensures that all personnel entering industrial sites are fit for duty and are not affected by fatigue or substances that may compromise safe working practices. Sudarshan remains committed to minimizing process safety incidents by actively promoting risk awareness among employees and workers. In addition, Sudarshan implements technical safeguards and nurtures a leadership-driven culture that reinforces the importance of process safety. To further strengthen its approach, Sudarshan has collaborated with Risk Management Services to establish a comprehensive Process Safety Management (PSM) framework. The framework systematically identifies, evaluates, and mitigates operational health and safety risks. Furthermore, dedicated task forces have been formed to facilitate PSM element training for employees and workers at every stage of operations.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, all employees and workers are actively involved in identifying task-related hazards through the Hazard Identification and Risk Assessment (HIRA) process. This process facilitates the identification and reporting of potential risks and supports the implementation of suitable control measures to effectively prevent and mitigate such risks.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Sudarshan ensures that all employees and workers are provided with comprehensive medical care to address any medical requirements, including emergency and routine healthcare needs.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0	0
	Workers	0.51	0.171
Total recordable work-related Injuries	Employees	0	0
	Workers	5	9
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	3	1

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Sudarshan is strongly committed to ensuring employee safety and aspires to be an industry leader in occupational health and safety by working towards a workplace free from fatalities and serious injuries. Sudarshan's 'Zero Harm' vision focuses on strengthening operational safety, nurturing a safety-oriented culture, enhancing workforce capabilities, implementing robust safety governance practices, and optimising asset performance.

The Risk Management System adopted by Sudarshan systematically identifies, assesses, and manages health and safety hazards, along with credible risk scenarios associated with its operations. Sudarshan ensures that all personnel entering industrial sites are fit for duty and are not affected by fatigue or substances that may compromise safe working practices.

Sudarshan actively works towards minimising process safety incidents by increasing awareness of potential risks among its workforce. To support this objective, Sudarshan has implemented technical safeguards and fostered a leadership-driven culture that places strong emphasis on process safety. In partnership with Expert Partner Risk Management Services, Sudarshan has also established a structured Process Safety Management (PSM) framework across the organisation.



Key initiatives undertaken under this framework include the implementation of an Energy Isolation Matrix, a Personal Protective Equipment (PPE) Matrix, and a Confined Space Emergency Rescue Kit.

Other measures taken to ensure safe and healthy workplace (at the plant level) include:

- Life-Saving Cardinal Rules have been reframed to include critical activities and to eliminate shortcuts.
- Internal audits are conducted to cover all PSM elements by trained, cross-functional internal auditors.
- Upgradation of fire hydrant network

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26		Remarks	FY 2024-25		
	Filed during the year	Pending resolution at the end of year		Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	4	0	Complaints filed were related to workplace welfare and hygiene facilities, including tea booth arrangements, shower room facilities, and the availability of bath soap and other essential amenities.	0	0	NA
Health & Safety	1	0	Complaints filed in relation to health and safety were associated with the availability, quality, and replacement of safety shoes provided at the workplace.	0	0	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Sudarshan has undertaken various corrective actions to strengthen workplace safety and effectively address safety-related incidents. These initiatives include:

- PHA/HAZOP study has been carried out for critical plants, with sufficient resources allocated along with the required CAPEX for implementing HAZOP recommendations.
- Input was taken by visiting industries handling Chlorine and then the system improvement was done at Sudarshan's own chlorine facility.
- All contractual workmen are issued training passports and provided with the required training.
- A height phobia test (vertigo test) is conducted for personnel engaged in work at height, and the status is recorded on their safety passport.
- New workmen are initially provided with a purple-colored safety helmet. Once their competency assessment is successfully completed, they are issued a green-colored helmet, recognizing them as competent to perform the assigned tasks.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees: Yes

(B) Workers: Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Sudarshan ensures the deduction and compliance of statutory dues by third-party contractors through the incorporation of relevant payment terms and compliance requirements within contractual agreements.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	3	1	0	1

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Sudarshan offers transition assistance programmes to support continued employability and facilitate effective career transition arising from retirement or termination of employment.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	76%
Working Conditions	76%

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns a rising from assessments of health and safety practices and working conditions of value chain partners.

Sudarshan has commenced its efforts to evaluate the health and safety practices of its value chain partners. As part of this initiative, the Company implemented a Supplier Assessment Questionnaire (SAQ) based on ESG parameters, which was shared with all its Tier-1 suppliers. In addition, the Company regularly engages with suppliers through multiple communication channels, including vendor portals, emails, phone calls, conferences, exhibitions, and social media platforms, with a focused approach towards critical suppliers to strengthen supplier relationships. Going forward, Sudarshan intends to undertake supplier audits on ESG parameters in a phased manner over the coming years.



PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Sudarshan recognizes the importance of both internal and external stakeholders in supporting its business performance, sustainability objectives, and long-term value creation. The Company follows a structured approach to stakeholder identification, prioritization, and engagement, aligned with the nature of its operations and associated impacts.

Stakeholders are identified and prioritized based on parameters such as influence, interest, impact, legitimacy, and relevance to the Company’s activities and sustainability priorities. A stakeholder prioritization framework is used to identify key stakeholder groups and enable focused engagement on material issues.

The stakeholder engagement process is periodically reviewed and updated to reflect evolving business priorities, operational changes, regulatory developments, and emerging stakeholder expectations. Feedback received through these interactions helps the Company strengthen its sustainability approach, address concerns proactively, and enhance responsiveness.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees & contractual workforce	No	- Organization-level communication - Department-level communication - Individual-level communication - Social media	- Annually - Quarterly - Monthly - Daily	- Communicate on business goals, values, and principles - Facilitate learning and developing - Track key performance indicators - Grievance redressal
Board of Directors	No	- Board meetings - Board committee meetings - Meeting with Independent Directors - Shareholder meetings	- Annually - Quarterly - Need based	- Understanding and addressing Company concerns - Business operations and Company performance - Economic value generated and distributed - Value addition
Customers	No	- Customer portal, email, & phone communication - Customer visits - Conference & exhibitions - Social media	- Annually - Quarterly - Monthly - Daily	- Quality and perfection - Customer-centric R&D - Transparency and trust - Customer Health & Safety
Industry forums and peers	No	- Industry forum meetings - Executive committees - Social media	- Annually - Need based	- Collaborative and mutual learning - Relationship building

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	- Community meets - Employee volunteering - Need assessment survey - Social media	- Annually - Quarterly - Need based	- Understanding and addressing their concerns - Local community upliftment - SUDHA (Sudarshan's Holistic Aspirations) initiatives
Regulatory Bodies	No	- Annual report - Press releases	- Annually - Quarterly	- Regulatory compliances - Relationship building - Discussions on major investment plans - Understanding upcoming regulations and policies
Shareholders / providers of capital	No	- Annual report - Investor relation - Investor presentations - Press releases - Stock Exchange Disclosures - Social media	- Annually - Quarterly - Monthly - Event based	- Information to shareholder - Return on investment - Transparency and disclosures
Media	No	- Media forums - Press releases - Social media	- Annually - Need based	- Product promotion - Timely disclosure and dissemination of accurate and relevant information to society and community
Vendors / suppliers	No	- Vendor portal - Vendor visits - Email & phone communications - Conferences and exhibitions - Social media	- Weekly for critical suppliers - Monthly	- Building supplier relations - Supply chain sustainability - Competitive pricing

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Sudarshan has established structured mechanisms to facilitate stakeholder consultation on economic, environmental, and social topics, with relevant feedback being periodically communicated to the Board and senior leadership through designated governance forums. Stakeholder input is gathered through multiple engagement channels, including consultations, review meetings, surveys, training sessions, feedback forums, grievance mechanisms, and community interactions. These engagements help the Company understand stakeholder expectations, identify emerging concerns, and assess material sustainability-related topics relevant to its operations and long-term strategy. The responsibility for coordinating stakeholder engagement and evaluating key ESG-related feedback is delegated to the



Chief Sustainability Officer and ESG Committee, who present summary feedback to the Board on a quarterly basis. Material observations and outcomes from these consultations are consolidated and presented to the Board and its committees through periodic reviews, sustainability updates, risk assessments, and strategic discussions. This enables the Board to consider stakeholder perspectives while guiding decisions related to business performance, environmental management, workplace practices, community engagement, and governance priorities. In addition, the CSR Committee reviews feedback and requirements emerging from community engagement initiatives and monitors the implementation and effectiveness of CSR programs in line with the approved CSR framework and applicable regulatory requirements. Through these governance mechanisms, stakeholder feedback is systematically integrated into the Company's decision-making and sustainability management processes.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Sudarshan undertook a double materiality assessment by engaging extensively with both internal and external stakeholders. This process enabled the Company to identify priority material issues and define appropriate actions to effectively manage the related risks and opportunities.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

No instances were reported in FY26

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	1,223	1,222	99.9%	1,148	1,111	96.77%
Other than permanent	114	0	0%	113	0	0%
Total Employees	1,337	1,222	91%	1,261	1,111	88.1%
Workers						
Permanent	213	213	100%	202	202	100%
Other than permanent	2,545	2,545	100%	2,545	2,545	100%
Total Workers	2,758	2,758	100%	2,747	2,747	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
	Employees									
Permanent	1,223	0	0%	1,223	100%	1,148	0	0%	1,148	100%
Male	915	0	0%	915	100%	867	0	0%	867	100%
Female	308	0	0%	308	100%	281	0	0%	281	100%
Other than Permanent	114	0	0%	114	100%	113	0	0%	113	100%
Male	101	0	0%	101	100%	99	0	0%	99	100%
Female	13	0	0%	13	100%	14	0	0%	14	100%
	Workers									
Permanent	213	0	0%	213	100%	202	0	0%	202	100%
Male	213	0	0%	213	100%	202	0	0%	202	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	2,545	581	23%	1,964	77%	2,545	0	0%	2,545	100%
Male	2,327	499	21%	1,828	79%	2,397	0	0%	2,397	100%
Female	218	82	38%	136	62%	148	0	0%	148	100%

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	8	11,41,992	4	22,00,000
Key Managerial Personnel (KMP)**	4	2,68,59,879	0	0
Employees other than BoD and KMP	915	6,97,740	308	2,43,474
Workers	213	9,26,822	0	0

*Note: Mr. Rajesh Rathi, Chairman and Managing Director (DIN: 00018628) and Mr. Ashish Vij, Wholetime Director (DIN: 08140194) are paid remuneration (including special incentive, if any), and Mr. Pradeep Rathi, Non-Executive and Non-Independent Director (DIN: 00018577) is paid pension which is considered as remuneration as per the provisions of The Companies Act, 2013, and Rules made thereunder. All other Directors were paid remuneration in the form of Commission (proposed for FY 2025-26). Sitting Fees paid to Directors is not treated as remuneration as per the statutory provisions and hence not considered in the table above. Remuneration to Mr. Pradeep Rathi (00018577) includes Commission proposed for FY 2025-26 who resigned as a Non-Executive and Non-Independent Director effective close of business hours on 29th May, 2025.

**KMP include Mr. Rajesh Rathi, Managing Director (DIN: 00018628), Mr. Ashish Vij, Wholetime Director (DIN: 08140194), Mr. Nilkanth Natu, Chief Financial Officer and Mr. Mandar Velankar, General Counsel and Company Secretary

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	9%	9%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, Sudarshan has a Human Rights Policy in place, wherein any proposed amendments are required to be reviewed and approved by the Head - People Practices & Admin and the Head Pigment Division, who act as the designated approving authorities.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Sudarshan's Human Rights Policy reflects its commitment to conducting business with respect for the dignity and rights of every individual, while fostering a workplace free from discrimination, harassment, and unfair treatment. The policy establishes a due diligence framework for identifying, assessing, mitigating, and managing human rights risks and impacts. The policy also adopts a zero-tolerance approach towards child labour, forced labour, trafficked labour, bonded labour, and any form of employment that is not based on free will and mutually agreed terms of employment. In addition, it incorporates mechanisms for monitoring, benchmarking, and reviewing objectives, while leveraging employee feedback to support continuous improvement through timely corrective actions. Further, the policy ensures access to remedy by addressing grievances in a transparent, fair, and timely manner. Business leaders and line managers are responsible for effective implementation of the policy, resolving grievances through established mechanisms, and actively supporting the grievance resolution process.

Furthermore, Sudarshan's IR Ninja and the Works Committee, have been constituted in accordance with the Industrial Disputes Act, 1947. Monthly Works Committee meetings are conducted to encourage open communication and direct interaction between worker representatives and management for the collaborative resolution of workplace matters. The meetings are attended by recognised union committee members representing the workers, along with the Site Head, IR (Industrial Relations) Head, and the IR team representing the management. During these discussions, the union committee presents grievances, concerns, and suggestions raised by workers. The forum plays a significant role in addressing workplace issues, strengthening mutual understanding, and fostering constructive collaboration towards effective resolution of concerns.

For more details, refer to Page 76, ESG Report FY 2024-25



6. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	2	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights relate issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees / workers	0%	0.45%
Complaints on POSH upheld	0	2

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

At Sudarshan, the workplace culture is founded on mutual trust and respect, ensuring an environment free from intimidation, harassment, exploitation, and oppression. Sudarshan remains committed to preventing, addressing, and rectifying any behaviour inconsistent with these values through the implementation of its Anti-Harassment Policy, supported by employee awareness programmes, mentoring, and guidance initiatives.

To reinforce this commitment, the following mechanisms have been established:

- Prevention of Sexual Harassment (POSH):** Sudarshan's POSH Policy strictly prohibits retaliation against individuals involved in reporting or investigating sexual harassment complaints. Any retaliatory action may lead to disciplinary measures, including termination of employment or legal action. The policy also mandates regular awareness and training programmes for employees and provides for the constitution of an Internal Complaints Committee (ICC) to address reported cases in a prompt and impartial manner.
- Reporting Mechanism:** A designated investigation committee reports directly to the Managing Director. Where required, the committee may seek support from departments not connected to the complaint to maintain objectivity and impartiality during the inquiry process.
- Grievances Against Internal Committee Members:** Any disciplinary or corrective measures resulting from inquiries conducted under the policy are considered final. The management remains committed to ensuring effective, timely, and comprehensive implementation of the policy.
- Internal Complaints Committee (ICC):** Constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the ICC is responsible for receiving, investigating, and resolving complaints related to sexual harassment. Committee members are trained to perform their responsibilities with sensitivity, confidentiality, and fairness.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements are incorporated into Sudarshan's business agreements and contracts, under which suppliers, contractors, and business partners are expected to uphold this commitment by implementing policies and practices that promote and safeguard human rights.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Sudarshan has established a structured and robust mechanism for addressing and resolving identified and reported human rights grievances or complaints. All external stakeholders, including shareholders, may raise their grievances or concerns through the designated email ID: grievance.redressal@sudarshan.com.

Additionally, there were no modifications in the business process in the reporting year.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Sudarshan is committed to undertaking a Company-wide due diligence process to identify, evaluate, and address potential human rights risks and impacts. As part of this process, the following categories of risks are assessed for further action:

- Risks within own operations
- Risks arising within the value chain or other business-related activities
- Risks associated with new business relationships, including mergers, acquisitions, and joint ventures

The due diligence process primarily focuses on key human rights issues such as forced labour, human trafficking, child labour, freedom of association, the right to collective bargaining, equal remuneration, and non-discrimination.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes , Sudarshan has integrated accessibility infrastructure including walkway ramps, wheelchair access, and specially designed washrooms throughout its premises to meet the needs of differently abled individuals.

4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	76%
Discrimination at workplace	76%
Child Labour	76%
Forced Labour/Involuntary Labour	76%
Wages	76%

5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

No significant risks were identified during the assessment in FY 2025-26



PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources (GJ)		
Total electricity consumption (A)	1,52,652	1,29,206
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	1,52,652	1,29,206
From non-renewable sources (GJ)		
Total electricity consumption (D)	1,20,099	1,25,283
Total fuel consumption (E)	26,61,451	28,00,001
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	27,81,550	29,25,285
Total energy consumed (A+B+C+D+E+F)	29,34,202	30,54,491
Energy intensity per rupee of turnover (GJ / Revenue from operations in ₹ million)	123.73	120.54
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (GJ / Revenue from operations adjusted for PPP in ₹ million)	2,516.73	2,462.69
Energy intensity in terms of physical Output (GJ / Ton of production)	75.62	75.78
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation /Assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	5,158	Nil
(iii) Third party water	48,41,065	49,88,200
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	48,46,223	49,88,200
Total volume of water consumption (in kilolitres)	8,69,210*	6,26,263
Water intensity per rupee of turnover (Kiloliters) / Revenue from operations in ₹ million)	36.65*	24.71
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Kiloliters / Revenue from operations adjusted for PPP in ₹ million)	745.54	504.93
Water intensity in terms of physical Output (Kiloliters / Ton of production)	22.40	15.53
Water intensity (optional) –the relevant metric may be selected by the entity	NA	NA

*Note: The reported water consumption figure for FY2025–26 is based on updated calculation methodology. Applying the same methodology, the water consumption for FY2024–25 would have been 11,95,363 m³.

Note: Indicate if any independent assessment/ evaluation/ Assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	37,92,837
(ii) To Groundwater		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	39,77,013*	Primary, Secondary and Tertiary
(v) Others		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	39,77,013	37,92,837

*For FY2025-26 the classification of water discharge has been updated to “Third Party” to reflect the actual mode of discharge in alignment with the current operational practices.

Note: Indicate if any independent assessment/ evaluation / assurance has been carried out by an external agency? (Y/N) If yes,name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	MT	87	13.06
SOx	MT	135	104.72
Particulate matter (PM)	MT	268	63.31
Persistent organic pollutants (POP)	MT	Nil	Nil
Volatile organic compounds (VOC)	MT	Nil	Nil
Hazardous air pollutants (HAP)	MT	Nil	Nil

Note: Indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	2,62,109	2,64,736
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	23,686	24,883
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (tCO ₂ e / Revenue from operations in ₹ million)	tCO ₂ e	12.05	11.42
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (tCO ₂ e / Revenue from operations adjusted for PPP in ₹ million)	tCO ₂ e	245.13	233.51
Total Scope 1 and Scope 2 emission intensity in terms of physical output (tCO ₂ e / Ton of production)	tCO ₂ e	7.37	7.18
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	tCO ₂ e	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Sudarshan Chemical Industries Limited is committed to achieving a 58.8% reduction in greenhouse gas emissions by FY2035, aligned with Science Based Targets initiative (SBTi) targets. To support this commitment, the Company is implementing multiple emission reduction initiatives, including energy conservation measures and continuous monitoring to minimize flare emissions. Key interventions include CT fan temperature interlocking, modifications to brine pumps, jet mill air compressors, and motors across various sites. In parallel, Sudarshan is progressively increasing its investments in renewable energy, with a strong focus on solar power adoption.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste Generated (in metric tonnes)		
Plastic waste (A)	526	659.44
E-waste (B)	0.00	1.90
Bio-medical waste (C)	0.01	0.21
Construction and demolition waste (D)	0.00	Nil
Battery waste (E)	0.00	11.48
Radioactive waste (F)	0.00	Nil
Other Hazardous waste. Please specify, if any. (G)	8,383	8,513.11
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	19,476	18,998.06
Total (A+B + C + D + E + F + G + H)	28,384	28,184.20
Waste intensity per rupee of turnover (Metric Tonnes / Revenue from operations in ₹ million)	1.19	1.11
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Metric tonnes / Revenue from operations adjusted for PPP in ₹ million)	24.34	22.72
Waste intensity in terms of physical output (Metric ton / ton of production)	0.73	0.69
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	18,409	18,754.95
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	1,323	Nil
Total	19,732	18,754.95
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	516	769.67
(ii) Landfilling	8,132	8,659.57
(iii) Other disposal operations	4	Nil
Total	8,652	9,429.24

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Sudarshan has implemented a comprehensive waste management strategy focused on minimizing waste generation and enhancing resource efficiency across its operations. The Company aligns its practices with waste reduction initiatives and regularly tracks progress toward its goals of achieving zero waste to landfill and promoting responsible waste management practices.

Its approach is guided by key principles such as efficient storage and inventory management to reduce material wastage, improving asset performance and operational yield, conducting periodic employee training and awareness programs on proper waste handling, and proactively preventing spills and leaks. Sudarshan also emphasizes efficient logistics and transportation management to minimize waste generation while ensuring strict compliance with regulatory requirements for the safe disposal of materials. The Company’s waste management strategy is anchored in circular economy principles, with a strong focus on the 4Rs — Reduce, Reuse, Recycle, and Responsible Disposal.

11. If the entity has operations/offices in around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Nil

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant Web link
					Nil

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not Applicable as Sudarshan is compliant with all applicable environmental law/regulations/guidelines in India			

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not Applicable

(ii) Nature of operations: Not Applicable

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	Nil	Nil
Total volume of water consumption (in kilolitres)	Nil	Nil
Water intensity per rupee of turnover (Water consumed / turnover)	Nil	Nil
Water intensity (optional) – the relevant metric may be selected by the entity	Nil	Nil
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(ii) Into Groundwater		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(iii) Into Seawater		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
(v) Others		
• No treatment	Nil	Nil
• With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.



2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	3,56,702	3,52,978
Total Scope 3 emissions (tCO ₂ e / turnover in ₹ million)		15.04	13.93
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	tCO ₂ e	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, TUV India Private Limited has carried out an independent assurance of the selected non-financial disclosures.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the Initiative
1	Recycled water reuse	Use of recycled water for gardening purposes	Recycled water reused

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Sudarshan has established a Business Continuity Plan (BCP) that serves as a strategic framework to guide the organization during emergencies or incidents that may disrupt normal operations. The BCP outlines the roles and responsibilities of key personnel, identifies critical resources and services, and defines the actions required for effective response and recovery.

The plan incorporates systems and processes designed to minimize the impact of disruptions, coordinate with relevant authorities, manage crisis situations, maintain clear communication with stakeholders, address damages, restore operations efficiently, and safeguard the organization's reputation and business value. Currently, the review of the BCP has been completed, and the planning and implementation phases are underway.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

Sudarshan ensures that all its operational sites function with valid Environmental Clearances obtained through the prescribed Environmental Impact Assessment (EIA) process. In addition, each site possesses the necessary operational consents issued by the respective State Pollution Control Boards.

The Company strictly complies with all conditions stipulated in these approvals, as well as requirements mandated by relevant Central and State regulatory authorities. As a result, the environmental impacts arising from its operations remain within approved and permissible limits, demonstrating Sudarshan's commitment to responsible environmental stewardship and sustainable business practices.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Sudarshan has implemented a Supplier Assessment Questionnaire (SAQ) checklist to evaluate its value chain partners in terms of partners' performance in important environmental areas. As of 31st March 2025, Sudarshan has successfully covered 76% of its value chain partners for assessments on environmental impacts

8. How many Green Credits have been generated or procured:

- a. By the listed entity - Nil
- b. By the top ten (in terms of value of purchases and sales respectively) value chain partners - Nil

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.
- Sudarshan has affiliations with nine (9) trade and industry chambers/associations
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
i)	Indian Chemical Council (ICC)	National
ii)	National Safety Council (NSC)	National
iii)	CHEMEXCIL- Basic Chemicals, Cosmetics & Dyes Export Promotion Council	National
iv)	Mahratta Chamber of Commerce and Industry and Agriculture (MCCIA)	National
v)	ETAD- The Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturer	National
vi)	Mahad Manufacturing Industrial Association	National
vii)	Common Hazardous Waste Storage Treatment and Disposal Facility (CHWTSDF) - Mumbai Waste Management Ltd. (MWML) - Maharashtra Enviro Private Ltd. (MEPL)	National
viii)	Pigment Manufacturers' Association of India (PMAI)	National
ix)	United Nations Global Compact (UNGC)	International

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
No issues have been reported in FY26		Not applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain (Y/N)?	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
			Nil		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief of the project	SIA Notification No.	Date of Notification	Whether conducted by independent in external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)

3. Describe the mechanisms to receive and redress grievances of the community.

Sudarshan has kept complaint register on the main entry gate across the sites for all communities to facilitate anonymous feedback. Additionally, local residents are encouraged to submit their grievances electronically via the designated email address given below: grievance.redressal@sudarshan.com

The other key mechanism adopted by Sudarshan to receive and redress grievances of the community include:

- Community outreach center
- Community forums and meetings
- Help Desk
- Company Register
- Mediation and conflict resolution

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/small producers	13%	11%
Directly from within India	73%	68%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025-26	FY 2024-25
Rural	Nil	Nil
Semi-urban	51%	62.11%
Urban	Nil	Nil
Metropolitan	49%	37.89%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (In ₹)
			Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No): No

(b) From which marginalized /vulnerable groups do you procure?: Not applicable

(c) What percentage of total procurement (by value) does it constitute?: Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Sudarshan does not have any patents/IPR derived from traditional knowledge			



5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not applicable	

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Education	17,335	100%
2	Health	12,202	100%
3	Women Empowerment	1,466	100%
4	Environment	10,924	100%
5	Community Development	27,058	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has established a formal Standard Operating Procedure (SOP) for managing customer complaints, which provides a structured framework for complaint registration, investigation, assessment, and implementation of corrective and preventive actions. The SOP also clearly outlines the responsibilities of respective departments in addressing deviations, thereby ensuring timely and effective resolution in line with quality and service expectations.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	a. Sudarshan sources raw materials through sustainable channels and is a part of RMI for MICA sourcing.
	b. Sudarshan has initiated the Life Cycle Assessment (LCA) of products from representative class from own product portfolio.
	c. All safety data sheets of Sudarshan are according to Globally Harmonized System of Classification and Labelling of Chemicals (GHS)
	d. Sudarshan is certified for ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018. Currently, Company's labelling practices are in accordance with Globally Harmonized System ("GHS") and Safety Data Sheet ("SDS"). It contains limited ecological information.
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	NA	NA	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair trade practices	0	0	NA	0	0	NA
Other	99	2	Product related queries	186	7	Product related queries



4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Sudarshan has established and implemented a comprehensive [IT and Cybersecurity Policy](#) aimed at safeguarding and effectively managing all IT-related resources used by employees, while ensuring compliance with legal, regulatory, and security requirements.

As part of its broader policy framework, Sudarshan has also maintain a dedicated IT Management Policy that defines the procedures for reporting and managing data breaches within the organisation. Sudarshan regularly conducts information security risk assessments, and identified cyber risks are communicated to operations management, senior leadership, and the Board of Directors at least twice annually.

Further, Sudarshan operates own data centres through a Tier-4 compliant co-location facility, reflecting high standards of reliability and operational performance. Sudarshan also deploys robust, multi-layered physical and cybersecurity controls to safeguard sensitive information and critical systems.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Sudarshan has established a framework for implementing corrective actions in key areas such as cybersecurity and data privacy through its Manage, Detect & Respond (MDR) process. Sudarshan undertakes regular information security risk assessments, and identified cyber risks are communicated to operational teams, senior management, and the Board of Directors at least twice a year.

Additionally, Sudarshan has achieved ISO 27001 certification, demonstrating commitment to maintaining robust information security standards and best practices.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches: 2
- b. Percentage of data breaches involving personally identifiable information of customers: 0, No PII of customer breaches in above 2 instances
- c. Impact, if any, of the data breaches: No

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information about the products and services of Sudarshan can be accessed on: [Products and Services](#)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Sudarshan promotes customer well-being by delivering high-quality and environmentally responsible products developed through its state-of-the-art R&D centers. Sudarshan is committed to ensuring accurate, transparent, and timely communication of relevant product information to customers and other stakeholders. Sudarshan complies with all applicable health and safety regulations by providing Material Safety Data Sheets (MSDS) and other relevant documentation to communicate product details, identify potential hazards, and specify appropriate risk mitigation measures.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Sudarshan utilizes multiple communication channels to keep customers informed about disruptions relating to critical services. This includes customised communications from functions such as Technical Marketing and Marketing regarding leadership transitions, product discontinuations, or unforeseen situations such as raw material shortages and supply chain disruptions. Additionally, any planned or unplanned interruptions in IT services are promptly communicated to all relevant internal stakeholders.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The following key information is displayed on the product packaging:

- Sudarshan trade name
- Colour Index name
- Colour Index number on the bags
- GHS (Globally Harmonized System) classification label on the bags
- For chrome exports, materials are dispatched in India Institute of Packaging (IIP) approved United Nations (UN) certified packaging bags bearing UN numbers, along with Class 9 stickers affixed on pallets and containers
- For Lead Pearl products, materials are dispatched in IIP-approved packaging with relevant UN details and Class 6 stickers

Yes, Sudarshan also conducts customer satisfaction surveys pertaining to its products, services, and significant operational locations of the Company.

Corporate Governance Report

A. CORPORATE GOVERNANCE

Corporate Governance is a set of principles, processes and systems which governs a Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organisation to perform efficiently and ethically generate long-term wealth and create value for all its stakeholders.

The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met accordingly. The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with the strategic direction needed to create long term shareholders' value. The Company has adopted many ethical and transparent governance practices even before they were mandated by law. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance.

B. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance envisages attainment of transparency and accountability in all spheres including its dealings with Government and Regulatory Authorities, employees, shareholders, customers, vendors, lenders and others. Thus, Corporate Governance is a reflection of the Company's culture, policies, the Company's relationship with stakeholders and the Company's commitment to its values.

The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct of the Company and among others, the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company, through its Board and Committees, endeavors to maintain high standards of Corporate Governance for the benefit of its shareholders and stakeholders.

The Company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to creation of long-term shareholder value. The Company's initiatives towards

adhering to high standards of Governance include self-governance, professionalization of the Board, fair and transparent processes and reporting systems. Additionally, the Company has identified the Board of Directors and members of the Audit Committee as 'Those Charged With Governance' ("TCWG") in compliance of circular issued by the National Financial Reporting Authority ("NFRA") on 7th January, 2026 regarding strengthening communication between Statutory Auditors and TCWG.

The Corporate Governance Principles implemented by the Company seek to protect, recognize and facilitate shareholders' rights and ensure timely and accurate disclosure to them. Good Governance practices have rewarded the Company in the sphere of improved share valuations, stakeholders' confidence, improved market capitalisation, and awards from appropriate authorities, among others, for its employee centric policies and environmental protection measures, etc. These have helped the Company to increase shareholder value.

The Company's Board comprises of individuals with considerable experience and expertise across a range of disciplines including business management, business strategy, direct taxation, finance, legal and accounting. The Board members are fully aware of their roles and responsibilities in discharge of their key functions. The Board members strive to meet the expectations of operational transparency without compromising on the need to maintain confidentiality of information.

The Company's vision is to become the inspirational leader in the global colorant industry. Guided by its purpose - "To unleash joy, vibrancy and possibilities" and its mission - "Delivering breakthrough results for all our stakeholders through reliable and sustainable solutions". Our Company's business strategy is founded on customer centricity, fostering long-term relationships through a precise understanding of customer requirements.

This strategy is implemented through a solution-partnering approach, adherence to world-class quality standards, and consistent excellence in service delivery. Sustainability considerations are embedded in all business activities, ensuring that growth and innovation are pursued in a manner that protects the environment, benefits society, and upholds the interests of all stakeholders.

Sudarshan Values:

All employees are committed to living the Company's values:

- Respect - We listen actively and embrace diverse voices.
- Entrepreneurship - We spot opportunity, own it, do it.
- Agility - We act quickly and decisively.
- Passion - We put our heart in everything we do.
- Seva (Service) - We create joy through service.

Integrity of Financial Reporting:

The Company ensures that adequate controls are in place to provide accurate and timely disclosure on all material matters including financial situation, performance and governance of the Company. The Audit process is supervised by the Audit Committee of the Board and is undertaken by an Independent firm of Chartered Accountants, reporting directly to the Audit Committee.

Rights of Shareholders:

The Company believes in protecting the rights of the shareholders and ensures adequate and timely disclosure of all information to the shareholders in compliance with applicable laws. Shareholders are furnished with sufficient and timely information concerning critical matters discussed and decided at the Board level and also information regarding Meetings/Postal Ballot, to be transacted at General Meetings/Postal Ballot, opportunity to participate and vote at General Meetings, rules of voting process and among others mechanism to address grievances.

C. BOARD OF DIRECTORS

The Board of Directors of the Company has an optimum combination of Executive Directors, Non-Executive and Independent Directors, who have in-depth knowledge of business, in addition to expertise in their areas of specialization.

As on 31st March 2026, the Company's Board consisted of 10 (ten) Members. The composition of the Board, as on 31st March 2026, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") as amended, with specified combination of Executive and Non-Executive Directors and at least one-half of the Board is comprising of Independent Directors (including 3 (three) Independent Women Directors) for a Board chaired by an Executive Promoter Director. The name and brief profile of Board of Directors of the Company is placed on the website of the Company at <https://www.sudarshan.com/company/leadership-team/>

In the opinion of the Board, all Independent Directors are independent of the management and satisfy the criteria of independence as defined under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

A brief profile of Director(s) seeking appointment(s) /re-appointment(s) has been given in the Notice convening the 75th Annual General Meeting of the Company.

Changes to the Board of Directors:

During the Financial Year 2025-26, the following changes took place in the composition of Board of Directors:

1. Mr. Pradeep Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025.
2. The Board, at its meeting held on 29th May, 2025, appointed Mr. Rajesh Rathi (DIN:00018628) as a Chairman, in addition to his current role as a Managing Director, effective close of business hours on 29th May, 2025.
3. Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company.
4. The Board, at its meeting held on 23rd September, 2025, approved appointments of Mr. Apurva Chandra (DIN:02531655) and Mr. Rajendra Mariwala (DIN:00007246) as Independent Directors (Additional) and Mr. Amitabha Mukhopadhyay (DIN:01806781) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective 1st October, 2025. Further, the Board, at its meeting held on 12th November, 2025 approved appointment of Mr. Sanjay Asher (DIN:00008221) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective close of business hours on 12th November, 2025. All these appointments were approved by the Shareholders on 25th December, 2025 by way of Postal Ballot.

Composition

The Board comprises of following Directors as on 31st March, 2026 -

Sr. No.	Category of Director(s)	Name of Director(s)
a.	Promoter and Promoter Group	1. Mr. Rajesh Rathi – Chairman and Managing Director
b.	Non-Promoters (Independent Directors)	1. Mrs. Sudha Navandar 2. Mrs. Anu Wakhlu 3. Ms. Bhumika Batra 4. Mr. Apurva Chandra 5. Mr. Rajendra Mariwala 6. Mr. Naresh Raisinghani
c.	Non-Promoters (Non-Independent Directors)	1. Mr. Ashish Vij – Wholetime Director 2. Mr. Sanjay Asher – Non-Executive and Non-Independent Director 3. Mr. Amitabha Mukhopadhyay – Non-Executive and Non-Independent Director

Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its Promoters, its management during the Financial Year 2025-26, which in the judgment of the Board may affect independence of judgment of the Directors.
- The Directors mentioned at Serial No. (b) above fall within the expression of “Independent Directors” as mentioned in Regulation 16(1)(b) of SEBI Listing Regulations, 2015.
- None of the Directors are related to each other in terms of Regulation 2(zd) of SEBI Listing Regulations, 2015.

Board Skill Matrix:

The Directors appointed on the Board are from diverse backgrounds and possess expertise in the fields that they represent which enables them to effectively contribute in deliberations at Board and Committee Meetings. As required by SEBI Listing Regulations, 2015 the matrix setting out the Skills / Expertise / Competencies that are identified and available within the Board of the Company for effective functioning, are given below:

Sr. No.	Name of Director	Skills/ Expertise/ Competencies
1	Mr. Pradeep Rathi ⁽¹⁾	Strategic Thinking, General Management, Sales and Marketing, Industry - Chemical - Pigment, Finance and Accounts
2	Mr. Rajesh Rathi	Leadership, Strategic Thinking, General Management, Sales and Marketing, Industry - Chemical - Pigment, HR and People Practices, Technical - Chemical, Risk Management, Industrial – Manufacturing
3	Mrs. Sudha Navandar	Leadership, Behavioural Skills, Strategy and Planning, Finance and Accounts, Audit, Risk Management, Governance
4	Mrs. Anu Wakhlu	Strategic Thinking, General Management, Sales and Marketing, HR and People Practices, Corporate Governance, Behavioural Skills
5	Ms. Bhumika Batra	Legal, Corporate and International Laws, Regulatory Framework, Corporate Governance, Risk Management, Finance and Accounts
6	Mrs. Shubhalakshmi Panse ⁽²⁾	Strategic Thinking, General Management, HR and People Practices, Finance and Accounts, Risk Management
7	Mr. Apurva Chandra ⁽³⁾	Strategic Thinking, General Management, Strategy and Planning, Finance and Accounts, Audit, Risk Management, Legal and Regulatory Framework
8	Mr. Rajendra Mariwala ⁽³⁾	Strategic Thinking, Sales and Marketing, Industry - Technical – Chemical, Strategy and Planning
9	Mr. Naresh Raisinghani	Strategic Thinking, General Management, HR and People Practices, Risk Management, Finance and Accounts
10	Mr. Sanjay Asher ⁽³⁾	Strategic Thinking, General Management, Sales and Marketing, HR and People Practices, Finance and Accounts, Legal, Corporate Governance, Risk Management, Taxation
11	Mr. Amitabha Mukhopadhyay ⁽³⁾	Strategic Thinking, Finance and Accounts, Audit, Risk Management, Legal and Regulatory Framework, Corporate and International Laws, Corporate Governance, Taxation, Strategy and Planning
12	Mr. Ashish Vij	Leadership, Strategic Thinking, General Management, Industry - Chemical - Pigment, Technical- Chemical, Industrial - Manufacturing, HR and People Practices, Risk Management (Operations)

Notes:

- Mr. Pradeep Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025. Therefore, details shown above are as of 29th May, 2025.
- Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company. Therefore, details shown above are as of 13th August, 2025.
- The Board, at its meeting held on 23rd September, 2025, approved appointments of Mr. Apurva Chandra (DIN:02531655) and Mr. Rajendra Mariwala (DIN:00007246) as Independent Directors (Additional) and Mr. Amitabha Mukhopadhyay (DIN:01806781) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective 1st October, 2025. Further, the Board, at its meeting held on 12th November, 2025 approved appointment of Mr. Sanjay Asher (DIN:00008221) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective close of business hours on 12th November, 2025. All these appointments were approved by the Shareholders on 25th December, 2025 by way of Postal Ballot.

Certificate from the Practising Company Secretary:

A certificate from Mr. Rajesh Karunakaran, a Practising Company Secretary (FCS No. 7441, C. P. No. 6581) has been obtained to the effect 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 authority. This Certificate is attached and marked as **Annexure I** to this Report.

Independent Directors:

The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of SEBI Listing Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the criteria of independence as laid down under this Regulation as well as Section 149(6) of the Companies Act, 2013 and rules made thereunder. The Company has received confirmation from all the existing Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, in the opinion of the Board, the Independent Directors fulfilll the conditions specified in these regulations and are independent of the management.

Formal Letter of appointment to Independent Directors:

In accordance with the applicable provisions of the SEBI Listing Regulations, 2015, the Company has issued formal letters of appointment to all the Independent Directors. The terms and conditions of their appointment have also been disclosed on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan>

Limit on the number of Directorships:

In compliance with the SEBI Listing Regulations, 2015, Directors of the Company do not serve as Independent Director in more than seven Listed Companies or in case he / she is serving as a Managing Director / Wholetime Director in any Listed Company, does not hold such position in more than three Listed Companies.

Maximum Tenure of Independent Directors:

In accordance with Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company is for a term of 5 (five) consecutive years from the date of appointment / re-appointment as Independent Directors. The maximum tenure of the Independent Directors does not exceed 10 (ten) years.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, and that of its Committees, Chairperson and Independent Directors. The criteria of performance evaluation forms part of the Remuneration Policy of the Company and the same has been disclosed on the website at <https://www.sudarshan.com/investor/company-policies-sudarshan/> The manner in which such formal annual evaluation was made by the Board for the Financial Year 2025-26 is given below:

Based on the evaluation criteria, rating sheets were filled by each of the Directors towards the end of the year with regard to evaluation of the performance of the Board, its Committees, Chairperson and Independent Directors (except for the director being evaluated) for the year under review.

The Nomination and Remuneration Committee evaluated performance of every Director including Independent Directors.

A consolidated summary of the ratings given by each of the directors was then prepared, based on which a report of performance evaluation was prepared by

the Chairperson of the Nomination and Remuneration Committee in respect of the performance of the Board, its Committees, Chairperson and Independent Directors for the year under review.

The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board at their meetings held on 25th May, 2026.

Succession Plan:

One of the key functions of the Board of Directors is selecting, compensating, monitoring and when necessary, replacing the members of the Board of Directors and the Senior Managerial Personnel including the KMPs. Further, the Nomination and Remuneration Committee is instrumental in identifying successors for Board members and senior management thereby aligning the succession plans with the Company’s strategic and long-term goals.

Pursuant to Regulation 17(4) of SEBI Listing Regulations, 2015, the Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing Members of the Board of Directors and Senior Management Personnel including the KMPs.

Familiarisation program for Independent Directors:

The Board has adopted an ongoing Familiarisation Program (“the Program”) for Independent Directors pursuant to SEBI Listing Regulations, 2015. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company and to help them in the efficient discharge of their roles, rights and responsibilities in the Company. Details of such programs have been disclosed on the Company’s website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

During the period under review, Board retreat was organized to deliberate on various topics related to strategic planning, progress of ongoing strategic initiatives, risks to strategy execution, need for new strategic programs to achieve the Company’s long-term objectives, Board best practices along with agreed norms to improve communication between the Board and management. This provided the Board members a platform to bring their expertise to various strategic initiatives, while also giving them an opportunity to understand detailed aspects of execution and challenges relating to the specific theme.

Through this process, members of the Board can interact closely with the senior leadership of the

Company and get a comprehensive and balanced perspective on the strategic issues facing the Company, the competitive differentiation being pursued by the Company, and an overview of the execution plan.

Board Diversity Policy:

The Company recognises and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to:

- drive business results;
- make corporate governance more effective;
- enhance quality and responsible decision making capability;
- ensure sustainable development; and
- enhance reputation of the Company

Full text of the Board diversity policy is available on the Company’s website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Review of Legal Compliance Reports:

During the year under review, the Board periodically reviewed compliance reports with respect to the various laws applicable to the Company, as prepared by the Management.

Board Meetings and Agenda:

In accordance with the legal position and the Articles of Association of the Company, the Board of Directors is the ultimate decision-making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once a quarter to review among other things, quarterly performance of the Company and financial results. The Board / Committee Meeting(s) are pre-scheduled and a tentative annual calendar of the meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and ensure meaningful participation in the meetings. However, in case of a special and urgent business need, approval of the

Board is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. The compliance reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Whenever it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the presentations are made in respect thereof. The information as specified in Regulation 17(7) of SEBI Listing Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India (“ICSI”) is regularly made available to the Board, whenever applicable, for discussion and consideration. Video / Teleconferencing facilities are also provided to enable participation from all Board / Committee members.

Post Meeting follow up system:

The Company has an effective post Board Meeting follow-up procedure. An action taken report on the decisions taken in a meeting is placed at the

immediately succeeding meeting for information of the Board. The Board has established procedures to periodically review compliance report of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

Meetings and Attendance:

During the Financial Year 2025-26, 6 (Six) meetings of the Board of Directors were held on 29th May, 2025, 25th July, 2025, 23rd September, 2025, 12th November, 2025, 7th January, 2026 and 12th February, 2026 respectively.

The maximum gap between any two Board Meetings held during the Financial Year was not more than 120 days.

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2025-26 and at the 74th Annual General Meeting held on 29th September, 2025, are given below:-

Sr. No.	Name of Director	Designation	Status	Details of Board meetings during the tenure of Director		Attendance at the last AGM
				Held	Attended	
1	Mr. Pradeep Rathi*	Non-Executive Non-Independent, Chairman(<i>till close of business hours on 29th May, 2025</i>)	Non-Executive	1	1	N.A.
2	Mr. Rajesh Rathi	Chairman and Managing Director	Executive	6	6	Yes
3	Mrs. Shubhalakshmi Panse**	Independent Director	Non-Executive	2	2	N.A.
4	Mrs. Sudha Navandar	Independent Director	Non-Executive	6	6	Yes
5	Mrs. Anu Wakhlu	Independent Director	Non-Executive	6	4	Yes
6	Ms. Bhumika Batra	Independent Director	Non-Executive	6	5	Yes
7	Mr. Apurva Chandra***	Independent Director	Non-Executive	3	3	N.A.
8	Mr. Rajendra Mariwala***	Independent Director	Non-Executive	3	3	N.A.
9	Mr. Naresh Raisinghani	Independent Director	Non-Executive	6	5	Yes
10	Mr. Sanjay Asher***	Non-Executive Non-Independent Director	Non-Executive	2	2	N.A.
11	Mr. Amitabha Mukhopadhyay***	Non-Executive Non-Independent Director	Non-Executive	3	3	N.A.
12	Mr. Ashish Vij	Wholetime Director	Executive	6	6	Yes

Notes:

*Mr. Pradeep Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025. Therefore, details shown above are as of 29th May, 2025.

**Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company. Therefore, details shown above are as of 13th August, 2025.

***The Board, at its meeting held on 23rd September, 2025, approved appointments of Mr. Apurva Chandra (DIN:02531655) and Mr. Rajendra Mariwala (DIN:00007246) as Independent Directors (Additional) and Mr. Amitabha Mukhopadhyay (DIN:01806781) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective 1st October, 2025. Further, the



Board, at its meeting held on 12th November, 2025 approved appointment of Mr. Sanjay Asher (DIN:00008221) as a Non-Executive and Non-Independent Director (Additional), liable to retire by rotation, effective close of business hours on 12th November, 2025. All these appointments were approved by the Shareholders on 25th December, 2025 by way of Postal Ballot.

Details of Directorship(s) and Committee Membership(s) / Chairpersonship(s) in Companies:

Name of Director	No. of shares held in the Company	Directorship in Listed Companies*	Directorship in Unlisted Public Companies	Directorship in Private Companies*	Committee Membership in Listed and Unlisted Public Limited Companies**	Committee Chairpersonship in Listed and Unlisted Public Limited Companies**
Mr. Pradeep Rathi ⁽¹⁾	34,24,740	2	-	3	-	-
Mr. Rajesh Rathi	40,50,359 ⁽²⁾	2	-	4	1	-
Mrs. Sudha Navandar	-	6	3	1	7	3
Mrs. Anu Wakhlu	-	4	-	1	4	2
Ms. Bhumika Batra	-	4	5	2	8	3
Mrs. Shubhalakshmi Panse ⁽³⁾	-	2	-	-	2	-
Mr. Apurva Chandra	150	4	4	-	4	-
Mr. Rajendra Mariwala	-	6	1	1	3	-
Mr. Naresh Raisinghani	700	2	1	1	4	-
Mr. Sanjay Asher	-	7	1	3	9	1
Mr. Amitabha Mukhopadhyay	23,213	7	3	3	10	5
Mr. Ashish Vij	5,721	1	-	1	-	-

*Directorships in listed companies include Directorship held in the Company and Directorships held in private companies exclude Directorships in Foreign Companies and Section 8 companies formed under the Companies Act, 2013.

**Includes Chairpersonship / Membership of Audit Committee and Stakeholders’ Relationship Committee which is mandatory under Regulation 26 of SEBI Listing Regulations, 2015 for calculation of limit.

⁽¹⁾Mr. Pradeep Rathi (DIN: 00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025. Therefore, details shown above are as of 29th May, 2025.

⁽²⁾As on 31st March, 2026, Mr. Rajesh Rathi holds 40,50,359 Equity Shares and 9,80,000 warrants, each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company of face value of ₹2/- each (Warrants) at a price of ₹1,019.75 each payable in cash (Warrants Issue Price) which were allotted on Preferential Basis by way of Private Placement on 13th December, 2024. As on 31st March, 2026, these Warrants had not been converted into Equity Shares.

⁽³⁾Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company. Therefore, details shown above are as of 13th August, 2025.

None of the Directors is a member in more than 10 mandatory committees or acting as Chairperson of more than 5 committees across all companies in which he / she is a director. The necessary disclosures regarding Committee positions have been made by the Directors.

None of the Directors hold the office of director in more than the permissible number of companies under the Companies Act, 2013 or Regulation 17A of SEBI Listing Regulations, 2015.

Details of Directorships in Listed Companies:

Name of Director	Directorships in Listed entities	Category of Directorship
Mr. Pradeep Rathi*	1. Sudarshan Chemical Industries Limited	Non-Executive Chairman (till close of business hours on 29 th May, 2025)
	2. Clean Science and Technology Limited	Chairman, Non-Executive Non-Independent Director
Mr. Rajesh Rathi	1. Sudarshan Chemical Industries Limited	Chairman** and Managing Director
	2. Sudarshan Colorants India Limited	Chairman, Non-Executive Non-Independent Director
Mrs. Sudha Navandar	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. Sudarshan Colorants India Limited	
	3. Yasho Industries Limited	
	4. Tribhovandas Bhimji Zaveri Limited	
	5. Anand Rathi Share and Stock Brokers Limited	
	6. Patel Engineering Limited	
Mrs. Anu Wakhlu	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. Sudarshan Colorants India Limited	
	3. SKF India Limited	
	4. SKF India (Industrial) Limited	
Ms. Bhumika Batra	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. Jyothy Labs Limited	
	3. Hinduja Global Solutions Limited	
	4. Deepak Nitrite Limited	
Mrs. Shubhalakshmi Panse***	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director (till close of business hours on 13 th August, 2025)
	2. Can Fin Homes Limited	Non-Executive Independent Director
Mr. Apurva Chandra	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. CEAT Limited	
	3. Lloyds Engineering Works Limited	
	4. Ravindra Energy Limited	
Mr. Rajendra Mariwala	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. Marico Limited	Non-Executive Non-Independent Director
	3. Kaya Limited	Non-Executive Non-Independent Director
	4. Astral Limited	Non-Executive Independent Director
	5. Apcotex Industries Limited	Non-Executive Independent Director
	6. Westlife Foodworld Limited	Non-Executive Independent Director
Mr. Naresh Raisinghani	1. Sudarshan Chemical Industries Limited	Non-Executive Independent Director
	2. Sudarshan Colorants India Limited	
Mr. Sanjay Asher	1. Sudarshan Chemical Industries Limited	Non-Executive Non-Independent Director
	2. Sonata Software Limited	Chairman and Non-Executive Independent Director
	3. Gillette India Limited	Non-Executive Independent Director
	4. Repro India Limited	Non-Executive Independent Director
	5. Epigral Limited	Non-Executive Independent Director
	6. Hawkins Cookers Limited	Non-Executive Independent Director
	7. Ashok Leyland Limited	Non-Executive Non-Independent Director



Name of Director	Directorships in Listed entities	Category of Directorship
Mr. Amitabha Mukhopadhyay	1. Sudarshan Chemical Industries Limited	Non-Executive Non-Independent Director
	2. Sudarshan Colorants India Limited	
	3. Parag Milk Foods Limited	
	4. Foseco India Limited	
	5. Foseco Crucible (India) Limited	Non-Executive Independent Director
	6. Sanghvi Movers Limited	
	7. Quick Heal Technologies Limited	
Mr. Ashish Vij	1. Sudarshan Chemical Industries Limited	Wholetime Director

*Mr. Pradeep Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025. Therefore, details shown above are as of 29th May, 2025.

**The Board, at its meeting held on 29th May, 2025, appointed Mr. Rajesh Rathi (DIN:00018628) to act as a Chairman of the Company in addition to his current role as a Managing Director effective close of business hours on 29th May, 2025.

***Mrs. Shubhalakshmi Panse (DIN:02599310), ceased as a Non-Executive and Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company. Therefore, details shown above are as of 13th August, 2025.

Board Committees:

i) **Audit Committee:**

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

The Committee’s purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company’s financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost Auditors, the performance of internal auditors and the Company’s risk management policies.

Composition, Meetings and Attendance:

As on 31st March, 2026, the Audit Committee of the Board consisted of the following Directors:

Name	Category	Details of meetings during the tenure of member	
		Held	Attended
Mrs. Sudha Navandar	Chairperson (Non - Executive and Independent Director)	5	5
Ms. Bhumika Batra	Member (Non - Executive and Independent Director)	5	4
Mr. Apurva Chandra	Member (Non - Executive and Independent Director)	1	1
Mr. Naresh Raisinghani	Member (Non - Executive and Independent Director)	4	3
Mr. Sanjay Asher	Member (Non - Executive and Non-Independent Director)	1	1
Mr. Amitabha Mukhopadhyay	Member (Non - Executive and Non-Independent Director)	1	1

Notes:

During the Financial Year 2025-26, the following changes took place in the composition of the Audit Committee:

- Mr. Apurva Chandra, Mr. Amitabha Mukhopadhyay and Mr. Sanjay Asher were appointed as Members of the Audit Committee effective close of business hours on 12th November, 2025.
- Mr. Naresh Raisinghani ceased as a Member of the Audit Committee effective close of business hours on 12th November, 2025 and was again re-inducted as a Member of the Committee effective 19th February, 2026.

Meetings during the year:

During the Financial Year 2025-26, 5 (Five) meetings of the Audit Committee were held on 29th May, 2025, 25th July, 2025, 22nd September, 2025, 12th November, 2025 and 12th February, 2026 respectively. The maximum gap between any two meetings of the Committee held during the financial year was not more than 120 days. Mr. Rajesh Rathi, Chairman and Managing Director, Mr. Nilkanth Natu, CFO and the Internal Audit Head were the permanent invitees to the meetings of the Committee. Apart from them, these meetings were also attended

by Internal Auditors and Statutory Auditors on invitation.

The Company Secretary acts as the Secretary to the Audit Committee.

Minutes of the meeting of the Committee are placed before and noted by the Board.

Mrs. Sudha Navandar, Chairperson of the Committee was present at the Annual General Meeting of the Company held on 29th September, 2025 to answer queries of shareholders.

During the Financial Year 2025-26, the Board had accepted all recommendations of the Committee.

Statement on terms of reference:

Pursuant to the terms of reference, the Audit Committee, inter- alia, discussed and deliberated on the following:

- Review and recommendation of quarterly and annual financial results;
- Approval of transactions with related parties;
- Noting of reports of the Internal Auditors and Statutory Auditors, remuneration of Internal and Statutory Auditors, etc.;
- Reviewing, with the management, the statement of uses / application of funds raised through Preferential Issue and Qualified Institutions Placement (QIP);
- Scrutiny of inter-corporate loans and investments;

Name	Category	Details of meetings during the tenure of member	
		Held	Attended
Mrs. Anu Wakhlu	Chairperson (Non - Executive and Independent Director)	5	5
Mr. Naresh Raisinghani	Member (Non - Executive and Independent Director)	5	5
Mr. Sanjay Asher	Member (Non - Executive and Independent Director)	0	0

Notes:

During the Financial Year 2025-26, the following changes took place in the composition of the NRC:

- Ms. Bhumika Batra ceased as a Member of NRC effective close of business hours on 12th November, 2025.
- Mr. Sanjay Asher was appointed as a Member of NRC effective close of business hours on 12th November, 2025.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Reviewing functioning of the whistle blower mechanism and details of complaints received from whistleblowers / complaints about sexual harassment.

The full text of the terms of reference of the Audit Committee is in line with the regulatory requirements and is available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

ii) **Nomination and Remuneration Committee:**

Composition, Meetings and Attendance:

During the Financial Year 2025-26, 5 (Five) meetings of the Nomination and Remuneration Committee were held on 22nd April, 2025, 9th May, 2025, 25th July, 2025, 29th August, 2025 and 12th November, 2025. As on 31st March, 2026, the Nomination and Remuneration Committee (“NRC”) of the Board consisted of the following Directors:

Statement on terms of reference:

The terms of the reference of the committee include the following:

- a) To formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board a policy and remuneration for directors and KMPs and other employees.
- b) To identify persons who are qualified to become director and who may be appointed in senior management.
- c) To recommend the manner for evaluation of performance of Board, its Committees, Chairperson and Individual Director.
- d) To review and approve remuneration and change in remuneration payable to Wholetime Director(s).

The full text of the terms of reference of the NRC is available at the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Minutes of the meeting of the Committee are placed before and noted by the Board.

Mrs. Anu Wakhlu, the Chairperson of the NRC was present at the Annual General Meeting of the Company held on 29th September, 2025 to answer queries of the shareholders.

During the Financial Year 2025-26, the Board had accepted all recommendations of the NRC.

iii) Stakeholders' Relationship Committee:

Composition, Meetings and Attendance:

During the year under review, the meeting of the Stakeholders' Relationship Committee ("SRC") was held on 27th January, 2026. As on 31st March, 2026, the SRC of the Board consisted of the following Directors:

Name	Category	Attendance at the SRC held on 27 th January, 2026
Ms. Bhumika Batra	Chairperson (Non - Executive and Independent Director)	Yes
Mr. Rajesh Rathi	Member (Chairman and Managing Director)	Yes
Mr. Naresh Raisinghani	Member (Non - Executive and Independent Director)	Yes

Notes:

During the Financial Year 205-26, the following changes took place in the composition of SRC:

- 1. Mr. Ashish Vij ceased as a Member of SRC effective close of business hours on 12th November, 2025.
- 2. Mr. Naresh Raisinghani was appointed as a Member of SRC effective close of business hours on 12th November, 2025.

Statement on terms of reference:

The terms of reference of the committee include the following:

- a) To resolve grievance of the security holders;
- b) To review measures taken for effective exercise of voting rights; and
- c) To review service standards of the Registrars and Transfer Agent and to review measures undertaken for reducing the quantum of unclaimed dividends.

The full text of the Charter of the Stakeholders' Relationship Committee is available at the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Based on the reports received from the Company's Registrar and Share Transfer Agent, the Company had received seven complaints from Investors during the year, including one complaint pertaining to Financial Year 2024-25. All the eight complaints were resolved during the Financial Year 2025-26. Therefore, as on the date of this report, no complaint pertaining to Financial Year 2025-26 remains unresolved.

Minutes of the meeting of the Committee are placed before and noted by the Board.

Ms. Bhumika Batra, Chairperson of the Committee, was present at the Annual General Meeting of the Company held on 29th September, 2025 to answer queries of the Shareholders.

During the Financial Year 2025-26, the Board had accepted all recommendations of the Committee.

Name, Designation and address of Compliance Officer:

Mr. Mandar Velankar, Company Secretary and Compliance Officer
Sudarshan Chemical Industries Limited
7th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
E-mail: mmvelankar@sudarshan.com
Telephone No. : 020 – 68281200

iv) Risk Management Committee Overview:

Risk is an integral and inseparable component of the business operations of a Company. Risks which a Company may face include market risks, financial reporting risks, finance risk, fluctuations in foreign exchange, technological risks, human resource management and legal or compliance risks. The Company believes that identifying significant risks which the Company may face and devising risk assessment and mitigation procedures to tackle such risks would play an important role in protecting shareholder value,

improving governance processes and meeting unforeseen exigencies in the cycle of conduct of business operations of the Company.

Composition, Meetings and Attendance:

During the Financial Year 2025-26, 2 (two) meetings of the Risk Management Committee ("RMC") were held on 10th September, 2025 and 13th March, 2026. As on 31st March, 2026, RMC of the Board consisted of the following members:

Name	Category	Details of meetings during the tenure of member	
		Held	Attended
Mr. Apurva Chandra	Chairperson (Non - Executive and Independent Director)	1	1
Mr. Naresh Raisinghani	Member (Non – Executive and Independent Director)	2	1
Mr. Amitabha Mukhopadhyay	Member (Non - Executive and Non-Independent Director)	1	1
Mr. Ashish Vij	Member (Wholetime Director)	2	2
Mr. Nilkanth Natu	Member (Chief Financial Officer)	2	2

Notes:

The following changes took place in the composition of Risk Management Committee:

- 1. Mrs. Shubhalakshmi Panse ceased as a Member of RMC effective close of business hours on 13th August, 2025 on account of completion of her tenure as an Independent Director of the Company.
- 2. Ms. Bhumika Batra ceased as a Chairperson of RMC and Mr. Rajesh Rathi ceased as a Member of RMC, effective close of business hours on 12th November, 2025.
- 3. Mr. Amitabha Mukhopadhyay was appointed as a Member of RMC effective close of business hours on 12th November, 2025.
- 4. Mr. Rajendra Mariwala was appointed as a Chairperson of RMC effective close of business hours on 12th November, 2025. However, he ceased as a Chairperson and member of RMC effective 7th January, 2026.
- 5. Mr. Apurva Chandra was appointed as a Chairperson of RMC effective 7th January, 2026.

Minutes of the meeting of the Committee are placed before and noted by the Board.

Statement on terms of reference:

The full text of the Charter of the Risk Management Committee is available at the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

During the Financial Year 2025-26, the Board had accepted all recommendations of the RMC.

v) Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013, and rules made thereunder.

The Committee reports regularly to the Board such matters, as are relevant to the Company.



Composition, Meetings and Attendance:

During the Financial Year 2025-26, 2 (Two) meetings of the CSR Committee were held on 25th July, 2025 and 27th January, 2026. As on 31st March, 2026, the CSR Committee consists of the following Directors:

Name of Director	Category	Details of meetings during the tenure of member	
		Held	Attended
Mrs. Anu Wakhlu	Chairperson (Non - Executive and Independent Director)	2	2
Mrs. Sudha Navandar	Member (Non - Executive and Independent Director)	1	1
Mr. Rajesh Rath	Member (Chairman and Managing Director)	2	2

Notes:

Following changes took place in the composition of CSR Committee:

1. Mr. Pradeep Rath
- ceased as a member of CSR Committee effective close of business hours on 29th May, 2025 upon his resignation.
2. Mr. Ashish Vij
- was appointed as a member of CSR Committee effective close of business hours on 29th May, 2025. He, further ceased as a member of the Committee effective 7th January, 2026.
3. Mrs. Sudha Navandar
- was appointed as a member of CSR Committee effective 7th January, 2026.

Minutes of the meeting of the Committee are placed before and noted by the Board.

vi) Other committees (non-mandatory) constituted by the Company:

1. **Finance Committee:** The scope of the Committee is inter-alia to approve the terms of financing proposals within the powers conferred by the Board of Directors from time to time. Members of the Board of Directors act as Members of the Committee. Meetings of the Committee are held on a need basis.
2. **Shares Committee:** The terms of the committee are to consider, inter alia proposals for transmission, transposition, demat, remat, etc. as applicable, based on the report of the Company’s Registrar and Share Transfer Agent, M/s. MUFG Intime India Private Limited (earlier known as Link Intime India Private Limited). Members of the Board of Directors act as Members of the Committee. Meetings of the Committee are held at convenient intervals to ensure transmission, transposition, issue of duplicate share certificates / Letter of Confirmation / Letter of Entitlement and dispatch of share certificates / Letter of

Confirmation / Letter of Entitlement, as applicable within the stipulated time limit prescribed by the stock exchanges.

3. **Allotment Committee:** During the Financial Year 2025-26, the Board, at its meeting held on 29th May, 2025 had constituted the Allotment Committee. The scope of the Committee is inter-alia to approve the allotment of equity shares of the Company upon exercise of ESOPs by the eligible employees of the Company from time to time under Sudarshan Employee Stock Option Plan, 2018 and other matters incidental thereto.
4. **Environmental, Social and Governance Committee (ESG Committee):** The Board, at its meeting held on 7th January, 2026, had constituted an ESG Committee. The scope of the Committee, inter alia, is to guide the creation of ESG vision, ESG strategy, initiatives and policies for the Company and continuously review updates and progress on the ESG vision and goals thereon and to deal with all such matters incidental thereto.

5. **Finance and Investment Committee:** The Board, at its meeting held on 12th February, 2026, had constituted Finance and Investment Committee comprising of Directors of the Company inter alia, to review the existing Investment Policy of the Company and authorise investment of surplus funds of the Company, with the primary objectives of protection of funds along with generation of optimum returns and ensuring funds remain readily available to the business whenever required.

All the recommendations made by various Board Committees during the year were accepted by the Board.

vii) Independent Directors’ Meeting:

A separate meeting of the Independent Directors of the Company was held on 13th March, 2026, without attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed (i) the performance of Non-Independent Directors and the Board as a whole; (ii) the performance of the Chairperson of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties. All Independent Directors attended the Meeting.

Those Charged With Governance:

National Financial Reporting Authority (“NFRA”) vide its circular dated 7th January, 2026, had provided certain norms in order to strengthen the communication between Statutory Auditors of the Company and Those Charged with Governance (“TCWG”), including Audit Committee in line with the requirements of the Companies Act, 2013, the Standards on Auditing (“SAs”) prescribed under Companies Act 2013, and other relevant Rules and Regulations.

In compliance with the aforesaid NFRA Circular, a structured and documented communication framework between TCWG and the Statutory Auditors facilitates timely, open, and constructive engagement throughout the audit cycle, enabling effective oversight of audit quality, auditor independence, significant accounting judgments, internal control matters, and regulatory compliance. The Company remains committed to ethical conduct, robust disclosure practices, and continuous strengthening of governance

processes in line with applicable laws and evolving best practices. Towards this, the entire Board of Directors as well as the Audit Committee has been designated as TCWG to facilitate two way communication between the Statutory Auditors and the Board and the Audit Committee.

Remuneration Policy:

The Company has put in place a Remuneration Policy. While deciding remuneration, terms of the Executive Directors and Senior Management, the Company takes into consideration the following items

- a) employment scenario;
- b) remuneration package of the industry; and
- c) remuneration package of the managerial talent of other industries.

The annual variable pay of Executive Directors and Senior Management is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company’s objectives. For more details, please refer to the Remuneration Policy of the Board, KMPs appearing in the Directors’ Report.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and Performance Linked Variable Allowance (PLVA) / Commission (variable component) to Executive Directors. Salary is paid within the range approved by the Shareholders. Annual increments effective 1st April each year, as recommended by the Nomination and Remuneration Committee, are approved by the Board. Commission is calculated with reference to net profits of the Company in a particular Financial Year and is determined by the Board of Directors at the end of the Financial Year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013. Specific amounts payable to such directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

The Non-Executive Directors are paid Sitting Fees for attending the Board/Committee Meetings. Further, Commission is proposed to be paid to the Non-Executive Directors (computed in accordance with Section 198 of the Companies Act, 2013 and Rules made thereunder) for the Financial Year 2025-26.

The distribution of Commission amongst the Non- Executive Directors is placed before the Board. The Commission is recommended by the Nomination and Remuneration Committee based on the contribution at the Board and Committee Meetings as well as time spent on operational matters other than at the meetings.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 17th May, 2024, had accorded its approval for payment of sitting fees to the Non-Executive Directors. Accordingly, during the Financial Year 2025-26, the sitting fees were paid in the following manner:

- (i) ₹50,000/- per meeting for attending the meeting of Board of Directors;
- (ii) ₹30,000/- per meeting for attending the meetings of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee; and
- (iii) ₹20,000/- per meeting for attending meetings of Stakeholders’ Relationship Committee and Corporate Social Responsibility Committee

Further, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 25th May, 2026, accorded its approval for revision in payment of sitting fees to the Non-Executive Directors effective 25th May, 2026 in the following manner:

- (i) ₹1,00,000/- per meeting for attending the meeting of Board of Directors;
- (ii) ₹60,000/- per meeting for attending the meetings of the Audit Committee, Nomination and Remuneration Committee and Risk Management Committee; and
- (iii) ₹30,000/- per meeting for attending meetings of Stakeholders’ Relationship Committee and Corporate Social Responsibility Committee

Directors and Officers Liability Insurance (“D & O”) Policy:

The Company has in place the D & O Policy as per the applicable legal provisions, providing coverage to the Directors and KMPs. Every year the Company ensures renewal and validity of the policy. The Board is of the opinion that the quantum and risks presently covered are adequate.

Remuneration to Executive and Non-Executive Directors for the Financial Year ended 31st March 2026:

Details of remuneration paid / payable to the Executive and Non-Executive Directors are provided below. The Non-Executive Directors did not have any material pecuniary transactions with the Company.

Name of Director	Designation	Details of remuneration paid / payable (in ₹)				
		Sitting Fees*	Commission**	Salary	Others	Total
Mr. Pradeep Rathi ⁽¹⁾	Non- Executive and Non- Independent Director and Chairman	-	3,50,000	-	8,33,984	11,83,984
Mr. Rajesh Rathi ⁽²⁾	Chairman and Managing Director	-	-	7,72,31,094	8,47,62,291	16,19,93,385
Mrs. Shubhalakshmi Panse ⁽³⁾	Independent Director	1,00,000	11,00,000	-	-	12,00,000
Mrs. Sudha Navandar	Independent Director	4,70,000	22,00,000	-	-	26,70,000
Mrs. Anu Wakhlu	Independent Director	3,90,000	22,00,000	-	-	25,90,000
Ms. Bhumika Batra	Independent Director	5,70,000	22,00,000	-	-	27,70,000
Mr. Apurva Chandra	Independent Director	2,10,000	11,00,000	-	-	13,10,000
Mr. Rajendra Mariwala	Independent Director	1,50,000	11,00,000	-	-	12,50,000
Mr. Naresh Raisinghani	Independent Director	5,40,000	22,00,000	-	-	27,40,000

Name of Director	Designation	Details of remuneration paid / payable (in ₹)				
		Sitting Fees*	Commission**	Salary	Others	Total
Mr. Sanjay Asher	Non- Executive and Non- Independent Director	1,30,000	11,00,000	-	-	12,30,000
Mr. Amitabha Mukhopadhyay	Non- Executive and Non- Independent Director	2,10,000	11,00,000	-	-	13,10,000
Mr. Ashish Vij ⁽⁴⁾	Wholetime Director	-	-	3,28,73,954	67,91,468	3,96,65,422

*The sitting fees as mentioned above relate to the Board Meeting(s) and Committee Meeting(s) held during the Financial Year 2025-26.

**The Commission is proposed to be paid to the Non-Executive Directors (computed in accordance with Section 198 of the Companies Act, 2013 and Rules made thereunder) for the Financial Year 2025-26.

- (1) Mr. Pradeep Rathi (DIN: 00018555) resigned as a Chairman and Non – Executive and Non-Independent Director effective close of business hours on 29th May, 2025. Therefore, details shown above are as of 29th May, 2025.

incentives only on those shares that have been exercised during the Financial Year 2025-26.

Notes:

No stock options have been granted to any of the Non-Executive Directors and/or Independent Directors during the financial year 2025-26 and none of the Non-Executive Directors received remuneration amounting to 50% of the total remuneration paid to Non-Executive Directors during the year ended 31st March, 2026.

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors and/or Independent Directors apart from the remuneration and the transactions as disclosed under the “Related Party Transactions” in the financial statements.

Criteria for making payments to Non-Executive Directors:

Non-Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgement. They also oversee the corporate governance framework of the Company.

The Remuneration Policy inter-alia disclosing the criteria of making payments to directors, key managerial personnel and employees is placed on the Company’s website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Disclosure of material transactions:

Under Regulation 26(5) of SEBI Listing Regulations, 2015, the Senior Management

is required to make periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company.

During the year under review, there were no such transactions.

Management Discussion and Analysis Report:

The report is given by way of a separate chapter in this Annual Report.

Rights of Stakeholders:

The Company recognises the rights of its stakeholders and respect their rights which are established by law or through mutual agreements. Stakeholders are provided access to relevant, sufficient and reliable information on a regular basis enabling them to participate in the governance process.

Whistle-Blower Policy/ Vigil Mechanism:

The Company promotes ethical behavior in all its business activities and in line with the best practices. The Company has put in place a system through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of the Company's Code of Conduct without fear of reprisal. All Directors, employees and business associates have direct access to the Chairperson of the Audit Committee. The Whistle-Blower Policy aims to:

- Allow and encourage stakeholders to bring to the Management's notice concerns about unethical behaviour, malpractice, wrongful conduct, actual or suspected fraud or violation of policies;
- Ensure timely and consistent organisational response;
- Build and strengthen a culture of transparency and trust; and
- Provide protection against victimisation.

The above mechanism has been appropriately communicated within the Company across all levels and has been displayed on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

In terms of the Whistle Blower Policy / Vigil Mechanism Policy, it is affirmed that no personnel have been denied access to the Audit Committee. A quarterly report on the whistle-blower complaints is placed before the Audit Committee for its review. During the year under review, no complaint was received under the Whistle-Blower mechanism.

Framework of Insider Trading:

The Company's shares are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). With a view to regulate insider trading, the Company has put in place a "Code of Conduct to Regulate, Monitor and Report Trading of Company shares by Insiders" ("PIT Code"). The said PIT Code was last amended by the Board of Directors at its meeting held on 25th July, 2025. The Company Directors, Key Managerial Personnel and Designated Employees and other Insiders are informed about closure of the Trading Window prior to dissemination of price sensitive information. The said PIT Code is available on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

The Trading Window Closure is implemented to restrict trading in the Company's securities on a quarterly basis for consideration of financial results and during periods when Unpublished Price Sensitive Information ("UPSI") is likely to be available with Designated Persons / Insiders. Intimations regarding closure and reopening of the trading window are communicated in advance to all concerned with repetitive reminders, ensuring timely awareness and compliance across the organisation.

1. Structured Digital Database ("SDD") for UPSI:

The Company has in place a SDD wherein details of persons with whom UPSI is shared on need-to-know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tempering of the database. The SDD is maintained internally by the Company and is not outsourced in accordance with the provisions of the SEBI Insider Trading Regulations.

2. System Driven Disclosures:

In compliance with the SEBI Circular Nos. SEBI/HO/ISD/ISD/CIR/P/2020/168 and SEBI/CIR/CFD/DCR1/CIR/P/2020/181 dated 9th September, 2020 and 23rd September, 2020 respectively, PAN and other prescribed information of all Designated Persons including Promoters, Members of the Promoter Group, is promptly uploaded on the system of the Designated Depository of the Company in the form and manner prescribed therein.

The Company has designated National Securities Depository Limited ("NSDL") as its Designated Depository in terms of the said SEBI circulars.

Compliance Monitoring System:

Your Company has put in place a compliance management framework that outlines the Company's philosophy towards compliance culture, understanding compliance changes, coverage, approach, responsibilities, risk matrix and trainings.

The Company maintains lists of applicable laws and compliance checklist(s) for regulations across multiple jurisdictions applicable to the Company and its subsidiaries, that are monitored and tracked through compliance tool. Training is provided to various stakeholders on introduction of new provisions and amendment to existing provisions of the Regulations. In the compliance tool the compliance tasks are mapped to process owners who submit the tasks with supporting evidence. Identified key stakeholders across functions ensure and confirm compliance with the provisions of all applicable laws.

Other Policies mandated under SEBI Listing Regulations, 2015:

a. Archival Policy:

Pursuant to Regulation 30(8) of SEBI Listing Regulations, 2015, every Listed Company shall disclose on its website all such events or information, which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company.

Accordingly, the Board of Directors has approved the 'Archival Policy'. The Policy can be accessed from the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

b. Policy for Preservation of Documents:

Pursuant to Regulation 9 of SEBI Listing Regulations 2015, the Board of Directors has adopted Policy on Preservation of Documents. This Policy envisages the procedure governing preservation of documents as required to be maintained under various statutes viz., Companies Act, 2013 and Rules issued thereunder from time to time, applicable Secretarial Standards, SEBI Listing Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other applicable Regulations.

The said Policy was last amended by the Board at its meeting held on 25th July, 2025. The Policy can be accessed from the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

c. Policy for Determination of Material Events or Information:

Pursuant to Regulation 30 of the SEBI Listing Regulations 2015, the Board of Directors has adopted the Policy for Determination of Material Events or Information. The objective of the Policy is to ensure timely and adequate disclosure of material events or information.

The said Policy was last amended by the Board at its meeting held on 25th July, 2025. The Policy can be accessed from the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

d. Dividend Distribution Policy:

The Company falls in the 'Top 1000' list of companies for market capitalisation as on 31st March, 2026 by the Stock Exchanges where the equity shares of the Company are listed. Accordingly, as per the applicable legal provisions, the Dividend Distribution Policy of the Company is annexed to the Directors Report and is also available on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

SEBI has laid down broad parameters which should find a place in the Dividend policy as follows:

1. The circumstances under which their shareholders can or cannot expect Dividend;
2. The financial parameters that will be considered while declaring Dividends;
3. Internal and external factors that would be considered for declaration of Dividend;
4. Policy as to how the retained earnings will be utilised;
5. Provisions in regard to various classes of shares.

As per the Dividend Distribution Policy approved by the Board, 25% to 40% of distributable surplus of a particular year could be distributed as Dividend to shareholders.



e. Investor Communication Policy:

As a Listed Entity, the Company is duty bound to comply with certain obligations imposed by SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “SEBI PIT Regulations”), regarding the disclosure of confidential and sensitive information to the public. Pre-mature or otherwise unauthorised disclosure of internal information relating to the Company could adversely affect the Company’s ability to meet its disclosure obligations under the SEBI PIT Regulations. In addition, unauthorised disclosure could cause competitive harm to the Company and in some cases may result in liability for the Company.

Examples of activities affected by this Policy include:

- 1. Earnings releases and related conference calls;
- 2. Speeches, interviews and conferences;
- 3. Responding to market rumours;
- 4. Reviewing analyst reports;
- 5. Referring to or distributing analyst reports on the Company;
- 6. Analyst and investor visits;
- 7. Postings on the Company’s websites;
- 8. Social media communications, including through corporate blogs, employee blogs, chat boards, Twitter, Facebook, Linked In, You Tube and any other non-traditional means of communication.

Further, any information, whether material or immaterial, provided to outsiders by the Company’s employees and Directors (including any person acting on its behalf) must be accurate and consistent with these responsibilities.

The Managing Director shall have the authority to make materiality and distribution determinations covered by this Policy with respect to the information disclosed about the Company.

The Board of Directors of the Company has approved the Investor Communication Policy in its meeting held on 10th February, 2017. For more details, shareholders are requested to visit the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Share Capital

During the Financial Year 2025-26, the Company made multiple allotments of employee stock options (ESOPs) under the Sudarshan Employee Stock Option Plan, 2018 in the following manner:

Sr. No.	Date of Allotment of ESOPs	Number of ESOPs allotted
1.	29 th July, 2025	23,584
2.	9 th October, 2025	10,004
3.	17 th December, 2025	5,463
4.	27 th April, 2026*	15,640

Pursuant to these allotments, as on 31st March, 2026, the total issued capital of the Company increased from ₹15.71 Crores comprising 7,85,73,385 shares to ₹15.72 Crores comprising 7,86,12,436 shares, and the total paid-up capital increased from ₹15.71 Crores comprising 7,85,72,885 shares to ₹15.72 Crores comprising 7,86,11,936 shares.

*Allotted subsequent to the Financial Year ended 31st March, 2026. Pursuant to the allotment, the total issued capital of the Company increased from ₹15.72 Crores comprising of 7,86,12,436 shares to ₹15.73 Crores comprising of 7,86,28,076 shares and the total paid-up capital increased from ₹15.72 Crores comprising of 7,86,11,936 shares to ₹15.73 Crores comprising of 7,86,27,576 shares.

Utilisation of funds raised through Preferential Allotment and Qualified Institutions Placement:

Fund raising through Preferential Allotment

A. Preferential Allotment of Warrants to the Member of Promoter and Promoter Group

The Fund Raising Committee of the Board of Directors of the Company at its meeting held on 31st October, 2024, approved raising of funds not exceeding ₹10,000 Lakh by way of issuance of upto 9,80,000 warrants, each convertible into, or exchangeable for, one fully paid-up equity share of the Company of face value of ₹2/- each (“Warrants”) at a price of ₹1,019.75 each payable in cash (“Warrants Issue Price”), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of eighteen months, to Mr. Rajesh Rathi, being a part of the promoter and promoter group of the Company, by way of a preferential issue through private placement offer. The same was subsequently approved by the Shareholders of the Company by way of resolution passed by Postal Ballot on 30th November, 2024. The Fund Raising Committee of the Board of Directors at it’s meeting held on 13th December, 2024, approved the allotment of 9,80,000 warrants to Mr. Rajesh Rathi, as per the details set forth below:

Name of Allottee	Category	Number of warrants allotted	Price at which the warrants are issued (in ₹) (per warrant)	Paid-up value per warrant on allotment (in ₹)*	Consideration received as on the date of allotment (in ₹ Lakh)
Mr. Rajesh Rathi	Member of the Promoter and Promoter Group and Chairman and Managing Director	9,80,000	1,019.75 (Including premium of ₹1,017.75 per Warrant)	254.94	2,498.4

*The warrant holder would be required to make further payments of ₹764.81 for each Warrant, which is equivalent to 75% of the Warrants Issue Price at the time of exercise of the right attached to Warrants to subscribe to equity share(s). As on 31st March 2026, the said warrants had not been converted into equity shares.

B. Preferential Allotment of Equity Shares to person(s) not belonging to Promoter and Promoter Group

Based on the approvals of the Board at its meeting held on 13th December, 2024, and Shareholders of the Company at an Extraordinary General Meeting held on 4th January, 2025, the Company, on 13th January, 2025, had issued and allotted 18,69,000 fully paid-up equity shares of face value of 2/- each at a price of 1,043.33 per equity share, including a premium of ₹1,041.33 per equity share, aggregating up to ₹19,499.84 Lakhs to the identified allottees / investors, not belonging to “Promoter and Promoter Group” of the Group by way of a preferential issue on private placement basis, for cash consideration (the “Preferential Allotment”) in accordance with provisions of the Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and as per applicable provisions of the Companies Act, 2013 and rules made thereunder.

Fund raising through Qualified Institutions Placement (‘QIP’)

Based on the authority conferred by the Board at its meeting held on 31st October, 2024 and as approved by the Fund Raising Committee and as approved by Shareholders of the Company by way of Postal Ballot on 30th November, 2024, the Company, on 29th January, 2025, made allotment of 74,76,635 fully paid up equity shares of face value of ₹2 each at a price of ₹1,070 per equity share (including premium of ₹1,068 per equity share), representing a discount of ₹37.89 to the floor price of ₹1,107.89 per equity share, to the eligible Qualified Institutional Buyers on a preferential basis, aggregating to approximately ₹799,99.99.99 Lakhs, in accordance with the provisions of Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, 2015, Issue proceeds of the Preferential Issue of Convertible Warrants amounting to ₹2,498.31 Lakhs (being 25% of the total consideration),



Issue proceeds of Preferential Allotment of Equity Shares to person(s) not belonging to Promoter and Promoter Group aggregating up to ₹19,499.84 Lakh and the issue proceeds aggregating up to approximately ₹799,99.99 Lakh pertaining to QIP Issue have been fully utilized by the Company for the same objects or purposes for which funds were raised and there is no unutilised amount as at the end of the quarter and financial year ended 31st March, 2026.

Monitoring Agency Reports received from CRISIL Ratings Limited (“CRISIL”), monitoring agency appointed for both QIP and PI have been filed with the stock exchanges and is also available on the Company’s website at <https://www.sudarshan.com/investor/notices/>

Statement of fund utilisation pursuant to regulation 32 of the SEBI Listing Regulations, 2015 has also been filed with the stock exchanges for both Preferential Issue and QIP.

Related Party Transactions:

The Company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and SEBI Listing Regulations, 2015. A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds prescribed under Schedule XII of SEBI Listing Regulations, 2015.

Pursuant to the relevant provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, Regulation 23 of SEBI Listing Regulations, 2015 and various circulars issued by SEBI, the said Policy was last revised and adopted in the Board Meeting held on 14th February, 2025 and the same has been disclosed on the website of the Company at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Related Party Transactions are approved by the Audit Committee prior to the transaction. The Audit Committee has, after obtaining approval of the Board of Directors, laid down the criteria for granting omnibus approval which forms part of the Policy on Related Party Transactions. Related Party Transactions of repetitive nature are approved by the Audit Committee on omnibus basis for one financial year at a time. The Audit Committee satisfies itself regarding the need for omnibus approval and ensures compliance with the requirements of SEBI Listing Regulations, 2015 and the Companies Act, 2013. There were no material significant transactions entered into by the Company that may have a potential conflict with the interest of the Company. The aforesaid policy on Related Party Transactions has been amended in line with the amendments to the SEBI Listing Regulations, 2015.

A statement showing disclosure of transactions with related parties during the Financial Year 2025-26 as required under Indian Accounting Standards is set out separately in this Annual Report.

Subsidiary Companies - Monitoring Framework:

As on 31st March, 2026, the Company has following subsidiary/joint venture companies:

Sr. No.	Name of the entity
Direct Subsidiaries:	
1.	Sudarshan Europe B.V.
2.	Sudarshan CSR Foundation
3.	RIECO Industries Limited
Step-Down Subsidiaries	
4.	Sudarshan Japan Limited
5.	Sudarshan North America, Inc.
6.	Sudarshan (Shanghai) Trading Company Limited
7.	Sudarshan Mexico S. de R.L. de C V.
8.	Sudarshan Brasil Ltda.^
9.	Sudarshan Middle East General Trading L.L.C.^
10.	Sudarshan Germany Horizons GmbH (formerly: Blitz F24-522 GmbH)
11.	Sudarshan Langelshiem PLT GmbH (formerly: Blitz F24-523 GmbH)
12.	Sudarshan Langelshiem RE GmbH (formerly: Blitz F24-524 GmbH)
13.	Sudarshan Europe Management GmbH (formerly: Blitz F24-526 GmbH)
14.	Sudarshan Lux Holding S.à r.l (formerly: Heubach Holdings S.à r.l)
15.	Sudarshan USA HLD1 LLC (formerly: Heubach Holding USA LLC)

Sr. No.	Name of the entity
16.	Sudarshan Fairless Hills MFG Ltd., LP (formerly: Heubach Ltd.)
17.	Sudarshan USA SLO LLC (formerly: Heubach Colorants USA LLC)
18.	Sudarshan Switzerland HLD1 AG (formerly: Heubach Holding Switzerland AG)
19.	Sudarshan Switzerland HLD2 AG (formerly: Heubach EBITO Chemieeteiligungen AG)
20.	Sudarshan Switzerland Consulting AG (formerly: Heubach Colorants Consulting Switzerland AG)
21.	Sudarshan Switzerland SLO AG (formerly: Heubach Colorants Switzerland AG)
22.	Heubach Colorants (Shanghai) Ltd.
23.	Heubach Colorants Pigment Preparations (Tianjin) Ltd.
24.	Sudarshan Gujarat MFG Private Limited (formerly: Heubach Colour Private Limited)
25.	Sudarshan Dahej MFG Private Limited (formerly: Heubach Pigments Private Limited)
26.	Sudarshan Colorants India Limited# (formerly: Heubach Colorants India Limited)
27.	Sudarshan Japan MFG K.K. (formerly: Heubach Colorants Japan K.K.)
28.	Sudarshan Osaka SLO K.K. (formerly: Heubach Japan K.K.)
29.	Heubach Research Centre s.r.o.
30.	Sudarshan Italy SLO S.r.l. (formerly: Heubach Colorants Italy S.r.l.)
31.	Heubach Colorants Ibérica, S.L.U.
32.	Sudarshan France SLO S.A.S (formerly: Heubach Colorants France SAS)
33.	Sudarshan UK SLO Ltd. (formerly: Heubach Colorants UK Ltd.)
34.	Heubach Europa EWIV
35.	Heubach Colorants Argentina S.A.U.
36.	Sudarshan Belgium SLO SRL (formerly: Heubach Colorants Belgium SRL)
37.	Sudarshan Colombia SLO S.A.S (formerly: Heubach Colorants Colombia S.A.S.)
38.	Sudarshan Canada SLO Inc. (formerly: Heubach Colorants Canada Inc.)
39.	Sudarshan Chile Industria Química Limitada (formerly: Heubach Colorants Chile Industria Química Limitada)
40.	Sudarshan Singapore SLO Pte. Ltd. (formerly: Heubach Colorants Singapore Pte. Ltd.)
41.	Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (formerly: Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)
42.	Sudarshan Southern Africa MFG (Pty) Ltd. (formerly: Heubach Colorants Southern Africa (Pty) Ltd)
43.	Heubach Colorants Korea Ltd.
44.	Sudarshan MFG (Thailand) Ltd. (formerly: Heubach Colorants (Thailand) Limited)
45.	Sudarshan Malaysia SLO Sdn. Bhd. (formerly: Heubach Colorants Malaysia Sdn. Bhd.)
46.	P.T. Sudarshan Indonesia SLO (formerly: P.T. Heubach Colorants Indonesia)
47.	P.T. Sudarshan Indonesia MFG (formerly: P.T. Heubach Colorants Coatings Indonesia)
48.	Sudarshan Mexico MFG, S.A. de C.V. (formerly: Heubach Colorants México, S.A. de C.V.)
49.	Sudarshan Mexico MFG Productos Químicos, S.A. de C.V. (formerly: Heubach Colorants México Productos Químicos, S.A. de C.V.)
50.	Heubach Colorants Taiwan Co., Ltd.
51.	Inventories Frankfurt GmbH
52.	VP4 Frankfurt GmbH
53.	Inventories Langelshiem GmbH
54.	Heubach Foundation
55.	Heubach Colorants Scandinavia AB ^^
56.	Heubach Colorants Peru S.A.C. ^^
57.	Heubach Colorants Middle East FZE^^^^
58.	Sudarshan Brasil MFG Ltda. (formerly: Heubach Colorants Brasil Ltda.)
Joint Ventures	
59.	Sudarshan Toyo Colour Private Limited (formerly: Heubach Toyo Colour Private Limited)##
60.	Hangzhou Baihe Heubach Pigments Co. Ltd.##

Notes:

#Ownership interest held by non-controlling interest as at 31st March, 2026 is 70.25%.

##Investment in these entities has been accounted by equity method.

^The said step-down subsidiary is yet to commence business operations and there has been no transaction since incorporation and hence the same has not been consolidated as at 31st March, 2026.

^^Liquidated effective 29th December, 2025.

^^Liquidated effective 6th March, 2026.

^^^Under liquidation.

The Company monitors performance of its subsidiary companies, inter-alia, by the following means:

The Audit Committee reviews financial statements of the subsidiary companies, along with investments made by them, on a periodical basis.

The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary companies, on a periodical basis.

General Body Meeting:

Details of last three Annual General Meetings are given below:

Financial Year	Date	Venue	No. of Directors present
FY 2024-2025	29 th September, 2025 at 4:00 p.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	6
FY 2023-2024	2 nd August, 2024 at 4:00 p.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	13
FY 2022-2023	11 th August, 2023 at 4:00 p.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11

Details of Special Resolutions passed at the previous three Annual General Meetings:

Date of AGM	Details of Special Resolutions passed
29 th September, 2025	No Special Resolution was passed
2 nd August, 2024	(a) Appointment of Ms. Bhumika Batra (DIN: 03502004) as an Independent Director of the Company for a term of five years effective 2 nd August, 2024 up to 1 st August, 2029. (b) Appointment of Mrs. Anu Wakhlu (DIN: 00122052) as an Independent Director of the Company for a term of five years effective 2 nd August, 2024 up to 1 st August, 2029. (c) Appointment of Mrs. Sudha Navandar (DIN: 02804964) as an Independent Director of the Company for a term of five years effective 2 nd August, 2024 up to 1 st August, 2029. (d) Approval of remuneration of Mr. Rajesh B. Rathi (DIN: 00018628) as Managing Director in accordance with the provisions of the Companies Act, 2013 and Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (e) Approval of ratification and amendments in Sudarshan Employee Stock Option Plan 2018. (f) Approval to extend the benefits under Sudarshan Employee Stock Option Plan 2018 to the employees of Subsidiary Company(ies) / Associate Company(ies) of the Company.

Date of AGM	Details of Special Resolutions passed
11 th August, 2023	(a) Ratification and Confirmation of Remuneration paid to Mr. Rajesh B. Rathi (DIN:00018628) Managing Director of the Company for the Financial Year 2022-23. (b) Payment of remuneration to Mr. Rajesh B. Rathi (DIN: 00018628), Managing Director as 'Minimum Remuneration' in case of no profits/inadequacy of profits for FY 2023-24 notwithstanding that the remuneration payable to Mr. Rajesh Rathi exceeds the limits prescribed under the provisions of Section 197 read with Schedule V of the Act and Regulation 17(6)(e) of SEBI Listing Regulations, 2015. (c) Re-appointment of Mr. Naresh T. Raisinghani (DIN:00568298) as an Independent Director of the Company not liable to retire by rotation, and to hold office for a second term of five consecutive years with effect from 24 th May, 2023 up to 23 rd May 2028. (d) Re-appointment of Dr. Deepak Parikh (DIN: 06504537) as an Independent Director of the Company not liable to retire by rotation, and to hold office for a second term of five consecutive years with effect from 1 st April, 2024 up to 31 st March, 2029.

Approval of Members and Procedure through Postal Ballot:

During the Financial Year 2025-26, approval of the shareholders was sought by way of Postal Ballot mechanism for the following Special Businesses:

Particulars of Resolution passed	Type of Resolution passed	Votes (No. of shares and percentage)		Date of passing Resolution*
		In favour	Against	
To approve requests received from Mr. Anuj Rathi Group for Reclassification from “Promoter / Promoter Group” category to the “Public” category	Ordinary Resolution	4,84,29,732 (91.05%)	47,63,387 (8.95%)	24 th May, 2025
To approve requests received from Mr. Pradeep Rathi Group for Reclassification from “Promoter / Promoter Group” category to the “Public” category	Ordinary Resolution	4,74,65,279 (91.50%)	44,06,737 (8.50%)	6 th September, 2025
Appointment of Mr. Apurva Chandra (DIN: 02531655) as a Non-Executive and Independent Director for a term of five years	Special Resolution	6,13,62,791 (99.997%)	1,854 (0.003%)	25 th December, 2025
Appointment of Mr. Rajendra Mariwala (DIN: 00007246) as a Non-Executive and Independent Director for a term of five years	Special Resolution	6,08,39,945 (99.14%)	5,24,950 (0.86%)	25 th December, 2025
Appointment of Mr. Amitabha Mukhopadhyay (DIN: 01806781) as a Non-Executive and Non-Independent Director	Ordinary Resolution	5,70,49,160 (93.01%)	42,86,400 (6.99%)	25 th December, 2025
Appointment of Mr. Sanjay Asher (DIN: 00008221) as a Non-Executive and Non-Independent Director	Ordinary Resolution	5,88,33,015 (95.88%)	25,26,208 (4.12%)	25 th December, 2025

*Resolutions passed were deemed to have been passed on the last date specified for remote e-voting.

The Board of Directors appointed Mr. Rajesh Karunakaran, Practicing Company Secretary, Pune (FCS No. 7441, C.P. No. 6581), as a Scrutinizer to scrutinize the process of Postal Ballot / e-voting in a fair and transparent manner. Accordingly voting results of the resolutions passed by way of Postal Ballot process were submitted with the Stock Exchanges within the statutory timelines.

Whether any Special Resolution is proposed to be passed through Postal Ballot this year:

There is no immediate proposal for passing any Special Resolution through Postal Ballot.

Disclosure:

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years, except the following:

Sudarshan Europe B. V., Wholly Owned Subsidiary of the Company completed acquisition of the Global Pigment Business Operations of Heubach Group on 3rd March, 2025. Post this acquisition, as on 31st March, 2026, the Company has 58 subsidiaries (including step-down subsidiaries) and 2 joint venture companies. In accordance with Regulation 33 of the SEBI Listing Regulations, 2015, the Company was required to submit its audited standalone and consolidated financial results for the quarter and Financial Year ended 31st March, 2025 (including the financial results of the newly acquired subsidiaries on consolidated basis) by 30th May, 2025. The Company intimated in advance to the Stock Exchanges regarding the delay in submission of the said standalone and consolidated financial results within the statutory timelines. As disclosed in the aforesaid intimation made to the Stock Exchanges, the delay was attributable to reasons including the challenges faced due to insolvency impact of the acquired entities, extensive financial reporting integration and complexities arising from business combination accounting. Therefore, consequent to closure of the Financial Year ended 31st March, 2025, the Company paid fines levied by the Stock Exchanges as stated in the table below. The Shareholders are requested to note that the Company has submitted its audited standalone and consolidated financial results for the quarter and financial year ended 31st March, 2025 on 25th July, 2025 and necessary statutory requirements were completed.

Further, on account of cascading effect of the above-mentioned delay in submission of audited financial results for the quarter and financial year ended 31st March, 2025, there was a delay in submission of unaudited financial results for the quarter ended 30th June, 2025. The Company paid fines levied by the Stock Exchanges as stated in the table below. The Shareholders are requested to note that the Company has submitted its unaudited standalone and consolidated financial results for the quarter ended 30th June, 2025 on 23rd September, 2025 and necessary statutory requirements were completed.

Details of fines paid by the Company are as follows:

Name of the Statutory Authority	Amount of fine paid by the Company* (In ₹)
BSE Limited	5,76,820/-
National Stock Exchange of India Limited	5,37,220/-

*Amount of fine paid by the Company includes basic fine plus GST, as applicable.

Details of material subsidiaries of the listed entity:

The Company has four material subsidiaries for the year under review viz. Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited), Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited), Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG) and Inventories Frankfurt GmbH. Since the net worth of Sudarshan Switzerland HLD1 AG exceeds 20% of the consolidated net worth of the Company, Ms. Bhumika Batra, an Independent Director of the Company, has been appointed on the Board of Sudarshan Switzerland HLD1 AG.

Based on the Audited Financial figures as of 31st March, 2026, Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited), Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited), Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG), Sudarshan Germany Horizons GmbH (formerly known as Blitz F24-522 GmbH) and Inventories Frankfurt GmbH have become material subsidiaries for the Financial Year 2026-27. The Policy for determining “Material” subsidiaries can be accessed from the Company website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>

Details of the aforesaid material subsidiaries of the Company as required by Regulation 34(3) and Schedule V of SEBI Listing Regulations, 2015, are given below:

Name of the Material Subsidiary	Date of Incorporation	Place of Incorporation	Name of statutory auditor of the Material subsidiary and date of their appointment
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited)	27 th December, 1956	India	M/s. MSKA & Associates LLP (Date of Appointment – 29 th September, 2025)
Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited)	28 th September, 1993	India	M/s. MSKA & Associates LLP (Date of Appointment – 29 th September, 2025)
Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG)	31 st October, 2018	Switzerland	Refer note 1 below
Sudarshan Germany Horizons GmbH (formerly known as Blitz F24-522 GmbH)	19 th November, 2024	Germany	Refer note 2 below
Inventories Frankfurt GmbH	11 th December, 2024	Germany	Refer note 2 below

Notes:

- The appointment of Statutory Auditor for the calendar year 2025 shall be made in due course.
- The appointment of Statutory Auditor for the Financial Year 2025-26 shall be made in due course.

The minutes of the meetings of the Board of the Subsidiary Companies were tabled before the Board at respective Board meetings and noted.

Necessary details regarding the Credit Ratings obtained by the Company for any debt instrument or any other scheme involving mobilisation of funds are disclosed in the Shareholders’ Information Report.

Details regarding number of complaints filed during the financial year, complaints disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors’ Report.

During the year under review, the total fees paid by the Company and its Subsidiaries (including discontinued operations) to the Statutory Auditors of the Company, and all other entities forming part of the same network, aggregate to ₹9.5 Crores.

During the year under review, the Company has advanced loans and advances including corporate guarantees to subsidiaries in which the directors are interested and the same has been disclosed in the notes to the Financial Statements.

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and Clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

The Financial Statements of the Company for the Financial Year 2025-26 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and Rules made thereunder.

Details of Senior Management:

List of Senior Management Personnel

Sr. No.	Name	Designation
1.	Mr. Rajesh Rathi*	Chairman and Managing Director
2.	Mr. Ashish Vij	Wholetime Director
3.	Mr. Nilkanth Natu	Chief Financial Officer
4.	Mr. Mandar Velankar	General Counsel and Company Secretary
5.	Ms. Shivalika Raje	Head – People Practices
6.	Mr. Sandip Mhalgi	Head – Business Technology

*Mr. Rajesh Rathi was appointed as a Chairman effective close of business hours on 29th May, 2025, in addition to his current role as a Managing Director.

During the Financial Year 2025-26, there were no changes in the Senior Management Personnel, except re-appointment(s) made during the year, if any.

Status of compliance with Mandatory and Discretionary Requirements under SEBI Listing Regulations, 2015, during the Financial Year 2025-26:

Mandatory:

The Company has complied with the mandatory requirements of the SEBI Listing Regulations, 2015.

Discretionary:

The Company has also complied with the discretionary requirements as under:

1) Shareholder rights

At present, the Company is not sending half-yearly declaration of financial performance including summary of significant events in the preceding six months to each household of shareholders. However, after the declaration of quarterly financial results, a tele-call with investor community is arranged and the Company makes a presentation on its financial performance. A copy of the said presentation is available on the websites of the Company and the Stock Exchanges.

2) Modified opinion(s) in audit report

The Company confirms that its financial statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2026 are with unmodified audit opinion.

3) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee. Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in Notes of the Standalone and Consolidated Financial Statements as at and for the Financial Year ended 31st March, 2026, respectively.

Secretarial Audit:

The Secretarial Audit Reports for the Financial Year ended 31st March, 2026 of the Company as well as of its material subsidiaries viz., Sudarshan Colorants India Limited and Sudarshan Gujarat MFG Private Limited are annexed to the Directors' Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report has been submitted to the Stock Exchanges as required under Regulation 24A of SEBI Listing Regulations, 2015.

In terms of amended Regulation 24A of SEBI Listing Regulations, 2015, at the 74th Annual General Meeting held on 29th September, 2025, the Shareholders approved the appointment of M/s. J. B. Bhawe & Co., Practicing Company Secretaries, a peer reviewed firm (Peer Review Certificate No. 1238/2021 and UIN S1999MH025400) as the Secretarial Auditor of the Company for a period of five consecutive years commencing from the Financial Year 2025-26 till the Financial Year 2029-30.

Disclosure of certain type of agreements binding listed entities:

There are no such agreements entered into by the Company.

Commodity Risk and Hedging Activities:

Specialty Chemical industry is exposed to high risk of volatile prices, stringent government regulations and availability of raw materials/traded goods. Company mitigates / hedges the said risks by its sustainable strategy consisting of structured approach to reduce cost and controls price fluctuation by quarterly price contracts, volume bundling and deployment of new vendors.

Agreements binding under clause 5A of para-A of part A of schedule III

During the year under review, none of the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding and associate company, as the case may be, have entered into agreements as specified in clause 5A of para A of part A of schedule III to SEBI Listing Regulations.

Means of Communication:

Annual Reports, Notice of the meetings and other communications to the members are sent through email, post or courier, as the case may be.

However, this year based on the Circulars issued by The Ministry of Corporate Affairs ("MCA") and SEBI from time to time, copies of the Annual Report and Notice of the 75th AGM, are being sent only by email to eligible members of the Company.

Members are requested to refer to the Notice of 75th AGM containing detailed instructions to register/update email addresses.

Further, pursuant to Regulation 36 of the SEBI Listing Regulations, 2015, as amended from time to time, a letter providing the web-link, including the exact path, where complete details of the Annual Report for Financial Year 2025-26 is available shall be sent to those shareholder(s) who have not registered their email address with the Company or its Registrar and Share Transfer Agent.

The Quarterly, Half-Yearly, Nine Monthly (Unaudited) and Yearly Standalone and Consolidated (Audited) Financial Results of the Company are announced / published within the prescribed time period stipulated under the SEBI Listing Regulations, 2015. These financial results were published in Financial Express (All Editions) and Loksatta (Pune).

The Company displays all unaudited / audited financial results on its website at <https://www.sudarshan.com/investor/financial-reports/>.

Presentations made to the investors or to the analysts are intimated to the stock exchanges and are uploaded on website of the Company at <https://www.sudarshan.com/investor/investor-presentations/> and Transcripts of Analyst meets are also displayed on the website of the Company at <https://www.sudarshan.com/investor/analyst-meet/>

In terms of SEBI Circular, the Company has designated e-mail address grievance.redressal@sudarshan.com and shares@sudarshan.com for enabling investors to post their grievances and to enable timely action on investor grievances, if any. Members are requested to forward their grievances, if any, at the designated e-mail address.

Shareholders Information:

Shareholder's information is separately provided in the Annual Report.

MD and CFO Certification:

The Managing Director and the CFO give an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, 2015. The Managing Director and the CFO also give quarterly certification on financials result while placing the financial results before the Board in terms of Regulation 33(2) of

the SEBI Listing Regulations, 2015. The annual certificate given by the Managing Director and the CFO in terms of Regulation 17(8) is published as **Annexure II** to this Report.

Compliance Certificate:

Certificate from Mr. Rajesh Karunakaran, Practicing Company Secretary (FCS No. 7441, C. P. No. 6581) confirming compliance with conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015 is attached as **Annexure III** to this Report.

Code of Conduct:

The Board has laid down a Code of Conduct for all members of the Board and Senior Management consisting of members of the Corporate Executive Committee and other Employees / Executives of the Company. The Code of Conduct is posted on the Company's website at <https://www.sudarshan.com/investor/company-policies-sudarshan/>. All the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the period from 1st April, 2025 to 31st March, 2026. A declaration dated 25th May, 2026 received from Mr. Rajesh Rathi, Chairman and Managing Director in this regard is given below:

To,

The Board of Directors

Sudarshan Chemical Industries Limited

7th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune - 411 069, Maharashtra, India

Sub: Declaration as per Schedule V - Part D of SEBI Listing Regulations, 2015

I, Rajesh Rathi, Chairman and Managing Director of the Company, hereby confirm and state that based on the declarations received, the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management, for the Financial Year 2025-26.

For and on behalf of the Board of Directors For
SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Rajesh Rathi
Chairman and
Managing Director
Date: 25th May, 2026
Place: Pune
DIN:00018628

Annexure I
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:
The Members of
Sudarshan Chemical Industries Limited
CIN- L24119PN1951PLC008409
7th Floor, Eleven West Panchshil, Survey No. 25,
Near PAN Card Club Road, Baner, Pune – 411 069
Maharashtra, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sudarshan Chemical Industries Limited having registered office at 7th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069 Maharashtra, India (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 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 other Statutory Authority

Sr. No.	DIN	Name of Director and Designation	Date of Appointment
1.	00018577	Pradeep Ramwilas Rathi – Chairman and Non -Executive and Non-Independent Director ¹	08/11/1995
2.	00018628	Rajesh Balkrishna Rathi – Chairman and Managing Director ²	23/05/2008
3.	02599310	Shubhalakshmi Aamod Panse - Independent Director ³	27/05/2015
4.	02804964	Sudha Pravin Navandar – Independent Director	02/08/2024
5.	00122052	Anu Arun Wakhlu - Independent Director	02/08/2024
6.	03502004	Bhumika Batra – Independent Director	02/08/2024
7.	00568298	Naresh T. Raisinghani – Independent Director	13/02/2015
8.	02531655	Apurva Chandra – Independent Director ⁴	01/10/2025
9.	00007246	Rajendra K. Mariwala – Independent Director ⁴	01/10/2025
10.	00008221	Sanjay Khatau Asher – Non-Executive and Non-Independent Director ⁴	12/11/2025
11.	01806781	Amitabha Mukhopadhyay - Non-Executive and Non-Independent Director ⁴	01/10/2025
12.	08140194	Ashish Vij – Wholetime Director	24/05/2018

Notes:

1. Pradeep Ramwilas Rathi (DIN:00018577) resigned as a Chairman and Non-Executive and Non-Independent Director of the Company effective close of business hours on 29th May, 2025.
2. The Board, at its meeting held on 29th May, 2025, appointed Rajesh Balkrishna Rathi (DIN:00018628) as a Chairman, in addition to his current role as a Managing Director, effective close of business hours on 29th May, 2025.
3. Shubhalakshmi Aamod Panse (DIN:02599310), ceased as Independent Director effective close of business hours on 13th August, 2025, on account of completion of her second term as an Independent Director of the Company.

4. The Board, at its meeting held on 23rd September, 2025, approved appointments of Apurva Chandra (DIN:02531655) and Rajendra K. Mariwala (DIN:00007246) as Independent Directors (Additional) and Amitabha Mukhopadhyay (DIN:01806781) as a Non-Executive and Non-Independent Director (Additional) effective 1st October, 2025. Further, the Board, at its meeting held on 12th November, 2025 approved appointment of Sanjay Khatau Asher (DIN:00008221) as a Non-Executive and Non-Independent Director (Additional) effective close of business hours on 12th November, 2025. All these appointments were approved by the Shareholders on 25th December, 2025 by way of Postal Ballot.

Ensuring the eligibility of the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rajesh Karunakaran & CO.,**
Company Secretaries

Rajesh Karunakaran
Company Secretary

C.P. 6581

FCS No. 7441

UDIN – F007441H000457462

Peer Review Certificate no.1260/2021 dated 28th June, 2021

Pune, 25th May, 2026

ANNEXURE II
CERTIFICATE OF MANAGING DIRECTOR AND CFO

[as per the provisions of Reg. 17(8) and Part B of Schedule II of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”)]

To,
The Board of Directors
Sudarshan Chemical Industries Limited
7th Floor, Eleven West Panchshil,
Survey No. 25, Near PAN
Card Club Road, Baner, Pune – 411 069,
Maharashtra, India

In respect of the Financial Statements of the Company for the Year ended 31st March 2026, we hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of ‘Sudarshan Chemical Industries Limited’ (“the Company”) for the year ended 31st March 2026, and that to the best of our knowledge and belief, we hereby state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies, if any.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) that there were no significant changes in internal control over financial reporting during the year;
 - (2) that there were no significant changes in accounting policies made during the year except, as disclosed in the notes to the financial statements; and
 - (3) that there were no instances of significant fraud of which we have become aware of, involving the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Pune
Date: 25th May, 2026

Rajesh Rathi
Chairman and Managing Director
DIN: (00018628)

Nilkanth Natu
Chief Financial Officer

ANNEXURE III
CORPORATE GOVERNANCE CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para E of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To:
The Members of
Sudarshan Chemical Industries Limited
CIN- L24119PN1951PLC008409
7th Floor, Eleven West Panchshil, Survey No. 25,
Near PAN Card Club Road, Baner, Pune – 411 069
Maharashtra, India

I have examined the compliance of conditions of corporate governance by Sudarshan Chemical Industries Limited (“the Company”), for the year ended 31st March, 2026, as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (hereinafter collectively referred to as “SEBI Listing Regulations, 2015”).

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in SEBI Listing Regulations, 2015, as applicable.

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

For **Rajesh Karunakaran & CO.,**
Company Secretaries

Rajesh Karunakaran
Company Secretary
FCS No. 7441/CP No. 6581
UDIN-F007441H000457473

Peer Review Certificate no. 1260/2021 dated 28th June, 2021
Pune, 25th May, 2026

1. ANNUAL GENERAL MEETING:

Day and Date	Tuesday, 18 th August, 2026
Time	4:00 P.M. (IST)
Venue	The 75 th Annual General Meeting ("AGM") would be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The venue of the meeting shall be deemed to be the Registered Office of the Company at 7 th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune, Maharashtra, India – 411069

As per the applicable circulars issued by the Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs ("MCA"), the Companies are allowed to conduct the AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") until further orders, and also copies of the financial statements (including Report of Board of Directors, Auditor's report and / or other documents required to be attached therewith), and such statements including the Notice of AGM are being sent only in electronic mode to Members whose e-mail address is registered with the Company / Registrar and Share Transfer Agent ("RTA") or Depository Participant(s) ("DP").

As per the applicable circulars issued by SEBI and MCA, 74th AGM of the Company was conducted through VC / OAVM on Monday, 29th September, 2025.

2. FINANCIAL CALENDAR (TENTATIVE): APRIL 2026 TO MARCH 2027 (FINANCIAL YEAR OF THE COMPANY IS FROM 1ST APRIL TO 31ST MARCH)

Sr. No.	Particulars & Meetings	Actual / Tentative Date
1	Audited Financial Results for the Quarter and year ended 31 st March, 2026	Monday, 25 th May, 2026
2	Unaudited Quarterly Results for the Quarter ended 30 th June, 2026	Within 45 days of the Quarter ended June, 2026
3	75 th Annual General Meeting	Tuesday, 18 th August, 2026
4	Unaudited Quarterly Results for the Quarter and half year ended 30 th September, 2026	Within 45 days of the Quarter and half year ended 30 th September, 2026
5	Unaudited Quarterly Results for the Quarter and nine months ended 31 st December, 2026	Within 45 days of the Quarter and nine months ended 31 st December, 2026
6	Audited Financial Results for the Quarter and year ended 31 st March, 2027	Within 60 days of the Quarter and year ended 31 st March, 2027

3. RECORD DATE AND DIVIDEND PAYMENT DATE :

During Financial Year 2025-26, the Board of Directors at its meeting held on 25th July, 2025 recommended a Final Dividend of ₹4.50/- (Four Rupees and Fifty Paise only) per Equity Share of ₹2.00/- each (225%) and the same was declared by the Shareholders at the 74th AGM held on 29th September, 2025. Accordingly, the said Dividend was paid to the eligible Shareholders within the statutory timelines.

The Board of Directors at its meeting held on 25th May, 2026 recommended Final Dividend for Financial Year 2025-26 of ₹5.00/- (Five Rupees only) per Equity share of ₹2.00/- each (250%) subject to approval of Shareholders at the ensuing 75th AGM.

A proposal seeking Shareholders' approval to declare the Final Dividend for the Financial Year 2025-26 is forming part of Notice of the 75th AGM. If declared by Shareholders, the Final Dividend shall be paid on or before 8th September, 2026.

Pursuant to the provisions of Income Tax Act, 1961 as amended by the Income Tax Act, 2025, dividend paid or distributed by the Company shall be fully taxable in the hands of Shareholders at their applicable slab rates. Accordingly, the Company shall make the payment of Final Dividend after deduction of tax at source(TDS). There will be no Dividend Distribution Tax (DDT) payable by the Company. The dividend, if declared, will be taxable in the hands of the shareholders subject to TDS at the applicable rates. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company.

The dividend payout is in accordance with the Company's Dividend Distribution policy which is provided as **Annexure III** to Report of the Board of Directors, and is also available on the website of the Company: <https://www.sudarshan.com/investor/company-policies-sudarshan/>

4. DIVIDEND TREND FOR PAST FIVE YEARS:

Sr. No.	Financial Year	Dividend %	Dividend Per Share
1.	FY 2024-25 (Final Dividend)	225%	₹4.50/- per share of ₹2.00/- each
2.	FY 2023-24 (Final Dividend)	50%	₹1.00/- per share of ₹2.00/- each
	FY 2023-24 (Interim Dividend)	180%	₹3.60/- per share of ₹2.00/- each
3	FY 2022-23 (Final Dividend)	75%	₹1.50/- per share of ₹2.00/- each
4	FY 2021-22 (Final Dividend)	250%	₹5.00/- per share of ₹ 2.00/- each
5.	FY 2020-21 (Final Dividend)	300%	₹6.00/- per share of ₹ 2.00/- each

5. LISTING ON STOCK EXCHANGES AND STOCK CODE

Name	Code
BSE Limited (BSE)	506655 (equity)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	974058 (debt)*
Telephone Nos.: 022 – 2272 1233 / 34	
Fascimile No.: 022 – 22721919	
Website: www.bseindia.com	
National Stock Exchange of India Limited (NSE)	SUDARSCHEM (equity)
Exchange Plaza, Plot No. C/1, G Block,	
Bandra Kurla Complex, Bandra (E), Mumbai- 400 051	
Telephone Nos. 022 - 2659 8100 - 14	
Fascimile No.: 022 – 2659 8120	
Website: www.nseindia.com	

*Unsecured Non-Convertible Debentures ("NCDs") were redeemed in full on 18th July, 2025.

The International Security Identification Number ("ISIN") for Company's Equity Shares registered with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") is INE659A01023 and ISIN for Company's Unsecured NCDs was INE659A08036. Unsecured NCDs were redeemed in full on 18th July, 2025. Post redemption, ISIN relating to Unsecured NCDs was extinguished. All necessary statutory formalities in this regard have been duly complied with.

The Company has paid its Annual Listing Fees of BSE Limited and National Stock Exchange of India Limited for Financial Year 2026-27.

During Financial Year 2022-23, the Company issued Unsecured, Rated, Listed, Taxable, Redeemable Non-Convertible Debentures on private placement basis for which it entered into an agreement with Catalyst Trusteeship Limited to act as Debenture Trustee and appointed MUFG Intime India Private Limited as Registrar and Share Transfer Agent.

NCDs	Value(in ₹)	Date of Allotment	Tenure	Redemption Date
8.45% NCDs (INE659A08036)	₹ 99 Crores	18 th July, 2022	36 months	18 th July, 2025

Pursuant to Regulations 52(7) and (7A) of SEBI Listing Regulations, 2015, read with SEBI Circular No SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated 29th July, 2022, proceeds of Non-Convertible Debentures were utilised for the purpose as stated in the Information Memorandum.

Pursuant to amended Regulation 23 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, an enabling provision in Articles of Association of the Company, permitting appointment of a nominee director by a Debenture Trustee, in case there is a default by the Company in relation to its NCDs is

required. Considering the fact, a clause in this regard was already in place, therefore, the Company was not required to amend its Articles of Association.

Pursuant to amended Regulation 18(6A) of SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, the Trust Deed shall contain a provision, mandating the issuer to appoint the person nominated by the Debenture Trustee(s) in terms of Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993, as a director on its Board of Directors at the earliest and not later than one month from the date of receipt of nomination from

the debenture trustee(s). The issuers, whose Debt Securities were listed, were required to amend their Debenture Trust Deed on or before 30th September, 2023. Accordingly, the Company had amended its Trust Deed on 25th September, 2023, complying with the aforesaid requirements.

During the period under review, the aforesaid NCDs, listed on Wholesale Debt Market Segment of BSE Limited, were fully redeemed by the Company by making payment of accrued interest and principle amount on 18th July, 2025 in accordance with the Debenture Trust Deed. All the statutory formalities with respect to the redemption have been duly completed by the Company.

6. WHETHER SECURITIES ARE SUSPENDED FROM TRADING:

During the Financial Year 2025-26, securities of the Company were not suspended for trading on any of the Stock Exchanges where they are listed.

7. INVESTOR RELATIONS:

Investor Relations at the Company aim at proactively giving timely information to the investors so that they can take a well- considered decision. This two-way communication through periodical analysts/ investors meetings via con-call / video conferencing / annual investor meet etc. allows investors to remain updated with the periodical financial performance and material business events. Feedback received from investors is given due consideration by the Company’s Management.

Post quarterly results, an analysts/investors meet is arranged to discuss highlights of Company’s performance. Participants from the investor community are invited for the same and an opportunity is provided to them to participate in the Q & A. The said analysts/investors meets are hosted by the Company in order to give a free and fair opportunity for all the participants.

8. REGISTRAR AND SHARE TRANSFER AGENT:

MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), Pune (SEBI Registration No. ₹000004058) are acting as the Company’s Registrar and Share Transfer Agent to handle requests for transmission, transposition, name deletion, issue of duplicate share certificates / letter of entitlement, dematerialisation and rematerialisation and other matters relating to the equity shares of the Company. These activities are handled under the supervision of the Company Secretary who is also the Compliance Officer under the SEBI Listing Regulations, 2015.

The RTA of the Company has set up standards for adhering to the statutory timelines for processing various service requests of the shareholders. On an on-going basis, the Company engages with officials of RTA at various levels for review of these standards. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any, in the timelines for processing service requests, best practices and other measures to strengthen shareholder-related services.

SWAYAM Portal by MUFG Intime India Private Limited

SWAYAM is an Investor Self-Service Portal of the RTA that empowers shareholders to effortlessly access information through a dashboard and avail various services in digital mode. Shareholders may register on the SWAYAM portal by accessing the below link <https://swayam.in.mpms.mufg.com/>.

Below are few key features and benefits that ‘SWAYAM’ offers:

1. Providing an updated status on electronic holdings.
2. Track Corporate Actions like Dividend/Interest/ Bonus/split etc.
3. Generate and track service requests/complaints raised on this portal bringing digital convenience.
4. Registration facility to security holders with holdings in physical form, i.e., against folios which are KYC-compliant.

9. SHARE TRANSFER SYSTEM:

The Board has constituted a Shares Committee for expeditious processing of requests for transmission, transposition, name deletion, issue of duplicate share certificates / letter of entitlement, dematerialisation and rematerialisation of equity shares in compliance with the provisions of the Companies Act, 2013 and applicable SEBI Regulations.

In terms of amended Regulation 40 of SEBI Listing Regulations, 2015, as amended from time to time, transfer, transmission and transposition of shares of a listed Company shall be effected only in dematerialised form.

Further, effective 24th January, 2022, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 has made it mandatory for listed companies to issue shares in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of shares. Vide its Circular dated 25th January, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation / Letter of Entitlement

in lieu of the share certificate while processing any of the aforesaid investor service request.

Further, SEBI vide Master Circular SEBI/HO/MIRSD/ POD-1/P/CIR/2024/37 dated 7th May, 2024, (including earlier circulars issued in this regard) ,inter-alia, mandated that any service request shall be entertained only upon registration of PAN, KYC details and nomination. Hence, all holders of physical securities of the Company are requested to update their KYC’s in their respective folios.

Further, SEBI vide Circular No. HO/38/13/ (3)2026-MIRSD-POD/I/3763/2026 dated 2nd April, 2026, has prescribed the procedure for credit of securities issued pursuant to various investor service requests such as issuance of duplicate securities certificates, transmission, transposition, claim from unclaimed suspense account and corporate actions, in dematerialised (“demat”) mode and for reducing the timelines, risk of loss and pilferage, it has been decided to do away with the requirement of issuance of Letter of Confirmation (“LOC”).

Opening of Special Window for Re-lodgement of Transfer Deeds:

As mentioned above, transfer of securities in physical mode was discontinued effective 1st April, 2019, however, to facilitate ease of investing for investors and to secure their rights in the securities purchased, and pursuant to the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/97 dated 2nd July 2025, the shareholders are hereby informed that a Special Window was opened only for re-lodgement of transfer deeds which were lodged prior to the deadline of 1st April, 2019 and which were rejected / returned / not attended, due to deficiency in the documents / process or otherwise and missed the extended timeline of 31st March, 2021. The re-lodgement window was open from 7th July 2025, to 6th January, 2026.

Furthermore, in continuation with the above Circular, and pursuant to the SEBI Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January, 2026, another Special Window has been

10.DISTRIBUTION OF SHAREHOLDING:

opened from 5th February, 2026 to 4th February, 2027 for Shareholders who had missed the earlier timeline of 6th January, 2026.

During this period, any securities re-lodged for transfer including those currently pending with the Company shall be processed and issued only in dematerialised form, subject to verification and approval of all documents by the Company’s RTA and will remain under a one year lock-in, during which they cannot be transferred, lien marked or pledged. A newspaper advertisement has been published in this regard and which can be accessed at <https://www.sudarshan.com/investor/notices/>

Shareholders who have missed the earlier deadline of 31st March, 2021 or 6th January, 2026 are encouraged to take advantage of this opportunity by furnishing the necessary documents to the Company’s RTA at their office at Akshay Complex, Block No. 202, 2nd Floor, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001, Maharashtra.

Initiative of Second 100 Days Campaign – “Saksham Niveshak” from 1st April, 2026 to 9th July, 2026

Investor Education and Protection Fund Authority, Ministry of Corporate Affairs has launched Second 100 Days campaign - “Saksham Niveshak” from 1st April, 2026 to 9th July, 2026, with an objective to facilitate the updation of KYC details of the Shareholders of the Company and further facilitate direct payment of unclaimed/unpaid dividends. Hence, in order to claim unpaid dividend(s), the shareholders are requested to update their KYC including the bank account details with their respective Depository Participant, in respect of electronic holding and with the Company/ RTA in respect of physical holdings, by submitting required Forms. The KYC updation forms can be downloaded from the website of RTA at <https://web.in.mpms.mufg.com/KYC-downloads.html>

A newspaper advertisement has been published in this regard and which can be accessed at <https://www.sudarshan.com/investor/notices/>

(As on 31st March, 2026)

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 – 3000	54,317	98.70%	69,97,624	8.90%
3001 – 5000	263	0.47%	10,76,865	1.37%
5001 & Above	464	0.83%	7,05,37,447	89.73%
Total	55,044	100.00%	7,86,11,936	100.00%

11.SHAREHOLDING PATTERN:

Category	No. of shares held	% to total paid up share capital
Rathi Promoter Group*	64,40,604	8.19%
Foreign Companies / NRI's / Foreign Individuals	3,92,540	0.50%
FIs / FPIs / Financial Institutions / AIF / Banks / Insurance Companies / Mutual Funds	2,58,29,744	32.85%
Corporate Bodies	65,22,058	8.30%
Non-Promoter Directors / Resident Individuals / Others	3,94,26,990	50.16%
Total	7,86,11,936	100.00%

*Approval of shareholders was sought by passing an Ordinary Resolution by way of Postal Ballot for Reclassification of shareholding of Anuj N. Rathi Group consisting of Anuj Narayandas Rathi, Narayandas Jagannath Rathi, Archana Anuj Rathi, Anuj Narayandas Rathi (HUF) and NJR Finance Private Limited from ‘Promoter/ Promoter Group’ category to ‘Public’ category, pursuant to Regulation 31A of SEBI Listing Regulations, 2015. Post Reclassification, total shareholding of Rathi Promoter Group decreased from 1,87,74,473 shares (23.89%) to 1,28,89,203 shares (16.40%). The said resolution was deemed to have been passed on the last date specified for remote e-voting i.e., 24th May, 2025.

Further, Approval of shareholders was sought by passing an Ordinary Resolution by way of Postal Ballot for Reclassification of shareholding of Mr. Pradeep R. Rathi Group consisting of Pradeep R. Rathi, Rahul P. Rathi and Subhadra P. Rathi from ‘Promoter / Promoter Group’ category to the ‘Public’ category. Post Reclassification, total shareholding of Rathi Promoter Group decreased from 1,28,89,203 shares (16.40%) to 64,40,604 shares (8.19%). The said resolution was deemed to have been passed on the last date specified for remote e-voting i.e., on 6th September, 2025.

Shareholders are requested to refer to the Report on Corporate Governance for more information relating to the proposals received for reclassification of shareholding as per Regulation 31A of SEBI Listing Regulations, 2015.

12.UNPAID / UNCLAIMED DIVIDEND:

In terms of the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer Dividend which remains unpaid or unclaimed for a period of seven consecutive years from the date of transfer of such Dividend to Unpaid/Unclaimed Dividend Account to the ‘Investor Education and Protection Fund’ (“Fund”) established by the Central Government. Accordingly, the Company has transferred the Unpaid/Unclaimed Dividend amount of Final Dividend relating to Financial Year 2017-18 during the year under review to the Fund and no claim shall lie against the Company or the Fund in respect of Dividends remaining Unpaid/Unclaimed and transferred to the Fund. Members are hereby informed that the seven consecutive years period for payment of the Dividend pertaining to Financial Years as given below will expire on respective dates and thereafter the amount standing to the credit in the said account will be transferred to the Fund. Members are therefore requested to encash the Dividend at the earliest. The Company has uploaded the details of Unpaid/Unclaimed Dividend on the Company’s website at <https://www.sudarshan.com/investor/iepf/> under the tab ‘Investors’ and also on website specified by the Ministry of Corporate Affairs at www.iepf.gov.in/IEPF/service.

Dates of transfer of Unclaimed Dividend to the fund:

Sr. No.	Financial Year	Date of Declaration	Date of completion of seven years
1.	FY 2018-19 (Final Dividend)	7 th August, 2019	6 th September, 2026
2.	FY 2019-20 (Interim Dividend)	28 th February, 2020*	29 th March, 2027
3.	FY 2020-21 (Final Dividend)	6 th August, 2021	5 th September, 2028
4.	FY 2021-22 (Final Dividend)	9 th August, 2022	8 th September, 2029
5.	FY 2022-23 (Final Dividend)	11 th August, 2023	10 th September, 2030
6.	FY 2023-24 (Interim Dividend)	6 th March, 2024*	5 th April, 2031
7.	FY 2023-24 (Final Dividend)	2 nd August, 2024	1 st September, 2031
8.	FY 2024-25 (Final Dividend)	29 th September, 2025	28 th October, 2032
9.	FY 2025-26 (Final Dividend)	18 th August, 2026	17 th September, 2033

*Declared by the Board of Directors

13.DETAILS OF UNCLAIMED SHARES:

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Sr. No.	No. of shareholders	No. of shares outstanding
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	746	5,25,160
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	17	32,950
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	17	32,950
Number of shares transferred to Demat Suspense Account during 1 st April 2025, to 31 st March, 2026	0	0
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	729	4,92,210

The Company confirms that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

14.TRANSFER OF EQUITY SHARES TO INVESTOR EDUCATION AND PROTECTION FUND SUSPENSE ACCOUNT OF THE CENTRAL GOVERNMENT

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as notified by the Ministry of Corporate Affairs, where the Dividend of any shareholder has remained Unpaid/Unclaimed for seven consecutive years, then in such event, the Equity Shares pertaining to the said shareholder(s) are required to be transferred to the Investor Education and Protection Fund (“IEPF”) Suspense Account of the Central Government. Accordingly, the Company has transferred shares to the IEPF Suspense Account during the year under review.

The Company had informed the concerned shareholders to claim their Unpaid/Unclaimed Dividends for the previous seven consecutive years, failing which, their relevant Equity Shares would be transferred to IEPF Suspense Account of the Central Government. No claim shall lie against the Company in respect of unclaimed dividend amount(s) once the Equity Shares are transferred to IEPF.

15.DEMATERIALISATION OF SHARES AND LIQUIDITY:

The Company’s shares are presently listed and traded on BSE and NSE in dematerialised form. The International Securities Identification Number (“ISIN”) allotted to the Company’s Equity Shares under the Depository System is INE659A01023. The Company’s shares are actively traded on the Stock Exchanges. The Company’s market capitalisation stood at approx. ₹5,875 Crores as on 31st March, 2026. Promoters’ shareholding is held in dematerialised form. As on 31st March, 2026, 99.01% of the total shareholding in the Company is held in dematerialised form which includes the Promoters’ shareholding of 8.19%. Trading in equity shares of the Company is permitted only in dematerialised form.

16.DISPUTE RESOLUTION MECHANISM AT STOCK EXCHANGES (“SMART ODR”):

SEBI vide its Circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated 31st July, 2023 which was further amended vide SEBI circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/191 dated 20th December 20, 2023 provided an option for arbitration as a Dispute Resolution Mechanism for investors. Pursuant to above-mentioned circular, Members shall first take up their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the Member may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Post exhausting the option to resolve their grievances with the RTA / the Company directly and through existing SCORES platform, the shareholders can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>. Accordingly, the Company is also registered on Smart ODR portal for addressing the grievances of the shareholders.

17. OUTSTANDING GDRs / ADRs / WARRANTS AND OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATES AND LIKELY IMPACT ON EQUITY:

During Financial Year 2024-25, the Fund Raising Committee of the Board of Directors of the Company at its meeting held on 31st October, 2024, had approved raising of funds not exceeding ₹10,000 Lakhs by way of issuance of upto 9,80,000 warrants, each convertible into, or exchangeable for, one fully paid-up equity share of the Company of face value of ₹ 2/- each (“Warrants”) at a price of ₹ 1,019.75 each payable in cash (“Warrants Issue Price”), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of eighteen months, to Mr. Rajesh Balkrishna Rath, being a part of the promoter and promoter group of the Company, by way of a preferential issue through private placement offer. The same was subsequently approved by the Shareholders of the Company by way of resolution passed by Postal Ballot on 30th November, 2024.

The Warrants are due for conversion on or before 12th June, 2026, as per the details set forth below:

Name of Allottee	Category	Number of warrants allotted	Price at which the warrants are issued (in ₹) (per warrant)	Paid-up value per warrant on allotment (in ₹)* (at least 25% of the price at which the warrants are issued)	Consideration received as on the date of allotment (in ₹)*
Mr. Rajesh Balkrishna Rath	Member of the Promoter and Promoter Group and Chairman and Managing Director**	9,80,000	1,019.75 (Including premium of ₹1,017.75 per Warrant)	254.94	24,98,41,200

*The warrant holder would be required to make further payment of ₹764.81 for each Warrant, which is equivalent to 75% of the Warrants Issue Price at the time of exercise of the right attached to Warrants to subscribe to equity share(s). As on 31st March 2026, the said warrants had not been converted into equity shares.

**Mr. Rajesh Balkrishna Rath was appointed as a Chairman effective close of business hours on 29th May, 2025, in addition to his current role as a Managing Director.

18. POSTAL BALLOT AND E-VOTING:

The details of Postal Ballot and e-voting are mentioned in the Report on Corporate Governance.

19. CREDIT RATING:

During the year under review, Crisil (An S&P Global Company), vide their release dated 19th April, 2025 removed its earlier rating ‘Rating Watch with Developing Implications’ and reaffirmed its rating as ‘Crisil A1+’ on Company’s ₹50 Crores Commercial Paper.

Further, India Ratings and Research Private Limited (“Ind-Ra”), a Fitch Group Company vide their release dated 20th October, 2025 affirmed its Credit Rating for Company’s Long-Term and Short-Term Rating including withdrawal of Rating on Company’s Non-Convertible Debentures (NCDs) which were redeemed in full on 18th July, 2025. The Company’s (i)Long-Term Issuer Rating for Unsecured Loans, Fund Based Working Capital Limits, Term Loans; was affirmed as ‘IND AA /Stable/IND A1+ (off rating watch)’; (ii)rating for NCDs and Other Debts was withdrawn basis the receipt of no-dues certificate from the lenders; (iii)rating for Fixed Deposit was affirmed as ‘IND AA/ Stable (off rating watch)’ and (iv) Short-Term issuer rating was affirmed as ‘IND A1+ (off rating watch)’.

20. PLANT LOCATIONS:

Location	Address
Roha	46 MIDC Estate, Dhatav, Roha 402 116, Dist. Raigad
Mahad	Plot No. A-19/1+2 & 19 (1) Part, MIDC Estate, Mahad 402 301, Dist. Raigad
Ambadvet (Sutarwadi)	R & D Laboratory, Ambadvet (Sutarwadi), Dist. Pune

21. ADDRESS FOR CORRESPONDENCE:

1) Mr. Mandar Velankar

Company Secretary and Compliance Officer,
7th Floor, Eleven West Panchshil, Survey No. 25 Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India
Tel No. 020- 68281200
Email: shares@sudarshan.com

2) Registrar and Share Transfer Agent (RTA)

MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited),
“Akshay Complex” Block No. 202, 2nd Floor, Off Dhole Patil Road, Near Ganesh Temple, Pune- 411 001, Maharashtra, India
Tel. No. 020 - 2616 0084, 020 - 2616 1629
Telefax 020-2616 3503
E-mail pune@in.mpms.mufig.com
Website: <https://in.mpms.mufig.com>
Link to raise queries / service requests: https://web.in.mpms.mufig.com/helpdesk/Service_Request.html
Time:- 10.00 to 16.00 hours (Monday to Friday excluding public holiday)

INDEPENDENT AUDITOR’S REPORT

To the Members of Sudarshan Chemical Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Sudarshan Chemical Industries Limited (“the Company”), which comprise the Balance sheet as at March 31, 2026, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the standalone Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit of the Standalone Ind AS 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 Ind AS 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 audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the ‘Auditor’s Responsibilities for the Audit of the standalone Ind AS financial statements’ section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Timing of recognition of revenue (as described in note 2.3(d) (Summary of material accounting policies) and note 26 forming part of the standalone Ind AS financial statements)	Our audit procedures included the following: We obtained understanding of the Company’s sales process, including design and implementation of controls and tested the design and operating effectiveness of these controls. We read the Company’s accounting policies pertaining to revenue recognition and assessed compliance with Ind AS 115 - Revenue from Contracts with Customers. We obtained and read the terms of customer contracts on a sample basis to assess various performance obligations in the contract, the point in time of transfer of control of goods to customers and pricing terms. We tested on a sample basis sales invoice for identification of point in time for transfer of control and terms of contract with customers. Further, we performed procedures to test on a sample basis whether revenue was recognized in the appropriate period (including at year end) by testing underlying sales orders, sales invoice copies, lorry receipts, shipping records, customer acceptances etc. and tested the management assessment involved in the process, wherever applicable. We performed various analytical procedures to identity any unusual sales trends for further testing. We also assessed the disclosure relating to revenue in accordance with applicable accounting standards in the standalone Ind AS financial statements of the Company.
Hedge accounting including valuations thereof (as described in note 2.3(s) (Summary of material accounting policies) and note 15, note 17, note 22 and note 51 of notes forming part of the standalone Ind AS financial statements)	Our audit procedures included the following: We obtained understanding of the Company’s overall hedge accounting strategy, derivative instrument valuation and hedge accounting process from initiation to settlement of derivative instruments including assessment of the design and implementation of controls and tested the design and operating effectiveness of these controls. We read the Company’s accounting policy for hedge accounting in accordance with relevant accounting standards. We tested the existence of derivative instruments by tracing to the independent confirmations obtained from respective banks. We tested management’s hedge documentation and contracts, on a sample basis.

Key audit matters	How our audit addressed the key audit matter
Considering the significant complexities and judgements involved in estimating highly probable forecasted sales transactions, future foreign exchange rates, determination of effectiveness of hedge and the fact that these transactions have a significant financial effect and extensive accounting and disclosure requirements, hedge accounting has been identified as a key audit matter.	We tested on a sample basis the fair values of derivative instruments recorded by the Company with the independent balance confirmations obtained from banks. We involved valuation specialists in re-performing the year-end fair valuations including evaluation of hedge effectiveness of derivative instruments on a sample basis and compared these valuations with those recorded by the Company and assessed the valuation methodology and key assumptions used therein. We assessed the disclosure is in accordance with applicable accounting standards in the standalone Ind AS financial statements of the Company.
Impairment assessment of material investments in subsidiaries (as described in note 2.3(b) (Summary of material accounting policies) and note 6 of notes forming part of the standalone Ind AS financial statements)	
The Company has significant investments in subsidiaries as at March 31, 2026. These investments are accounted for at cost less allowance for impairment, if any. The management assesses at least annually the existence of impairment indicators of each shareholding in such subsidiaries by reference to the requirements under Ind AS 36. If such indicator exists, impairment loss is determined and recognized in the standalone Ind AS financial statements in accordance with the accounting policies.	Our audit procedures included the following: We obtained an understanding of the Company's policy on assessment of impairment of investment in subsidiaries and assumptions used by the management including design and implementation of relevant controls. We have tested the design and operating effectiveness of these controls. We compared the carrying values of the Company's investment in these subsidiaries with their respective net worth as per audited financial statements. We have evaluated the valuation model used by the Company's management / valuation experts of the management. We assessed the competencies, capabilities and objectivity of the management's expert. We involved valuation specialists to evaluate methodology, assumptions and estimates used in the calculations. We considered potential changes in key drivers as compared to previous year / actual performance with management to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate. We also assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used. We assessed the recoverable value by performing sensitivity testing of key assumptions used, analysed and examined the business plans approved along with assumptions and estimates used by management and tested the arithmetical accuracy of these models. We assessed the disclosure is in accordance with applicable accounting standards in the standalone Ind AS financial statements of the Company.
During the year impairment indicators were identified for certain material investments. The processes and methodologies for assessing and determining the recoverable amount of such investments are based on complex assumptions and require use of significant management's judgment, in particular with reference to forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.	
Considering the significant level of judgment required in estimating the cash flows and the complexity of the assumptions used, this matter has been identified as a key audit matter.	



Other Information

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

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph (i (vi)) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i (vi)) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 45(b) to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer note 15 and note 22 to the standalone Ind AS financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 46(e) to the standalone Ind AS 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 46(e) to the standalone Ind AS financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed 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 (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for changes, if any, made using certain administrative access rights to the application as described in note 59 to the standalone Ind AS financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of such accounting software where the audit trail has been enabled. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 26111757VMMPJH3766

Place of Signature: Pune

Date: May 25, 2026

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

Re: Sudarshan Chemical Industries Limited (‘the Company’)

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

- (i)

(a)

(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.
- (b)

Property, plant and equipment were physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were identified on such verification.
- (c)

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d)

The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2026.
- (e)

There are no proceedings initiated or are 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 has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2026. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification and confirmations for inventories lying with third parties.

(b)

As disclosed in note 19 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the standalone Ind AS financial statements, the quarterly returns / statements filed by the Company with such banks are in agreement with the audited books of accounts of the Company.
- (iii)

(a)

During the year, the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to the following companies:

Particulars	Guarantees	Security	Loans	(Amount in ₹ Crores)	
				Advances in nature of loans	
Aggregate amount granted / provided during the year					
- Subsidiaries	297*	-	-	-	
Balance outstanding as at balance sheet date in respect of above cases - Subsidiaries	327#	-	-	-	

* Pertains to guarantees renewed/issued during the year.
Difference in the opening and closing balance is on account of change in the exchange rates.

During the year, the Company has not provided loans, advances in the nature of loans, stood guarantees and provided security to Limited Liability Partnerships or any other parties.

- (b)

During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.
- (c)

The Company has granted loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d)

There are no amounts of loans and advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.
- (e)

There were no loans or advances in the nature of loans granted to Companies, firms, Limited Liability Partnerships, or any other parties which was fallen due during the year, that has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f)

The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv)

Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Act are applicable have been complied with by the Company.
- (v)

The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits during the year. However, in regard to the unclaimed deposits the Company has complied with the provisions of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi)

We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of goods, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii)

(a)

The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and

explanations given to us and based on audit procedures performed by us, no undisputed amount in respect of these statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

- (b)

The dues of goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, service tax, duty of excise, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statue	Forum where Dispute is pending	Nature of Dues	Period to which the amount relates	(Amount in ₹ Crores)	
				Amount under dispute	Pre deposit or payment under protest
Central Excise Act, 1944	Additional Commissioner Central Excise	Excise duty	FY 2002-2003 to FY 2005-2006	0.4	0.1
Central Excise Act, 1944	Commissioner of Central Excise#	CENVAT Credit	FY 2004-2005 to FY 2013-2014	2.6	0.3
Central Excise Act, 1944	CESTAT	CVD Refund	FY 2013-2014	0.2	0.2
Central Excise Act, 1944	CESTAT	CVD Refund	FY 2013-2014 to FY 2017-2018	0.3	0.3
Central Excise Act, 1944	CESTAT**	CVD Refund	FY 2013-2014 to FY 2017-2018	1.4	-
Goods and Service Tax, 2017	Joint Commissioner of State Tax (Appeals)	Goods and Services Tax	FY 2017-2018	9.2	0.7

(Amount in ₹ Crores)					
Name of the Statue	Forum where Dispute is pending	Nature of Dues	Period to which the amount relates	Amount under dispute	Pre deposit or payment under protest
Goods and Service Tax, 2017	Additional Commissioner of state tax (Appeals)	Goods and Services Tax	FY 2017-2018	3.0	0.4
Goods and Service Tax, 2017	Joint Commissioner of State Tax (Appeals)	Goods and Services Tax	FY 2018-2019	14.6	0.7
Goods and Service Tax, 2017	Joint Commissioner of State Tax (Appeals)	Goods and Services Tax	FY 2019-2020	41.7	2.0
Goods and Service Tax, 2017	Joint Commissioner of State Tax (Appeals)	Goods and Services Tax	FY 2020-2021	40.4	2.1
Goods and Service Tax, 2017	Assistant Commissioner	Goods and Services Tax	FY 2018-2019	0.1	-
Goods and Service Tax, 2017	Assistant Commissioner	Goods and Services Tax	FY 2019-2020	0.1	-
Goods and Service Tax, 2017	Deputy Commissioner	Goods and Services Tax	FY 2019-2020	0.0	-
Goods and Service Tax, 2017	Deputy Commissioner	Goods and Services Tax	FY 2020-2021	0.1	-
Goods and Service Tax, 2017	Assistant Commissioner	Goods and Services Tax	FY 2020-2021	0.1	-
Goods and Service Tax, 2017	Assistant Commissioner	Goods and Services Tax	FY 2021-2022	0.2	-
Goods and Service Tax, 2017	Deputy Commissioner	Goods and Services Tax	FY 2021-2022	71.4	-
Goods and Service Tax, 2017	Deputy Commissioner ***	Goods and Services Tax	FY 2022-2023	0.0	-
Goods and Service Tax, 2017	Deputy Commissioner ***	Goods and Services Tax	FY 2023-2024	0.0	-
Income Tax Act, 1961	Bombay High Court	Income Tax	AY 1992-1993 to AY 1995-1996	0.6	0.6
Income Tax Act, 1961	Bombay High Court##	Income Tax	AY 2013-14	2.2	2.2
Income Tax Act, 1961	Commissioner of Income Tax (Appeals)###	Income Tax	AY 2017-2018 AY 2018-2019 AY 2020-2021 AY 2021-2022	2.2	1.6
Income Tax Act, 1961	Assistant Commissioner	Income Tax	AY 2023-24	0.8	-
Bombay Electricity Duty Act, 1958	Bombay High Court	Electricity Duty Generation	FY 2016-2017 to FY 2024-2025	36.1	-
Customs Act, 1962	CESTAT	Interest on IGST	FY 2017-2018 FY 2018-2019	0.7	0.7
Customs Act, 1962	CESTAT*	Custom Duty	FY 2011-2012 FY 2012-2013	3.3	0.1
Maharashtra Tax on Sale of Electricity Act, 1963	Bombay High Court	Tax on Sale of Electricity	FY 25-26	3.3	3.3

* Excludes interest

**The Company has received a favorable order from the Commissioner of Central Excise. However, the Department has preferred an appeal against the order of the Commissioner before CESTAT.

*** Amounts appearing as zero "0" are below the rounding off norm adopted by the Company.

#The CESTAT has passed the order for this case and set aside the impugned order and remand back case for fresh assessment.

##The Company has received a favorable order from the Income Tax Appellate Tribunal (ITAT). However, the Department has preferred an appeal against the order before Bombay High Court, which is at pre-admission stage.

###The Company has subsequently received favourable orders from the CIT (Appeals) in respect of litigation matters pertaining to Assessment Years 2020-21 and 2021-22, aggregating to ₹ 1.2 Crores.

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

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

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given by the management and audit procedures performed by us, term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone Ind AS financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of 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) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the standalone Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the standalone Ind AS financial statements.

(xxi) The requirement of Clause 3(xxii) of the Order is not applicable to the standalone financial statements. As regards, remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements, refer the Independent Auditor's Report on consolidated Ind AS financial statements.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner
Membership Number: 111757
UDIN: 26111757VMMPJH3766
Place of Signature: Pune
Date: May 25, 2026

Annexure 2 referred in paragraph 2(g) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

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

We have audited the internal financial controls with reference to standalone Ind AS financial statements of Sudarshan Chemical Industries Limited (“the Company”) as of March 31, 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company 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 (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Standalone Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP
Chartered Acc ountants
ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner
Membership Number: 111757
UDIN: 26111757VMMPJH3766
Place of Signature: Pune
Date: May 25, 2026

STANDALONE BALANCE SHEET

As at 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at 31 st March, 2026	As at 31 st March, 2025
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	943.0	964.9
(b) Capital work-in-progress	3	52.6	45.5
(c) Intangible assets	4	14.3	20.3
(d) Intangible assets under development	4	24.6	-
(e) Right-of-use assets	5	51.1	34.1
(f) Financial assets			
i Investments in subsidiaries	6	305.2	48.1
ii Other investments	7	668.7	742.4
iii Derivative instruments	15	-	0.1
iv Other financial assets	8	6.1	8.0
(g) Income tax assets (net)	25	9.8	9.5
(h) Other non-current assets	9	12.4	12.2
		2,087.8	1,885.1
II. Current assets			
(a) Inventories	10	365.5	350.8
(b) Financial assets			
i Other investments	7	193.3	257.3
ii Loans	14	-	46.3
iii Trade receivables	11	654.9	679.0
iv Cash and cash equivalents	12	53.2	18.7
v Bank balances other than (iv) above	13	4.7	7.7
vi Derivative instruments	15	0.9	10.7
vii Other financial assets	8	220.8	62.7
(c) Other current assets	9	57.5	52.9
		1,550.8	1,486.1
Total assets		3,638.6	3,371.2
EQUITY AND LIABILITIES			
A Equity			
(a) Equity share capital	16	15.7	15.7
(b) Other equity	17	2,518.2	2,243.2
Total equity		2,533.9	2,258.9
B Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
i Borrowings	19	-	24.1
ii Lease liabilities	5	47.7	31.1
iii Other financial liabilities	21	3.6	3.4
(b) Provisions	23	42.5	36.0
(c) Deferred tax liabilities (net)	25	49.4	72.3
(d) Other non-current liabilities	24	1.0	1.1
		144.2	168.0
II. Current liabilities			
(a) Financial liabilities			
i Borrowings	19	335.4	377.2
ii Lease liabilities	5	5.2	3.0
iii Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	27.4	22.0
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	498.2	470.4
iv Derivative instruments	22	15.5	3.5
v Other financial liabilities	21	67.3	48.4
(b) Provisions	23	1.6	3.7
(c) Other current liabilities	24	9.5	16.0
(d) Current tax liabilities (net)	25	0.4	0.1
		960.5	944.3
Total liabilities		1,104.7	1,112.3
Total equity and liabilities		3,638.6	3,371.2
Summary of material accounting policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date attached

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per Huzefa Ginwala
Partner
Membership No.:111757

Place: Pune
Date : 25th May, 2026

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

S. P. Navandar
Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi
Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu
Chief Financial Officer
ICAI Membership
No.:108532

Mandar Velankar
Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026



STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. Income			
(a) Revenue from operations	26	2,396.7	2,533.9
(b) Other income	27	90.4	30.5
Total income		2,487.1	2,564.4
II. Expenses			
(a) Cost of materials consumed	28	1,301.2	1,439.1
(b) Changes in inventories of finished goods and work-in-progress	29	8.9	(23.9)
(c) Employee benefits expense	30	189.1	168.7
(d) Finance costs	31	28.6	28.3
(e) Depreciation and amortisation expense	32	148.0	140.7
(f) Other expenses	33	460.8	599.1
Total expenses		2,136.6	2,352.0
III. Profit before exceptional items and tax (I - II)		350.5	212.4
IV. Exceptional items (expense) / income	52	(21.1)	(18.2)
V. Profit before tax (III-IV)		329.4	194.2
VI. Tax expense			
(a) Current tax		62.2	51.3
(b) Adjustment of tax related to earlier periods (net)		0.8	2.3
(c) Deferred tax (credit) / expense		(23.9)	(0.3)
Total tax expense		39.1	53.3
VII. Profit for the year (V - VI)		290.3	140.9
VIII. Other comprehensive income (OCI)			
(a) Items that will not be reclassified to profit or loss	39		
Re-measurement gains / (losses) on defined benefit plans		13.0	(3.6)
Income tax effect		(1.3)	0.8
		11.7	(2.8)
(b) Items that will be reclassified to profit or loss			
Net movement on effective portion of cash flow hedges		6.4	12.4
Income tax effect		0.3	1.7
		6.7	14.1
Other comprehensive income / (loss) for the year (net of taxes)		18.4	11.3
IX. Total comprehensive income for the year (net of taxes)		308.7	152.2
X. Earnings per share			
[Nominal value per share ₹ 2 (31st March 2025 - ₹ 2)]			
Basic (in ₹)	38	36.9	19.9
Diluted (in ₹)		36.9	19.9
Summary of material accounting policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date attached

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per Huzefa Ginwala
Partner
Membership No.:111757

Place: Pune
Date : 25th May, 2026

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

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Nilkanth Natu
Chief Financial Officer
ICAI Membership
No.:108532

Mandar Velankar
Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Cash flow from operating activities		
Profit before exceptional items and tax	350.5	212.4
Exceptional items (expense) / income (refer note 52)	(21.1)	(18.2)
Adjustments to reconcile profit before tax to net cash flow		
Depreciation and amortisation expense	148.0	140.7
Loss / (gain) on sale / disposal of property plant and equipment	(0.2)	(0.9)
Net gain on fair valuation on financial instruments	(0.4)	(0.4)
Liabilities no longer required, written back	(0.4)	(0.8)
Net (gain) / loss on foreign exchange**	(150.5)	(12.4)
Net gain on sale of financial instruments	(13.4)	(10.8)
(Reversal) / provision for net realisable value adjustment	2.6	0.6
Fair value (gain) / loss on derivatives	20.7	(6.4)
Income on financial guarantees	(24.9)	(2.6)
Allowance for expected credit loss, written back	(0.4)	-
Impairment losses on financial instruments	0.4	4.2
Finance costs	28.6	28.3
Dividend income	(43.4)	(3.6)
Interest income	(2.9)	(3.2)
Operating profit before working capital changes	293.2	326.9
Working capital adjustments :		
Increase / (decrease) in trade payables	28.5	53.8
Increase / (decrease) in provisions	17.4	3.3
Increase / (decrease) in other liabilities	(6.6)	0.1
Increase / (decrease) in other financial liabilities	(1.5)	6.7
(Increase) / decrease in trade receivables	48.8	(161.3)
(Increase) / decrease in inventories	(17.3)	(37.9)
(Increase) / decrease in other assets	(7.4)	(22.5)
(Increase) / decrease in other financial assets***	(112.1)	(50.4)
Cash generated from operations	243.0	118.7
Income taxes paid (net of refunds) including tax related to exceptional items	(63.0)	(52.3)
Net cash generated from operating activities (A)*	180.0	66.4
Cash flows from investing activities :		
Purchases of property, plant and equipment, intangible assets and intangible assets under development (including net movement in capital work in progress, capital advances and payable for capital goods)	(122.7)	(106.0)
Proceeds from sale of property, plant and equipment and intangible assets, net of incidental expenses	1.0	0.9
Investments in financial instruments (mutual funds)	(614.5)	(1,519.4)
Proceeds from sale of financial instruments (mutual funds)	691.9	1,272.5
Proceeds from sale of investment in subsidiary	-	1.0
Proceeds from/(investment) of other bank balances	3.0	(0.7)
Amount paid towards share application	-	(1.8)
Investment in non-convertible redeemable preference shares of subsidiary	-	(727.4)
Investment in equity shares of subsidiary	(148.0)	-
Proceeds from redemption of non-convertible redeemable preference shares of subsidiary	91.9	-
Proceeds from loans given to subsidiaries	51.0	1.5
Loans given to subsidiaries	-	(43.6)
Interest received	2.9	9.5
Income on financial guarantees received	20.6	-
Net cash flow (used In) / generated from investing activities (B)	(22.9)	(1,113.5)



STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Cash flows from financing activities :		
Repayment of long-term borrowings	(161.6)	(135.3)
Dividend paid on equity shares	(35.6)	(9.2)
Proceeds from issue of shares (including securities premium) (refer note 16(j))	1.7	995.0
Transaction costs on issue of equity shares	-	(12.9)
Proceeds from issue of share warrants	-	25.0
Net proceeds of short-term borrowings	109.7	198.1
Finance costs paid	(30.3)	(26.5)
Payment for lease liabilities	(6.5)	(3.8)
Net cash flow generated from / (used in) financing activities (C)	(122.6)	1,030.4
Net (decrease) / increase in cash and cash equivalents (A + B + C)	34.5	(16.7)
Cash and cash equivalents at the beginning of the year	18.7	35.4
Cash and cash equivalents at the end of the year	53.2	18.7

**includes unrealised foreign exchange (gain) / loss and realised foreign exchange pertaining to investing activities for the current year.

*Includes amount spent in cash towards Corporate Social Responsibilities ₹ 2.4 Crores (Previous year ₹ 2.0 Crores).

***Includes changes in derivative instruments.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Cash and cash equivalents (refer note 12)		
Cash on hand	0.1	0.1
Balance with banks (On current account)	53.1	18.6
Total	53.2	18.7

Notes :

The above Statement of Cash Flows has been prepared under the “Indirect Method” set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per Huzefa Ginwala
Partner
Membership No.:111757

Place: Pune
Date : 25th May, 2026

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

S. P. Navandar
Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi
Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu
Chief Financial Officer
ICAI Membership
No.:108532

Mandar Velankar
Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026



STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid

As at 31st March, 2026

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year (refer note 16 (j))	Balance at the end of the reporting period
Equity Share capital amount (in ₹ Crores)	15.7	-	-	0.0	15.7
Number of shares	7,85,72,885	-	-	39,051	7,86,11,936

As at 31st March, 2025

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year (ref note no 16 (h) and (i))	Balance at the end of the reporting period
Equity Share capital amount (in ₹ Crores)	13.8	-	-	1.9	15.7
Number of shares	6,92,27,250	-	-	93,45,635	7,86,72,885

B. Other Equity

Particulars	Reserves and Surplus			Items of OCI		Share application pending allotment	Money received against share warrants	Total other equity
	Securities premium	Capital reserve	General reserve	Retained earnings*	Share options (ESOP) outstanding reserve	Effective portion of cash flow hedge		
Balance as at 1 st April, 2024	13.2	0.0	213.4	886.8	4.6	(25.4)	-	1,092.6
Profit for the year	-	-	-	140.9	-	-	-	140.9
Other comprehensive income / (loss) (net of tax) (refer note 39)	-	-	-	(2.8)	-	14.1	-	11.3
Amortized amount of share based payments (ESOPs) to employees (refer note 50)	-	-	-	2.3	(2.2)	-	-	0.1
Total comprehensive income for the year ended 31 st March 2025	-	0.0	-	140.4	(2.2)	14.1	-	152.3
Transactions with equity holders, recorded directly in equity								
Payment of Dividend (refer note 18)	-	-	-	(6.9)	-	-	-	(6.9)
Share warrants issued (refer note17(f))	-	-	-	-	-	-	25.0	25.0
Transaction costs on issue of equity shares (refer note16(h) and (i))	(12.9)	-	-	-	-	-	-	(12.9)
Premium on equity shares issued through qualified institutional placement (refer note 16(h))	798.5	-	-	-	-	-	-	798.5

Particulars	Reserves and Surplus			Items of OCI		Share application pending allotment	Money received against share warrants	Total other equity
	Securities premium	Capital reserve	General reserve	Retained earnings*	Share options (ESOP) outstanding reserve	Effective portion of cash flow hedge		
Premium on equity shares issued through preferential issue (refer Note 16(i))	194.6	-	-	-	-	-	-	194.6
Total distributions to equity holders	980.2	-	-	(6.9)	-	-	25.0	998.3
Balance as at 31 st March, 2025	993.4	0.0	213.4	1,020.3	2.4	(11.3)	25.0	2,243.2
Profit for the year	-	-	-	290.3	-	-	-	290.3
Other comprehensive income / (loss) (net of tax) (refer note 39)	-	-	-	11.7	-	6.7	-	18.4
Total comprehensive income for the year ended 31 st March 2026	-	-	-	302.0	-	6.7	-	308.7
Transactions with equity holders, recorded directly in equity								
Payment of Dividend (refer note 18)	-	-	-	(35.4)	-	-	-	(35.4)
Amount received (ESOPs) from employees (refer note 16(j))	2.0	-	-	-	(0.7)	-	0.4	1.7
Total distributions to equity holders	2.0	-	-	(35.4)	(0.7)	-	-	(33.7)
Balance as at 31 st March, 2026	995.4	0.0	213.4	1,286.9	1.7	(4.6)	25.0	2,518.2
*Includes re-measurement of defined employee benefit plans								

There are no change in accounting policy or prior period errors in the current year and previous year, hence balances are not restated.

The accompanying notes form an integral part of the Standalone Financial Statements.

There are no change in accounting policy or prior period errors in the current year and previous year, hence balances are not restated.

As per our report of even date attached

For and on behalf of the Board of Directors of Sudarshan Chemical Industries Limited

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

S. P. Navandar
Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R. B. Rath
Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu
Chief Financial Officer
ICAI Membership
No.:108532

per Huzefa Ginwala
Partner
Membership No.:111757

Mandar Velankar
Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026

Place: Pune
Date : 25th May, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

1. Corporate Information:

Sudarshan Chemical Industries Limited (“the Company”) is a Public Limited Company domiciled in India. The Company was incorporated as a Private Limited Company on 19th February 1951. The name of the Company was changed to Sudarshan Chemical Industries Limited on 15th May, 1975. Equity shares of the Company are listed on the Bombay Stock Exchange (‘BSE’) and National Stock Exchange (‘NSE’) since February 02, 1977 and May 25, 1995 respectively.

The CIN number of the Company is L24119PN1951PLC008409. The registered office of the Company is located at 7th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India.

The Company manufactures and sells a wide range of Organic, Inorganic, and Effect Pigments.

The Standalone Financial Statements of the Company for the year ended 31st March 2026 were approved for issue in accordance with a resolution of the Board of Directors on 25th May, 2026.

2. Material Accounting Policies:

2.1 Statement of Compliance

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act 2013 (“the Act”), other relevant provisions of the Act as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III (as amended from time to time) to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statement of the Company.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as “Standalone Financial Statements” or “financial statements”). These financial statements are approved for issue by the Board of Directors on 25th May 2026.

2.2 Basis of preparation and presentation:

These Standalone Financial Statements have been prepared on a historical cost basis, except for the

following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Equity settled ESOP at grant date fair value
- Defined benefit plans – plan assets measured at fair value. Refer Note 40.

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The Standalone Financial Statements are presented in ₹/INR/Rs. and all values are rounded to the nearest Crores (₹ 00,00,000), except where otherwise indicated.

Until March 31, 2025, the Company’s Standalone Financial Statements were presented in Indian Rupees (₹/INR/Rs.) with values rounded off to the nearest lakhs, except where otherwise indicated.

The management has re-evaluated rounding off norms adopted by the Company for presentation in the Standalone Financial Statements. Basis re-evaluation, the Company has revised its presentation approach, and henceforth, all amounts in these Standalone financial statements for all periods presented will be rounded off to the nearest Crores, except where otherwise stated.

The management believes that this change will enhance the comparability and readability of the Standalone Financial Statements, without obscuring any material information.

This amendment pertains solely to presentation and disclosure. It does not affect the recognition or measurement of any items in the Standalone Financial Statements and, consequently, has no impact on total equity or profit/(loss) for the current or prior periods. Similarly, there is no impact on the presentation of the Standalone Cash Flow statement.

Given the nature of this change, the management is of the view that it does not affect the Standalone statement of financial position as at the beginning of the comparative period, and, therefore, there is no need for separate presentation of an additional Standalone balance sheet.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Certain notes and disclosures in the Standalone Financial Statements have been presented as zero (“0.0”) where the absolute amount is below the revised rounding off threshold adopted by the Company.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 Summary of material accounting policies:

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period, or
- it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

(b) Investment in subsidiaries:

A subsidiary is an entity that is controlled by another entity. Investment in subsidiaries are carried at cost less impairment, if any. Where an indication

of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount and the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in P&L. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts is recognized in the Statement of Profit and Loss.

(c) Foreign currency translation:

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (₹).The Company’s financial statements are presented in ₹.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency’s closing rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in Other Comprehensive Income (OCI) or Statement of Profit and Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(d) Revenue:

(i) Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 7-120 days from the shipment or delivery of goods or services as the case may be.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3 (aa).

The Company has following streams of revenue:

(1) Revenue from sale of goods:

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, inco-terms, the physical possession and the customer

acceptance in determining the point in time where control has been transferred. Revenues from sale of by-products and sale of manufacturing scraps are included in Other operating revenue.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Contract balances

- (1) **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.3 (r) Financial instruments.
- (2) **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration in form of advance (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs the obligation as per the contract.
- (3) **Refund liabilities:** A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer including volume rebates and discounts. The Company updates its estimates of refund liabilities at the end of each reporting period.
- (4) **Variable consideration:** The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for returns and volume rebates are provided in Note 26.

(ii) Government grants (export incentives):

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and is allocated to the Statement of Profit and Loss over the periods and in the proportions in which depreciation on those assets is charged.

Income from export incentives including duty drawback are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled on an accrual basis.

(iii) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Dividend income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(v) Other income:

Insurance claims are accounted on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. Other revenue is recognised when it is received or when the right to receive payment is established.

(e) Exceptional item:

Exceptional items are those items that management considers, by virtue of their size, nature or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the

underlying performance of the business in the year, so as to facilitate comparison with prior periods. Such items are material by nature or amount to the year's results and require separate disclosures in accordance with Ind AS. The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 52.

(f) Taxes:

The tax expenses for the period comprises of current tax, adjustments pertaining to earlier periods and deferred income tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(i) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the balance sheet date. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred Tax Assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(iii) Indirect taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- 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.
- 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.

(g) Non-current assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification. Non-current assets held for sale are neither depreciated nor amortised. Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of disposal and are presented separately in the Balance Sheet.

(h) Property, plant and equipment and Capital-work-in progress:

(i) Recognition and measurement:

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and also to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Freehold land is carried at historical cost less impairment losses, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Company depreciates them separately based on their specific useful lives.

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The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Machinery spares which meet the definition of PPE are capitalised and depreciated over the useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.

On transition to Ind As (i.e. 1st April, 2016), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

(ii) Depreciation:

(1) Depreciation on items of property, plant and equipment (except freehold land) is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013 and when significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives, except in respect of the following assets where, useful life of assets have been determined based on technical evaluation done by the management's expert:

Asset Class	(in years)	
	Useful Life Adopted	Useful Life as per Schedule – II*
Plant and Machinery - Other than below	5.0 / 9.2 / 10.0	7.5
Plant and Machinery - SS Vessels / SS Equipments	15.0	7.5
Plant and Machinery - Other than SS Components	7.7	7.5
Furniture and Fixtures	9.0 / 10.0	10.0
Vehicles	5.0 / 6.0	8.0

*The above-mentioned useful lives are on a three-shift basis, except for vehicles, and furniture and fixtures.

(2) The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(3) The Company reviews the residual value, useful lives and depreciation method annually and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(iii) Capital work in progress ("CWIP"):

(1) Projects under commissioning and other CWIP items are carried at cost less impairment (if any), comprising direct costs, related incidental expenses and eligible borrowing costs, if any.

(2) Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(i) Intangible assets:

(i) Recognition and measurement:

Intangible assets acquired separately are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

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The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Research costs are recognised as an expense in the Statement of Profit and Loss in the period they are incurred.

Internally generated intangible assets arising from development activity are recognised at cost when the project is clearly defined and the costs are separately identified and reliably measured, on demonstration of technical feasibility of the project, the intention and ability of the Company to complete, use or sell it is demonstrated, adequate resources are available to complete the project and only if it is probable that the asset would generate future economic benefits. Such costs are capitalised as ‘Technical know-how’. Otherwise it is recognised as an expense in the Statement of Profit and Loss in the period they are incurred. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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 derecognised.

On transition to Ind As (i.e. 1st April, 2016), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Intangibles Assets.

(ii) Amortisation:

- (1) The useful lives of intangible assets are assessed as either finite or indefinite.
- (2) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period

or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

- (3) Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or even when any conditions trigger, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(iii) Research and development costs

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred. Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss.

The management’s estimates of the useful lives of other intangible assets for computing amortisation are as follows:

Asset Class	Years
Registrations	10
Computer Software	5-10
Technical Know-How	3-9

(j) Borrowing costs:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset till the date the asset is ready for intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activity on the qualifying asset is suspended. Other borrowing costs are recognised as an expense in the period in which they are incurred. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

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(k) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful Life estimated by management (years)
Leasehold Land	60 to 95 years
Building	4 to 9 years
Plant & Machinery (IT Equipments)	5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

(ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments

that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value (i.e. ₹ 500,000) Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(l) Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, stores and spares and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

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

(m) Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the Statement of Profit and Loss.

For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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(n) Provisions, contingent liabilities and contingent assets:

(i) Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

(ii) Contingent liability

Contingent liability is:

- (a) possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) a present obligation that arises from past events but is not recognized because;
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37. The cases which have been determined as remote by the Company have not been disclosed.

(iii) Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may

never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognise such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(o) Post-employment and other employee benefits:

(i) Short-term employee benefits:

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised at an undiscounted value for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment benefits:

(1) Defined contribution plans:

The contributions to provident fund, other funds, and superannuation schemes are recognised in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

(2) Defined benefit plans:

The Company operates two defined benefit plans for its employees, viz. gratuity and pension. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to

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retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.
- Re-measurement

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(3) Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(p) Share based payments:

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 50.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

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No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(q) Finance costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(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.

(i) Financial assets:

(1) Initial recognition and measurement:

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at amortised cost, fair value through fair value through other comprehensive income (OCI), and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are

adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Note 2.3

(d) Revenue from contracts with customers.

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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(2) Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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Financial assets at amortised cost (debt instruments):

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance 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.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

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

Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate.

(3) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(4) Impairment of financial assets:

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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For trade receivables, the Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other assets, the Company uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk, full lifetime Expected Credit Loss is used. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities and equity instruments:

(1) Classification as debt or equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The Company classifies a financial instrument issued by it as equity instrument only if below conditions are met:

The instrument neither includes contractual obligation to deliver cash or another financial asset to another entity, nor it includes any obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

If the instrument will or may be settled in the Company’s own equity instruments, it is non-derivative instrument that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments. If the instrument is derivative, then it should be settled only by the Company exchanging a fixed

amount of cash or another financial asset for a fixed number of its own equity instruments.

All other instruments are classified as financial liability and accounted for using the accounting policy applicable to the Financial Liabilities.

(2) Initial recognition and measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. The Company’s financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(3) Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. Financial liabilities are carried at amortised cost using the effective interest rate (EIR) method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. For more information refer Note 53.

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Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

(4) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Derivative financial instruments and hedge accounting:

Initial recognition and subsequent measurement

The Company uses various derivative financial instruments such as forwards, interest rate swaps and currency swaps to mitigate the risk of changes in interest rates and exchange rates. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the

fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to the Statement of Profit and Loss, when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge:

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the Statement of Profit and Loss over the period of maturity.

Cash flow hedge:

The Company designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. Refer to Note 49 for more details.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold / terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging

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reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

(t) Cash and cash equivalents, and Bank balances:

Cash and cash equivalent comprises of cash at banks (which are unrestricted for withdrawal and usage), and cash on hand and short-term deposits with original maturity of three months or less. Bank balances other than cash and cash equivalents as explained above comprises of earmarked balances of unclaimed dividends, and short-term deposits with original maturity of three months or more. These items are subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above which are considered as integral part of the Company's cash management.

(u) Dividends:

The Company recognises a liability to pay dividend to equity holders of the Company 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) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(w) Share warrants:

Share warrants issued by the Company are classified as equity instruments in accordance with Ind AS 32 – Financial Instruments: Presentation. The amount

received on allotment of share warrants is recognised under 'Money received against share warrants' as a separate component of equity. Upon exercise of the warrants, the balance consideration is received and the amount is transferred to Share Capital and Securities Premium. In case the warrants are not exercised within the specified period, the amount received is forfeited and transferred to Other Equity.

(x) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company has identified the Managing Director as the chief operating decision maker of the Company.

(y) Rounding-off of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to nearest Crores with one decimal, as per the requirement of Schedule III of the Companies Act, 2013, unless otherwise stated. Refer note 2.2 above for more details.

(z) Climate-related matters:

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- (i) Useful life of property, plant and equipment: When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- (ii) Impairment of non-financial assets: The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

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(aa) New and amended standards:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

(ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments have resulted in additional disclosures in Note 15 but have not had an impact on the classification of Company's liabilities.

(iii) Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The Company has not entered into any such supplier finance arrangements for the year ended March 31, 2026.

(iv) International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

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- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's consolidated financial statements as the Company is not in scope of the Pillar Two model rules.

Standards notified but not yet effective

The amendments to the standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company will adopt these amendments to the standards, when they become effective.

Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event (Refer note 2.3 (a)).

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.

(ab) Significant accounting judgements, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial instruments risk management objectives and policies Note 49(A).
- Sensitivity analyses disclosures Notes 40, and 49(A).
- Capital management Note 49(B).

Use of significant judgements

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

(i) Determining the lease term of contracts with renewal and termination options – Company as a lessee:

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer Note 5 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimating the incremental borrowing rate to measure lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating). For further details refer note 5.

(ii) Useful life and residual value of property, plant and equipment and intangible assets:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company’s property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Consequently, the future depreciation charge could be revised and may have an impact on profit for future years. The policy for the same has been explained in notes 2.3 (h) and 2.3 (i).

(iii) Recognition of deferred tax assets

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.3 (f). For further details refer note 25.

(iv) Defined benefit obligation:

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and

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mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India. Further details about defined benefit plans are given in Note 2.3 (o). For further details refer note 40.

(v) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or Cash Generating Unit’s (CGU’s) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. The policy for the same has been explained under Note 2.3 (m).

(vi) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and

selecting the inputs to the impairment calculation, based on Company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss. The policy for the same has been explained in Note 2.3 (r) Financial Instruments.

(vii) Provision for inventory obsolescence:

The Company identifies slow and non-moving stock of all inventories on an ongoing basis. These materials are then classified based on their expected quality parameters to determine the possibility of utilisation / liquidation of these materials. Based on this, a provision for slow and non-moving inventory is created. For further details refer note 10.

(viii) Share based payment:

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses the Black-Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 50.

(ix) Litigation:

The Company has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations



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or cashflows. The Company’s legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, the management considers the degree of probability of an unfavourable outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Considering the facts on hand and the current stage of certain ongoing litigations the Company foresees a remote risk of any material claim arising from claims against the Company. The Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Company. For further details refer note 45.

(x) Determination of timing of satisfaction of performance obligation:

The Company concluded that sale of goods is to be recognised at a point in time because it does not meet the criteria for recognising revenue over a

period of time. The Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. The goods manufactured by the Company are on the basis of the open purchase order as on date and the order expected to be received. Further, the goods are dispatched as per the terms mentioned in the purchase order. For further details refer note 26.

(xi) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 53 and 54 for further disclosures.

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

A. Reconciliation of carrying amount

Particulars	Freehold Land (refer note C)	Buildings (refer note C)	Plant and Machinery	Vehicles	Furniture and Fixtures (refer note G)	Office Equipment	Total	Capital Work-in- Progress
Gross amount as at 1 st April, 2024 (refer note F)	8.4	172.5	1,415.2	8.6	26.5	3.8	1,635.0	14.5
Additions	-	6.1	63.4	3.0	0.3	0.7	73.5	89.5
Disposals	-	-	0.6	1.3	-	-	1.9	-
Capitalised to property, plant and equipment	-	-	-	-	-	-	-	58.5
Gross amount as at 31 st March, 2025	8.4	178.6	1,478.0	10.3	26.8	4.5	1,706.6	45.5
Accumulated depreciation as at 1 st April, 2024 (refer note F)	-	26.0	573.7	5.1	7.8	1.4	614.0	-
Depreciation for the year	-	4.8	120.2	1.2	2.7	0.7	129.6	-
Disposals	-	-	0.6	1.3	-	-	1.9	-
Accumulated depreciation as at 31 st March, 2025	-	30.8	693.3	5.0	10.5	2.1	741.7	-
Net amount as at 31 st March, 2025	8.4	147.8	784.7	5.3	16.3	2.4	964.9	45.5
Gross amount as at 1 st April, 2025	8.4	178.6	1,478.0	10.3	26.8	4.5	1,706.6	45.5
Additions	-	5.9	73.4	2.9	30.3	0.9	113.4	103.2
Disposals	-	-	0.3	1.6	-	-	1.9	-
Capitalised to property, plant and equipment	-	-	-	-	-	-	-	96.1
Gross amount as at 31 st March, 2026	8.4	184.5	1,551.1	11.6	57.1	5.4	1,818.1	52.6
Accumulated depreciation as at 1 st April, 2025	-	30.8	693.3	5.0	10.5	2.1	741.7	-
Depreciation for the year	-	4.9	123.6	1.6	3.8	0.8	134.7	-
Disposals	-	-	0.2	1.1	-	-	1.3	-
Accumulated depreciation as at 31 st March, 2026	-	35.7	816.7	5.5	14.3	2.9	875.1	-
Net amount as at 31 st March, 2026	8.4	148.8	734.4	6.1	42.8	2.5	943.0	52.6

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

- B.** The Company has pledged certain property, plant and equipment against borrowings, the details of which have been given in note 19 (d).
- C.** The title deeds of all immovable properties are held in the name of the Company.
- D.** The Company has not revalued its Property, Plant and Equipment during financial year ended 31st March, 2026 and 31st March, 2025.
- E.** There are no assets which are lying with the third parties.
- F.** On transition to Ind AS (i.e. 1st April, 2016), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.
- G.** Furniture and Fixtures includes leasehold improvements. The same are depreciated as per lease term or useful life of assets whichever is lower.
- H.** Refer Note 45 (a) for disclosure on contractual commitments for the acquisition of property, plant and equipment.
- I.** Following is the ageing schedule for Capital-work-in progress ("CWIP").

As at 31st March, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	48.3	4.3	-	-	52.6
Projects temporarily suspended	-	-	-	-	-
	48.3	4.3	-	-	52.6

As at 31st March, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	45.3	0.2	-	-	45.5
Projects temporarily suspended	-	-	-	-	-
	45.3	0.2	-	-	45.5

The CWIP mainly includes on going project in relation to capital expenditure for Plant and Machinery

There are no projects whose completion is overdue or has exceeded their cost compared to original plan.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

4 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

A. Reconciliation of carrying amount

Particulars	Computer Software	Technical Knowhow (Acquired)	Technical Knowhow (Internally Generated)	Registrations (Acquired)	Other Intangible Assets	Total	Intangible Assets under development "IAUD"
Gross amount as at 1 st April, 2024 (refer note C)	19.9	1.9	21.8	12.5	4.7	60.8	-
Additions	-	-	-	0.6	-	0.6	-
Disposals	-	-	-	-	-	-	-
Gross amount as at 31 st March, 2025	19.9	1.9	21.8	13.1	4.7	61.4	-
Accumulated amortisation as at 1 st April, 2024 (refer note C)	13.2	1.9	9.5	6.1	2.6	33.3	-
Amortisation for the year	2.5	-	3.6	1.1	0.6	7.8	-
Disposals	-	-	-	-	-	-	-
Accumulated amortisation as at 31 st March, 2025	15.7	1.9	13.1	7.2	3.2	41.1	-
Net amount as at 31 st March, 2025	4.2	-	8.7	5.9	1.5	20.3	-
As at 1 st April, 2025	19.9	1.9	21.8	13.1	4.7	61.4	-
Additions	-	-	-	1.0	-	1.0	24.6
Disposals	-	-	-	-	-	-	-
Gross amount as at 31 st March, 2026	19.9	1.9	21.8	14.1	4.7	62.4	24.6
Accumulated amortisation as at 1 st April, 2025	15.7	1.9	13.1	7.2	3.2	41.1	-
Amortisation for the year	2.4	-	2.8	1.0	0.8	7.0	-
Disposals	-	-	-	-	-	-	-
Accumulated amortisation as at 31 st March, 2026	18.1	1.9	15.9	8.2	4.0	48.1	-
Net amount as at 31 st March, 2026	1.8	-	5.9	5.9	0.7	14.3	24.6

- B.** The Company has not revalued its Intangible Assets during the financial years ended 31st March, 2026 and 31st March, 2025
- C.** On transition to Ind AS (i.e. 1st April, 2016), the Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.
- D.** During the year ended 31st March, 2026, the Company has determined that there is no impairment towards intangible assets including intangible assets under development.
- E.** Following is the ageing schedule for Intangible assets under development (IAUD)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

As at 31st March, 2026

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	24.6	-	-	-	24.6
Projects temporarily suspended	-	-	-	-	-
	24.6	-	-	-	24.6

*Costs related to SAP-RISE implementation, Inventory management tool and SCM (Supply Chain Management) tool are recognized as Intangible Asset under Development.

As at 31st March, 2025

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

There are no projects whose completion is overdue or has exceeded their cost compared to original plan.

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Company as a lessee

The Company has lease contracts for various items of building, land and plant & machinery (IT equipment) used in its operations. Leases of building generally have lease terms between 4 and 9 years and certain plant & machinery (IT equipment) have lease term of 5 years. Leasehold land pertains to upfront payments made to Maharashtra Industrial Development Corporation and hence have longer lease terms upto 99 years with no corresponding lease liabilities. The Company’s obligations under its leases are secured by the lessor’s title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments. The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for such leases.

A. Reconciliation of carrying amount

Right-of-use assets ("ROU")	Leasehold land	Plant & Machinery (IT equipment)	Buildings	Total
As at 1 st April, 2024	2.7	1.9	19.7	24.3
Additions	-	-	16.8	16.8
Disposals	-	-	-	-
As at 31 st March, 2025	2.7	1.9	36.5	41.1
Accumulated depreciation as at 1 st April, 2024	0.2	0.4	3.1	3.7
Depreciation for the year	-	0.4	2.9	3.3
Disposals	-	-	-	-
Accumulated depreciation as at 31 st March, 2025	0.2	0.8	6.0	7.0
Net carrying amount as at 31 st March, 2025	2.5	1.1	30.5	34.1
As at 1 st April, 2025	2.7	1.9	36.5	41.1
Additions	-	-	23.3	23.3
Disposals	-	-	-	-
As at 31 st March, 2026	2.7	1.9	59.8	64.4
Accumulated depreciation as at 1 st April, 2025	0.2	0.8	6.0	7.0
Depreciation for the year	-	0.4	5.9	6.3



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Right-of-use assets ("ROU")	Leasehold land	Plant & Machinery (IT equipment)	Buildings	Total
Disposals	-	-	-	-
Accumulated depreciation as at 31 st March, 2026	0.2	1.2	11.9	13.3
Net carrying amount as at 31 st March, 2026	2.5	0.7	47.9	51.1

B. Lease Liabilities

Particulars	
As at 1 st April, 2024	19.2
Add: Addition during the year	16.9
Add: Interest accrued on lease liability	1.8
Less: Cash outflows for leases	(3.8)
As at 31 st March, 2025	34.1
As at 1 st April, 2025	34.1
Add: Addition during the year	21.1
Add: Interest accrued on lease liability	4.2
Less: Cash outflows for leases	(6.5)
As at 31 st March, 2026	52.9

Bifurcation of lease liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current	5.2	3.0
Non-current	47.7	31.1
	52.9	34.1

C. Amount recognised in the Statement of Profit and Loss

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Interest expenses on lease liabilities	4.2	1.8
Expenses relating to short term lease (included in other expenses)	1.4	1.3
Depreciation on ROU assets	6.3	3.3
	11.9	6.4

D. Amounts recognised in the Statement of Cash Flows

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total cash outflow for leases	6.5	3.8
	6.5	3.8

E. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Less than 1 year	9.5	5.6
1 to 5 years	47.8	23.6
More than 5 years	14.5	17.7

F. The weighted average incremental borrowing rate 8.75% (Previous Year 8.75%) has been applied for measuring the lease liabilities at the date of initial application.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

6 INVESTMENT IN SUBSIDIARIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Unquoted, fully paid equity instruments		
At cost		
(a) Investments in wholly owned subsidiaries		
Sudarshan Europe B.V. 32,421 (Previous Year : 28,100) equity shares of ₹ 100 each [#]	276.3	19.2
RIECO Industries Limited 1,25,00,000 (Previous Year : 1,25,00,000) equity shares of ₹ 10 each	28.9	28.9
Sudarshan CSR Foundation (Section 8 Company) 10,000 (Previous Year : 10,000) equity shares of ₹ 10 each	0.0	0.0
	305.2	48.1
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.		
As an Ind AS transition adjustment, as at 1 st April, 2016, the fair value of financial guarantee fees receivable for security given by the Company for loans taken by subsidiaries has been included in the value of investments. The details of such fair values included in the value of investments above is as shown below:		
RIECO Industries Limited	0.9	0.9
Sudarshan Europe B.V.	0.1	0.1
	1.0	1.0

7 OTHER INVESTMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Unquoted, fully paid equity instruments		
I. Investment designated at cost		
Pigment Manufacturers Association of India 1,000 (Previous Year : 1,000) equity shares of ₹ 10 each	0.0	0.0
II. Investment designated as fair value through profit and loss account (FVTPL)		
AVADA Satara MH Private Limited 66,92,000 (Previous Year : 66,92,000) equity shares of ₹ 10 each	3.1	2.8
AMPYR Renewable Energy 9,05,575 (Previous Year : Nil) equity shares of ₹ 10 each 11,50,000 (Previous Year : Nil) Compulsory Convertible Preference Shares	2.1	-
Unquoted, fully paid preference shares		
III. Investment designated at amortised cost		



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Sudarshan Europe B.V. [#] 608,651 (Previous Year : 798,631) 5.5% Cumulative Non-convertible Redeemable Preference Shares (NCRPS) of ₹ 100 each	663.5	739.6
	668.7	742.4
[#] During the year ended 31 st March, 2026, 2,420 fresh Equity Shares having a face value of ₹ 100 each were issued by SEBV to the Company at an issue price of ₹ 5,777.25 per share on 24 th December, 2025.		
The Board of Directors have passed a resolution on 12 th February 2026 to convert 99,980 NCRPS into convertible Preference Shares and then convertible Preference Shares to equity shares. Further, consequent to conversion of 99,980 Preference Shares, 1,901 Equity Shares having a face value of ₹ 100 each were issued by SEBV to the Company at an issue price of ₹ 5,259.33 per share on 27 th March, 2026. As on 31 st March, 2026, Equity Share Capital consists of ₹ 2,67,88,931 comprising of 32,421 Equity Shares having a face value of ₹ 100 each.		
Current		
I. Investment designated as fair value through profit and loss account (FVTPL)		
Investments in mutual funds (quoted funds)	193.3	257.3
	193.3	257.3
Aggregate amount of quoted investments and market value thereof	193.3	257.3
Aggregate amount of unquoted investments	973.9	790.5
Aggregate amount of impairment in the value of investments	-	-

8 OTHER FINANCIAL ASSETS (AMORTISED COST)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current (unsecured, considered good):		
Security deposit *	6.0	6.1
Amount paid towards share application	-	1.8
Tender deposit	0.1	0.1
	6.1	8.0
(b) Current (unsecured, considered good):		
Receivable from subsidiaries (refer note 48)	208.4	48.1
Government grant receivable	5.1	3.9
Other receivables**	7.3	10.7
	220.8	62.7

* Includes deposits with Maharashtra State Electricity Distribution Company Limited and Maharashtra Industrial Development Corporation.
** Includes claim receivable from third parties

9 OTHER ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Capital advances (unsecured)		
• Considered good	0.1	2.7
• Considered doubtful	0.9	0.9
• Less : Provision for doubtful advances	(0.9)	(0.9)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

	0.1	2.7
Balances with government authorities	7.0	5.2
Prepaid expenses	5.3	4.3
	12.3	9.5
	12.4	12.2
(b) Current:		
Balances with government authorities	37.6	30.7
Prepaid Expenses	8.8	8.4
Advances to suppliers	11.1	13.8
	57.5	52.9

No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person except as disclosed in note 48.

10 INVENTORIES (AT THE LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Raw materials (includes items with third parties and items lying in transit)	123.3	105.9
Work-in-progress	64.8	65.8
Finished goods (includes items with third parties and items lying in transit)	135.0	142.9
Stores and spares (includes items with third parties)	40.4	35.1
Packing materials	2.0	1.1
	365.5	350.8

During the year, an amount of ₹ 2.6 Crores (31st March, 2025: ₹ 0.6 Crore) was (reversed) / charged off to the Statement of Profit and Loss on account of provision for difference in stock values and net realisable values of inventories.

Value of raw material in transit is ₹ 29.1 Crores as at 31st March, 2026 (₹ 21.0 Crores as at 31st March, 2025)

Value of finished goods in transit is ₹ 36.0 Crores as at 31st March, 2026 (₹ 19.2 Crores as at 31st March, 2025)

For details of inventory pledged as security refer note 19 (d).

11 TRADE RECEIVABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current:		
Trade receivables		
Unsecured, considered good	654.9	679.0
Trade receivables which have significant increase in credit risk	8.2	7.8
Trade receivables - credit impaired	6.4	6.8



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

	669.5	693.6
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)	14.6	14.6
	654.9	679.0
Trade receivable from:		
(i) Related parties (refer note 48)	215.9	191.9
(ii) Others	453.6	501.7
	669.5	693.6

Refer note 19 (d) for details of pledges and securities and refer note 49 for details of credit risk related to trade receivables.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions and for more details relating to related party receivables, refer Note 48.

Trade receivables are non-interest bearing and are generally on terms of 7 to 120 days.

Following is the ageing schedule for trade receivables

As at 31st March, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	483.1	158.0	3.4	3.3	1.4	5.7	654.9
Undisputed - which have significant increase in credit risk	-	-	0.2	6.7	0.8	0.5	8.2
Undisputed - Credit impaired	-	-	-	-	-	0.6	0.6
Disputed - Considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed -Credit impaired	-	-	-	-	-	5.8	5.8
Total	483.1	158.0	3.6	10.0	2.2	12.6	669.5

Note :- Above figures are gross of provision for expected credit loss amounting to ₹ 14.6 Crores.

There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	512.6	159.6	1.4	1.7	3.6	0.1	679.0
Undisputed - which have significant increase in credit risk	0.3	0.3	6.0	0.5	0.1	0.6	7.8

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Undisputed - Credit impaired	-	-	-	-	-	1.0	1.0
Disputed - Considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	5.8	5.8
Total	512.9	159.9	7.4	2.2	3.7	7.5	693.6

Note :- Above figures are gross of provision for expected credit loss amounting to ₹ 14.6 Crores.

There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

Pursuant to an arrangement with a bank, the company has sold to the bank certain of it's trade receivables on a non-recourse basis. The receivables sold were mutually agreed upon with the respective bank after considering the creditworthiness and contractual terms with the customer. The Company has transferred substantially all the risks and rewards of ownership of such receivables to the respective bank, and accordingly the same were derecognised in the Balance sheet. As at 31st March, 2026 the amount of trade receivables de-recognised pursuant to the aforesaid arrangement ₹ 31.6 Crores (31st March,2025: ₹ Nil)

12 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Balance with banks		
On current accounts	53.1	18.6
Cash on hand	0.1	0.1
	53.2	18.7

Changes in liabilities arising from financing activities

Particulars	As at 1 st April, 2025	Cash flow (net)	Non-cash changes				As at 31 st March, 2026
			Unrealised foreign exchange (gain) / loss	Changes in fair value	Current / Non-current classification	New Leases	
Non-current borrowings	24.1	(24.1)	-	-	-	-	-
Current maturities of non-current borrowings	179.0	(145.9)	(5.5)	-	-	-	27.6
Current borrowings	198.2	109.6	-	-	-	-	307.8
Lease liabilities	34.1	(2.3)	-	-	-	21.1	52.9
Total	435.4	(62.7)	(5.5)	-	-	21.1	388.3

Changes in liabilities arising from financing activities

Particulars	As at 1 st April, 2024	Cash flow (net)	Non-cash changes				As at 31 st March, 2025
			Unrealised foreign exchange (gain)/ loss	Changes in fair value	Current / Non-current classification	New Leases	



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Non-current borrowings	193.2	(62.6)	(7.6)	-	(98.9)	-	24.1
Current maturities of non-current borrowings	165.3	8.4	(8.4)	-	13.7	-	179.0
Current borrowings	-	198.2	-	-	-	-	198.2
Lease liabilities	19.2	(2.0)	-	-	-	16.9	34.1
Total	377.7	142.0	(16.0)	-	(85.2)	16.9	435.4

13 BANK BALANCES OTHER THAN ABOVE

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Earmarked balances on unclaimed dividends*	3.5	3.7
Margin money deposits**	1.2	4.0
	4.7	7.7

*Unclaimed dividend amounts are restricted in use as it relates to unclaimed dividends.

**Lodged against bank guarantee, letter of credits and other credit facility, earmarked for specified purposes.

14 LOANS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current:		
Loans to related parties		
(Unsecured and considered good)		
Loans to subsidiaries	-	46.3
	-	46.3

Loans are non derivative financial assets which generate fixed interest income for the Company. The carrying value may be affected by change in the credit risk of counterparties.

Refer note 43 for terms of loans to related parties and note 48 for details of transaction with related parties.

15 DERIVATIVE INSTRUMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Cash flow hedges (FVTOCI)		
Interest rate swap contracts	-	0.1
	-	0.1
(b) Current:		
Derivatives not designated as hedges (FVTPL)		
Foreign currency forward contracts	0.7	9.4
Cash flow hedges (FVTOCI)		
Interest rate swap contracts	0.2	1.3
	0.9	10.7

Note: Refer note 51 for hedging activities and note 49 for foreign currency risk management.

16 EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
AUTHORISED :		
100,000,000 (Previous Year : 100,000,000) equity shares of ₹ 2 each (Refer Note (g))	20.0	20.0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

ISSUED :		
78,612,436 (Previous Year : 78,573,385) equity shares of ₹ 2 each*	15.7	15.7
SUBSCRIBED AND FULLY PAID-UP :		
78,611,936 (Previous Year : 78,572,885) equity shares of ₹ 2 each fully paid up*	15.7	15.7

*Allotment of 500 Rights Equity Shares of ₹ 2 each is kept in abeyance, matter being sub-judice

(a) Reconciliation of authorised equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Quantity in nos.	Value ₹ Crores	Quantity in nos.	Value ₹ Crores
At the beginning of the year	10,00,00,000	20.0	7,50,00,000	15.0
Add : Increase during the year (Refer note (g))	-	-	2,50,00,000	5.0
Outstanding at the end of the year	10,00,00,000	20.0	10,00,00,000	20.0

(b) Reconciliation of issued, subscribed and fully paid-up equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Quantity in nos.	Value ₹ Crores	Quantity in nos.	Value ₹ Crores
At the beginning of the year	7,85,72,885	15.7	6,92,27,250	13.8
Add : Shares issued through qualified institutional placement (refer note (h))	-	-	74,76,635	1.5
Add : Shares issued through preferential issue (refer note (i))	-	-	18,69,000	0.4
Add : Shares issued under ESOP scheme (refer note (j))	39,051	0.0	-	-
Outstanding at the end of the year	7,86,11,936	15.7	7,85,72,885	15.7

(c) Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2.0 per share (Previous Year : ₹ 2.0 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend, which is ratified subsequently.

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 number of equity shares held by the shareholders.

The Board of Directors at its meeting held on 25th May, 2026, recommended dividend of ₹ 5/- (Rupee five only) (i.e. 250%) per Equity Share of face value of ₹ 2/- each fully paid up, for the Financial Year ended 31st March, 2026, subject to approval of the members at ensuing Annual General Meeting.

In the previous year, the Board of Directors had recommended a final dividend of ₹ 4.50/- per share on face value of ₹ 2.0/- per share (i.e. 225%) for the FY 2024-25, which was approved by the shareholders at the 74th Annual General Meeting of the Company.

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	No.	% of total shares in class	No.	% of total shares in class
HDFC Small Cap Fund	57,89,852	7.37	57,34,275	7.30

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(All amounts are in ₹ Crores, unless otherwise stated)

Mr. Akash Bhanshali	56,05,577	7.13	56,05,577	7.13
Mr. A. N. Rathi	54,47,620	6.93	54,47,620	6.93
Tata Mutual Fund - Tata Small Cap Fund	60,21,899	7.66	47,82,355	6.09
Mr. R. B. Rathi	40,50,359	5.15	40,50,359	5.15

As per records of the Company, including it's register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Consequent to issue of Equity Shares by way of Employee Stock Options Plan of the Company, percentage of total shares held by the above shareholders has diluted since the total number of issued Equity Shares has increased from 7,85,72,885 to 7,86,11,936.

During the FY24-25, the Company had issued 9,80,000 Warrants convertible into 9,80,000 Equity Shares of ₹ 2 each to Mr. R. B. Rathi. The said Warrants are eligible for conversion into Equity Shares within a period of eighteen months from the date of Issue i.e. 13th December, 2024. As on 31st March, 2026, the said Warrants have not been converted into Equity Shares and hence are not reflected in the total number of shares held by Mr. R. B. Rathi in the table above. Refer note 17 (f) for more details.

(e) For a period of five years immediately preceding 31st March, 2026

- aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- aggregate number of shares bought back - Nil

(f) Shareholding of Promoters as at 31st March, 2026

Promoter / Promoter Group	No of shares as at 31 st March, 2026	% of total shares	No of shares as at 31 st March, 2025	% of total shares	% change during the year
Mr. A. N. Rathi*	-	-	54,47,620	6.93	(6.93)
Mr. R. B. Rathi	40,50,359	5.15	40,50,359	5.15	-
Mr. P. R. Rathi**	-	-	34,24,740	4.36	(4.36)
Mr. R. P. Rathi**	-	-	30,23,859	3.85	(3.85)
Mr. R. B. Rathi and Mrs. Rachna Rajesh Rathi (As Trustees - SOW Rachna Rathi Family Trust)	12,08,250	1.54	12,08,250	1.54	-
Mr. M. A. Rathi	5,27,900	0.67	5,27,900	0.67	-
Balkrishna Rathi Finance Private Limited	4,62,550	0.59	4,62,550	0.59	-
Mr. N. J. Rathi*	-	-	4,37,650	0.56	(0.56)
Rajesh Balkrishna Rathi (HUF)	1,77,425	0.22	1,77,425	0.22	-
Mrs. R. R. Rathi	14,120	0.02	14,120	0.02	-
	64,40,604	8.19	1,87,74,473	23.89	(15.70)

*Pursuant to Regulation 31A of the SEBI Listing Regulations, 2015 and based on the approval accorded by the Board of Directors on 14th February, 2025, No-Objection/ approval letters from both the Stock Exchanges on 4th April, 2025, and approval accorded by Shareholders by way of Postal Ballot on 24th May, 2025, Shareholding of A. N. Rathi Group consisting of A. N. Rathi, N. J. Rathi, NJR Finance Pvt Ltd (nil shareholding), A. A. Rathi (nil shareholding) and Anuj N. Rathi HUF (nil shareholding) had been reclassified from Promoter and Promoter Group category to the Public category.

**Pursuant to Regulation 31A of the SEBI Listing Regulations, 2015 and based on the approval accorded by the Board of Directors on 29th May, 2025, No-Objection/ approval letters from both the Stock Exchanges on 15th July, 2025, and approval accorded by Shareholders by way of Postal Ballot on 6th September, 2025, shareholding of P. R. Rathi, R. P. Rathi and S. P. Rathi had been reclassified from Promoter and Promoter Group category to the Public category.

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(All amounts are in ₹ Crores, unless otherwise stated)

Shareholding of Promoters as at 31st March, 2025

Promoter / Promoter Group	No of shares as at 31 st March, 2025	% of total shares	No of shares as at 31 st March, 2024	% of total shares	% change during the year
Mr. A. N. Rath	54,47,620	6.93	54,47,620	7.87	(0.94)
Mr. R. B. Rath	40,50,359	5.15	40,50,359	5.85	(0.70)
Mr. P. R. Rath	34,24,740	4.36	41,86,240	6.05	(1.69)
Mr. R. P. Rath	30,23,859	3.85	30,23,859	4.37	(0.52)
Mrs. S. P. Rath	-	-	13,13,680	1.90	(1.90)
Mr. R. B. Rath and Mr. A. B. Rath (As Trustees - SOW Rachna Rath Family Trust)	12,08,250	1.54	12,08,250	1.75	(0.21)
Ajay Balkrishna Rath (HUF)	-	-	11,75,325	1.70	(1.70)
Mr. M. A. Rath	5,27,900	0.67	8,27,900	1.20	(0.53)
Mr. A. B. Rath	-	-	6,73,660	0.97	(0.97)
Balkrishna Rath Finance Private Limited	4,62,550	0.59	4,62,550	0.67	(0.08)
Mr. N. J. Rath	4,37,650	0.56	4,37,650	0.63	(0.07)
Rajesh Balkrishna Rath (HUF)	1,77,425	0.22	1,77,425	0.26	(0.04)
Mrs. R. R. Rath	14,120	0.02	14,120	0.02	-
	1,87,74,473	23.89	2,29,98,638	33.24	(7.45)

- (g) The Board of Directors of the Company at its meeting held on 16th October, 2024, considered and approved the proposal for increase in the Authorised Share Capital from ₹15,00,00,000 divided into 7,50,00,000 equity shares of ₹ 2/- each to ₹ 20,00,00,000 divided into 10,00,00,000 equity shares of ₹ 2/- each ranking pari-passu with the existing equity shares of the Company with a consequent amendment to the Memorandum of Association. The same was approved by the Shareholders of the Company by way of resolution passed by Postal Ballot on 30th November, 2024.
- (h) On 29th January, 2025, the Company had issued and allotted 74,76,635 fully paid-up equity shares of face value of ₹2/- each at a price of ₹1,070 per equity share, including a premium of ₹1,068 per equity share, aggregating up to ₹ 800.0 Crores (“Issue”) to qualified institutional investors in accordance with the provisions of SEBI ICDR Regulations. The Company has used the proceeds from the Issue for investment in Sudarshan Europe B.V. for part funding of the acquisition of global pigment business operations of the Heubach Group, including all associated costs in relation to the acquisition, repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by the Company and for general corporate purposes in accordance with the Placement Document dated 28th January, 2025. Out of the total proceeds, ₹ 799.2 Crores were utilised upto the period ended 30th June, 2025 for the said objectives. The monitoring agency report for the period ended 30th June, 2025 issued by CRISIL Ratings Limited stating that no deviation in such utilisation of funds was uploaded on the stock exchanges on 30th July, 2025. Remaining unutilized proceeds of ₹ 0.8 Crores were utilised upto the period ended 30th September, 2025 for the said objectives. The monitoring agency report for the period ended 30th September, 2025 issued by CRISIL Ratings Limited stating that no deviation in such utilisation of funds was uploaded on the stock exchanges on 14th November, 2025. Accordingly, the Company has fully utilized proceeds raised from qualified institutional investors as on 31st March, 2026.
- (i) On 13th January, 2025, the Company has issued and allotted 18,69,000 fully paid-up equity shares of face value of ₹2/- each at a price of ₹1,043.33 per equity share, including a premium of ₹ 1,041.33 per equity share, aggregating up to ₹195.0 Crores to the identified allottees / investors, not belonging to “Promoter and Promoter Group” of the Company by way of a preferential issue on private placement basis, for cash consideration (the “Preferential Allotment”) in accordance with provisions of the Chapter V of the SEBI ICDR Regulations and as per applicable provisions of the Companies Act, 2013 and rules made thereunder. Consequently, equity share capital and other equity (securities premium) of the Company has increased by ₹ 0.4 Crores and ₹ 194.6 Crores respectively. Issue expenses of ₹ 0.8 Crores have been netted from other equity (securities premium).
- (j) During the Financial Year 2025-26, employees exercised a total of 49,891 stock options under the Company’s Employee Stock Option Plan (ESOP) at an exercise price of ₹349.40 per share. Out of these, 39,051 equity shares were issued and allotted during the year, including allotments made on 29th July, 2025, 9th October 2025, and 17th



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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December 2025. The balance 10,840 options exercised, for which application money has been received, are pending allotment as at the year end and are accordingly disclosed under the head “Share Application Money Pending Allotment” (Refer note 17(g)).

(k) Other disclosure

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries.

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts; except as disclosed in note 50 and note 17 (f).

There are no securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.

17 OTHER EQUITY

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Capital reserve		
Balance at the beginning of the year	0.0	0.0
Balance at the end of the year	0.0	0.0
(b) Securities premium		
Balance at the beginning of the year	993.4	13.2
Add: Premium on issue of equity shares (refer note 16 (h), (i) and (j))	2.0	993.1
Less: Transaction costs on issue of equity shares (refer note 16 (i))	-	12.9
Balance at the end of the year	995.4	993.4
(c) General reserve		
Balance at the beginning of the year	213.4	213.4
Balance at the end of the year	213.4	213.4
(d) Effective portion of cash flow hedge		
Balance at the beginning of the year	(11.3)	(25.4)
Change in fair value of hedging instrument (net of tax)	6.7	14.1
Balance at the end of the year	(4.6)	(11.3)
(e) Share options (ESOP) outstanding reserve		
Balance at the beginning of the year	2.4	4.6
Additions during the year	(0.7)	-
Deductions during the year	-	2.2
Balance at the end of the year	1.7	2.4
(f) Money received against share warrants		
Balance at the beginning of the year	25.0	-
Warrants issued during the year	-	25.0
Balance at the end of the year	25.0	25.0
(g) Share application pending allotment		
Balance at the beginning of the year	-	-
Application money received during the year	0.4	-
Balance at the end of the year	0.4	-
(h) Retained earnings		
Balance at the beginning of the year	1,020.3	886.8

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Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Add: Profit for the year	290.3	140.9
Other comprehensive income / (loss) recognised directly in retained earnings	11.7	(2.8)
Transferred to retained earnings on lapse of employee stock options	-	2.3
Less: Appropriations		
Final equity dividend (refer note 16(c))	35.4	6.9
Balance at the end of the year	1,286.9	1,020.3
	2,518.2	2,243.2

Description of nature and purpose of each reserve

(a) Capital reserve

Capital reserve includes surplus on re-issue of shares made in the financial year 1996-97 amounting to ₹ 0.4 Lakhs.

(b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(c) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(d) Effective portion of cash flow hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the underlying hedged transaction occurs (refer note 49 and 51).

(e) Share options (ESOP) outstanding reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under employee stock option plan. (refer note 16(j) and 50).

The amounts recognised in this reserve are transferred to Securities Premium when Options are exercised by the employees or they expire unexercised.

(f) Money received against share warrants

The Fund Raising Committee of the Board of Directors of the Company at its meeting held on 31st October, 2024, approved raising of funds not exceeding ₹100.0 Crores by way of issuance of upto 9,80,000 warrants, each convertible into, or exchangeable for, one fully paid-up equity share of the Company of face value of ₹2/- each (“Warrants”) at a price of ₹1,019.75 each payable in cash (“Warrants Issue Price”), which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of eighteen



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
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months, to Mr. Rajesh Balkrishna Rathi, being a part of the promoter and promoter group of the Company, by way of a preferential issue through private placement offer. The same was subsequently approved by the Shareholders of the Company by way of resolution passed by Postal Ballot on 30th November, 2024. The Fund Raising Committee of the Board of Directors of the Company at it’s meeting held on 13th December, 2024, approved the allotment of 9,80,000 warrants to Mr. Rajesh Balkrishna Rathi, as per the details set forth below:

Name of Allottee	Category	Number of warrants allotted	Price at which the warrants are issued (in ₹) (per warrant)	Paid-up value per warrant on allotment (in ₹)* (at least 25% of the price at which the warrants are issued)	Consideration received as on the date of allotment (in ₹ Crores)
Mr. Rajesh Balkrishna Rathi	Member of the Promoter and Promoter Group, Chairman and Managing Director (Appointed as a Chairman with effect from close of business hours on 29 th May, 2025)	9,80,000	1,019.75 (Including premium of ₹ 1,017.75 per Warrant)	254.9	25.0

*The warrant holder will be required to make further payments of ₹ 764.81 for each Warrant, which is equivalent to 75% of the Warrants Issue Price at the time of exercise of the right attached to Warrants to subscribe to equity share(s). As on 31st March 2026, the said warrants have not been converted into equity shares.

(g) Share application pending allotment

The Company has established equity-settled share based payment plans for eligible employees of the Company. This pertains to application money received for employees pending allotment and issue of shares under share based payment scheme.

(h) Retained earnings

Retained earnings are the profits/(losses) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

18 DISTRIBUTION MADE AND PROPOSED TO BE MADE

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Dividends on equity shares declared and paid :		
For the year ended 31 st March, 2025 : ₹ 4.5 per share	35.4	
For the year ended 31 st March, 2024 : ₹ 1.0 per share		6.9
Proposed dividend on equity shares :		
For the year ended 31 st March, 2026 : ₹ 5.0 per share*	39.3	
For the year ended 31 st March, 2025 : ₹ 4.5 per share*		35.4

*Proposed dividends on equity shares are subject to approval at the Annual General Meeting of the Company and are not recognised as a liability as at year end. Proposed dividend for the year ended 31st March, 2025 was subsequently approved by the shareholders at the 74th Annual General Meeting of the Company.

The Company has complied with the provisions of Section 123 of the Companies Act, 2013 related to dividend declared and dividend paid.

19 BORROWINGS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current borrowings:		



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(All amounts are in ₹ Crores, unless otherwise stated)

Secured		
Term loans from banks		
Foreign currency loans (refer note 19 (c) (a) (ii))	-	24.1
	-	24.1
(b) Current borrowings:		
Secured		
From banks :		
Rupee loans (refer note 19 (c) (a) (ii))	163.9	85.2
Unsecured		
Rupee loans (refer note 19 (c) (b) (ii))	143.9	113.0
Current maturities of non-current borrowings		
Foreign currency loans (refer note 19 (c) (a) (i))	27.6	74.1
Unsecured		
Debentures		
8.45% unsecured rated listed taxable redeemable Non-convertible	-	104.9
Debentures (NCDs) (refer note 19 (c) (b) (ii))		
	335.4	377.2

Non-current borrowings are disclosed net of unamortised finance cost of ₹ Nil Crores (31st March,2025: ₹ 0.5 Crores)

The above balance also includes interest accrued but not due amounting to ₹ 0.8 Crore as at 31st March, 2026 and ₹ 6.7 Crores as at 31st March, 2025.

OTHER REGULATORY INFORMATION

The Company files monthly / quarterly statement for its current assets with banks. Further, pursuant to subsequent adjustment if any post closures of yearly books and statutory audit, the Company files the revised return with the updated amounts at the year end.

The charges or satisfaction on the assets of the Company are registered with Registrar of Companies within the statutory period. The Company does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

The Company has used the borrowings obtained from banks and financial institutions for the specific purpose for which they were taken during the year ended 31st March, 2026 and 31st March, 2025.

The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the current year and previous year.

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(All amounts are in ₹ Crores, unless otherwise stated)
(c) Security details and repayment schedule

Security	Instalment start date	Last Instalment Payable on	Terms of Repayment	Effective Interest Rate p.a.	As at 31 st March, 2026		As at 31 st March, 2025	
					Current	Non-Current	Current	Non-Current
a) SECURED								
i) Foreign currency term loans / ECBs from banks								
Secured by a first pari passu charge on all the movable property, plant and equipment both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amralewadi, Dist. Pune and further secured by way of mortgage by first pari passu charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amralewadi, Dist. Pune								
The bankers are:								
State Bank of India (Loan drawn ₹ 22 Mn)	27-Sep-21	27-Sep-25	17 equal quarterly instalments	3 month SOFR* + 1.40% + 0.26%	-	-	22.0	-
State Bank of India (Loan drawn ₹ 40 Mn)	27-May-21	31-Aug-25	18 equal quarterly instalments	3 month SOFR* + 1.50% + 0.26%	-	-	19.2	-
Axis Bank Limited (Loan drawn ₹ 13.23 Mn)	30-Sep-23	31-Dec-26	14 equal quarterly instalments	6 month SOFR* + 1.25% + 0.4286%	27.6	-	32.9	24.1
ii) Working capital loans repayable on demand from banks / Loan repayable within 12 months								
Working Capital Borrowings from Bank of Maharashtra, ICICI Bank Limited and State Bank of India are secured by first pari passu charge by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable and movable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Sutarwadi, Amralewadi, Dist. Pune by registered mortgage.			15 to 90 days	6.80% to 7.20%	163.9	-	85.2	-

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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Security	Instalment start date	Last Instalment Payable on	Terms of Repayment	Effective Interest Rate p.a.	As at 31 st March, 2026		As at 31 st March, 2025	
					Current	Non-Current	Current	Non-Current
b) UNSECURED								
	i) Non convertible debentures	18-Jul-25	Bullet payment after 3 years	8.45%	-	-	104.9	-
	8.45% p.a unsecured rated listed taxable redeemable Non-convertible Debentures (NCDs).							
	ii) Working capital loans repayable on demand from banks / Loan repayable within 12 months		7 to 90 days	6.85% to 6.95%	143.9	-	113.0	-
	The Banker is HDFC Bank Limited Axis Bank Limited Federal Bank Limited				335.4	-	377.2	24.1
	The bifurcation of total borrowings is as follows:							
	Non-current borrowings	Note 19			-	-	-	24.1
	Current borrowings	Note 19			307.8	-	198.2	-
	Current maturities of non-current borrowings	Note 19			27.6	-	179.0	-
					335.4	-	377.2	24.1

*Include the effects of related interest rate swaps.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

(d) Assets pledged as security

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non Current		
Property, plant and equipment	816.4	941.3
Current		
Inventories	365.5	350.8
Trade receivables	654.9	679.0

20 TRADE PAYABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total outstanding dues of micro enterprises and small enterprises; (refer note 41)	27.4	22.0
Total outstanding dues of creditors other than micro enterprises and small enterprises	498.2	470.4
	525.6	492.4
Trade payable to:		
(i) Related parties (refer Note 48)	27.5	5.2
(ii) Others	498.1	487.2
	525.6	492.4

Following is the ageing schedule for trade payables

As at 31st March, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	0.5	26.8	0.1	-	-	-	27.4
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	74.5	350.6	67.2	2.0	1.9	2.0	498.2
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	75.0	377.4	67.3	2.0	1.9	2.0	525.6

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	0.4	21.6	-	-	-	-	22.0
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	54.2	338.2	70.7	3.3	3.5	0.5	470.4

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	54.6	359.8	70.7	3.3	3.5	0.5	492.4

* Unbilled represents accrual for expenses.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 60 to 90 days terms.
- For terms and conditions with related parties, refer note 48.

For the Company’s risk management processes, refer note 49.

21 OTHER FINANCIAL LIABILITIES (AT AMORTISED COST)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Security deposits#	3.6	3.4
	3.6	3.4
#This mainly includes deposit received from customers and vendors.		
(b) Current:		
Unclaimed dividend (as and when due) ***	3.5	3.7
Unpaid matured deposits including interest thereon (refer note 42)	-	0.1
Other payable to subsidiaries	4.3	7.0
Payable for capital goods *	24.3	3.5
Employee dues	30.1	30.0
Commission payable to directors	1.4	1.2
Other liabilities **	3.7	2.9
	67.3	48.4

* Includes amount payable to MSME parties amounting to ₹ 0.7 Crore as at 31st March, 2026 (31st March, 2025: ₹ 0.4 Crore)

** Includes amount payable towards miscellaneous customer payable

*** Unclaimed dividend does not include amount due and outstanding, to be credited to the Investor Education and Protection Fund

22 DERIVATIVE INSTRUMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current:		
Derivatives not designated as hedges (FVTPL)		
Foreign currency forward contracts	15.5	3.5
	15.5	3.5

Note: Refer note 51 for hedging activities and note 49 for foreign currency risk management.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

23 PROVISIONS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Provision for employee benefits (refer note 40)		
Provision for pension (refer note (40)(B)(II))	-	14.1
Provision for gratuity	32.2	13.1
Provision for compensated absences	10.3	8.8
	42.5	36.0
(b) Current:		
Provision for employee benefits (refer note 40)		
Provision for pension (refer note (40)(B)(II))	-	1.9
Provision for compensated absences	1.6	1.8
	1.6	3.7

24 OTHER LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Deferred government grant*	1.0	1.1
	1.0	1.1
(b) Current:		
Statutory dues#	6.3	10.2
Deferred government grant*	0.7	0.6
Contract liabilities (advances from customers)**	2.5	5.0
Other liabilities	0.0	0.2
	9.5	16.0

*The Company has availed import duty exemption under Export Promotion Capital Goods (“EPCG”) scheme, EPCG scheme is a scheme which allows an exporter to import capital goods including spares for pre-production, production and post-production at zero Customs duty, for exports. As per the scheme, the Company has undertaken export obligation amounting to 6 times of the amount saved on duty on the capital goods. For commitments related to this deferred government grant refer Note 45(a)(ii)

#Includes payable with respect to Goods & Services Tax, Local Body Tax, Grampanchayat Tax, Withholding Taxes, Provident Fund etc.

**Contract liabilities

The Company has received ₹ 2.5 Crore as at 31st March, 2026, (₹ 5.0 Crore as at 31st March, 2025) as contract liabilities (advance from customers), these liabilities are derecognised once the supply of goods are made.

25 INCOME AND DEFERRED TAXES

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

A Statement of Profit and Loss :

Profit and loss section	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current income tax :		
Current income tax charge	62.2	51.3
Adjustment in respect of current income tax of earlier periods	0.8	2.3
Deferred tax :		
Relating to origination and reversal of temporary differences	(23.9)	(0.3)
Income tax expense reported in the Statement of Profit and Loss	39.1	53.3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

OCI section	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred tax related to items recognised in OCI:		
Tax (charge) / reversals on net movement on effective portion of cash flow hedges	0.3	1.7
Tax (charge) / reversals on re-measurement of defined benefit plans	(1.3)	0.8
Income tax (charge) / reversals to OCI	(1.0)	2.5
Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for year ended 31st March, 2026 and 31st March, 2025	Year ended 31st March, 2026	Year ended 31st March, 2025
Accounting profit after exceptional items and before tax	329.4	194.2
Applicable income tax rate of 25.168% (31 st March, 2025: 25.168%)	82.9	53.5
Tax adjustment for earlier years - Deferred Tax - Others	(1.3)	0.4
Tax adjustment for redemption and conversion of NCRPS	(31.4)	-
Tax adjustment of dividend income in NCRPS	(10.9)	-
Other disallowances (CSR, MSME interest, other deductions etc.)	(0.9)	(2.9)
Adjustment in respect of income tax expense of earlier years	0.8	2.3
Income tax expense reported in the Statement of Profit and Loss	39.1	53.3

B Major components of deferred tax as at 31st March, 2026 and 31st March, 2025:

Deferred tax liabilities (net)	Balance Sheet	
	As at 31 st March, 2026	As at 31 st March, 2025
Deferred tax relates to the following:		
Deferred tax liability :		
Accelerated depreciation for tax purposes	67.4	77.0
Other deductible temporary differences	4.8	7.7
	72.2	84.7
Deferred tax assets :		
Allowance for expected credit loss	(3.7)	(3.7)
Expenditure allowed on actual payment	(19.1)	(8.7)
	(22.8)	(12.4)
Net deferred tax liabilities	49.4	72.3

C Major components of deferred tax (credit) / expense for the years ended 31st March, 2026 and 31st March, 2025:

Deferred tax (credit) / expenses	Statement of Profit and Loss & Other comprehensive income	
	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(9.6)	1.4
Other deductible temporary differences	(2.9)	(3.3)
Allowance for expected credit loss	-	(0.9)
Expenditure allowed on actual payment	(10.4)	0.0
Deferred tax (credit) / expenses	(22.9)	(2.8)
Reflected in the Balance Sheet as follows	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	(22.8)	(12.4)
Deferred tax liabilities	72.2	84.7
Deferred tax liabilities (net)	49.4	72.3

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Closing balance of deferred tax for the year ended 31st March, 2026 and 31st March, 2025		
Reconciliation of deferred tax liabilities (net)	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Opening balance	72.3	75.1
Tax expense/(credit) during the period recognised in the Statement of Profit and Loss	(23.9)	(0.3)
Tax expense/(credit) during the period recognised in OCI	1.0	(2.5)
Closing balance	49.4	72.3

D There is no such transaction which is not recorded in the books of accounts and 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).

E Income tax assets / liabilities (net) (recoverable / payable on account of open assessment of Income Tax)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current tax assets (net):		
Income tax assets	353.6	258.9
Income tax liabilities	343.8	249.4
Net income tax assets	9.8	9.5
(b) Current tax liabilities (net):		
Income tax liabilities	127.3	147.0
Income tax assets	126.9	146.9
Net income tax liabilities	0.4	0.1

F Pillar Two rules

The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules). As per the provisions of Pillar Two legislation, the Company's ultimate parent entity (UPE) has consolidated revenues exceeding the threshold prescribed under the OECD framework. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Company operates. Based on the current assessment, the Company does not expect a material financial impact from the application of the Pillar Two rules. The evaluation of the potential exposure is based on the most recent country-by-country reporting, and financial statements for the constituent entities in the Company. In accordance with Amendments to Ind AS 12, the Company has applied temporary mandatory relief from accounting for deferred tax that arises from implementing Pillar Two legislation.

26 REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from contract with customers	2,371.4	2,503.4
Other operating revenues		
Government grants (export incentives)	14.2	20.8
Miscellaneous operating income [#]	11.1	9.7
	25.3	30.5
Total revenue from operations	2,396.7	2,533.9

[#] Miscellaneous operating income includes sale of by-products and sale of manufacturing scrap.

Below is the disclosure as required under Ind AS 115 - "Revenue from Contracts with Customers".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026

(All amounts are in ₹ Crores, unless otherwise stated)

(a) Revenue streams

The Company generates revenue primarily from the sale of pigments. Other sources of revenue include income from export incentives, sale of manufacturing scrap and by products, etc.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Sale of products	2,371.4	2,503.4
Other operating revenues	25.3	30.5
	2,396.7	2,533.9

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Major product lines		
Sale of pigments	2,371.4	2,503.4
Total	2,371.4	2,503.4
Primary geographical market		
In India	1,296.2	1,229.7
Outside India	1,075.2	1,273.7
Total	2,371.4	2,503.4
Timing of revenue recognition		
Products transferred at point in time	2,371.4	2,503.4
Total	2,371.4	2,503.4

(c) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from operations	2,396.7	2,533.9
Less: Adjustments		
Government grants (export incentives)	14.2	20.8
Total	2,382.5	2,513.1
Add: Sales returns	13.9	16.4
Add: Commission*	18.7	17.6
Add: Others (including rebate and adjustments of hedge)*	11.2	12.6
	43.8	46.6
Revenue as per contracted price	2,426.3	2,559.7

*Commission and Rebate are paid to the customers who are acting on principal to principal basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026

(All amounts are in ₹ Crores, unless otherwise stated)

(d) Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables	654.9	679.0
Contract liabilities (advance from customers)*	2.5	5.0

*The amount of such balances as of 1st April, 2024, was ₹ 3.0 Crores. Changes of contract liabilities are either receipt of fresh advances or revenue recognised as detail above

The receivable is net of provision for expected credit losses as recognised in accordance with the provisions of Ind AS 109 amounting to ₹ 14.6 Crores (Previous year ₹ 14.6 Crores).

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue recognised from amount included in contract liabilities at the beginning of the year	5.0	3.0
	5.0	3.0

27 OTHER INCOME

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Interest income on		
Bank deposits and other deposits	0.2	0.9
Others (on refunds of taxes and on delayed payments from customers)	2.7	2.3
Dividend on preference shares**	43.4	3.6
Other Non-Operating Income		
Liabilities no longer required, written back	0.4	0.8
Allowance for expected credit loss, written back	0.4	-
Net gain on sale of financial instruments	13.4	10.8
Net gain on fair valuation of financial instruments (FVTPL)	0.4	0.4
Income on financial guarantees**	24.9	2.6
Gain on sale / disposal of property, plant and equipment (net)	0.2	0.9
Refund of stamp duty	-	1.9
Miscellaneous income*	4.4	6.3
	90.4	30.5

* Miscellaneous income majorly includes rental income, cross charge to subsidiaries and sundry recoveries.

** Refer note 48 for transactions with Related Party.

28 COST OF MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Inventory at the beginning of the year (refer note 10)	105.9	93.8
Add : Purchases	1,318.6	1,451.2
	1,424.5	1,545.0
Less: Inventory at the end of the year (refer note 10)	123.3	105.9
Cost of materials consumed	1,301.2	1,439.1



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

29 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Inventory at the end of the year (refer note 10)		
Finished goods	135.0	142.9
Work-in-progress	64.8	65.8
	199.8	208.7
Inventory at the beginning of the year (refer note 10)		
Finished goods	142.9	127.0
Work-in-progress	65.8	57.8
	208.7	184.8
Changes in inventory:		
Finished goods	7.9	(15.9)
Work-in-progress	1.0	(8.0)
	8.9	(23.9)

30 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Salaries, wages and bonus (including directors remuneration) (refer note 40)	163.7	148.9
Contribution to provident and other funds *	7.2	6.4
Gratuity expense (refer note 40 and 52(b))	3.6	2.0
Staff welfare expenses	14.6	11.4
	189.1	168.7

* Includes contribution towards Employee State Insurance Scheme, Superannuation, and National Pension Scheme.

Refer note 52(b) for Statutory impact of new Labour Codes.

31 FINANCE COSTS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Interest expenses on bank facilities	24.0	25.5
Interest expenses on lease liabilities (refer note 5)	4.2	1.8
Other borrowing costs *	0.4	1.0
	28.6	28.3

* Includes charges for guarantees, loan processing fees etc.

32 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Depreciation on property, plant and equipment (refer note 3)	134.7	129.6
Amortisation on intangible assets (refer note 4)	7.0	7.8
Depreciation on right-of-use assets (refer note 5)	6.3	3.3
	148.0	140.7

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

33 OTHER EXPENSES

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Consumption of stores and spares	31.7	38.1
Consumption of packing material	26.1	30.8
Power and fuel	172.1	174.7
Water charges	14.3	13.3
Contract labour charges	58.0	58.4
Rent (refer note 5)	1.4	1.3
Repairs and maintenance		
- Plant and machinery	38.9	36.6
- Buildings	9.2	7.9
- Others	1.3	1.7
Insurance	10.2	8.7
Rates and taxes (excluding taxes on income)	2.5	2.0
Advertisement	3.5	4.2
Auditors' remuneration (refer note 34)	3.3	2.6
Bad debts written-off	0.0	0.3
Impairment losses on financial instruments	0.4	4.2
Bank charges	1.2	1.4
Commission to selling agents	6.3	4.5
Freight and forwarding expenses	42.8	57.2
Directors' sitting fees	0.3	0.4
Foreign exchange (gain) / loss (net) *	(115.6)	14.8
Consumables related to IT hardware	11.3	7.0
Legal, professional and consultancy charges	72.9	64.3
Printing, stationery and communication expenses	6.1	5.8
Travelling and conveyance	12.8	8.8
Expenditure towards Corporate Social Responsibility (refer note 37)	2.4	2.0
Directors' commission	1.4	0.9
Environmental and treatment cost	24.3	27.4
Miscellaneous expenses **	21.7	19.8
	460.8	599.1

* Includes mark to market (gain) / loss on derivatives amounting to ₹ 15.0 Crores (Previous Year (₹ 5.2 Crores))

** Miscellaneous expenses mainly includes cost related to laboratory expenses and incidental equipment hire charges.

Refer note 48 for transactions with Related Party.

34 AUDITORS' REMUNERATION

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
As auditor		
Audit fees	2.2	2.2
Limited review fees	0.8	0.3
Other services (includes certification fee)*	0.1	1.2
Reimbursement of expenses	0.2	0.0
	3.3	3.7

* The above payment to auditor's remuneration for previous year includes amount paid for issue of equity shares through qualified institutional placement, which has been included in transaction cost on issue of equity shares in note 16(h).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

35 CAPITALISATION OF EXPENDITURE

In accordance with Ind AS 16 and Ind AS 38 the Company has capitalised directly attributable expenses as property, plant and equipment, capital work-in-progress (CWIP), Intangible assets and Intangible assets under development. Accordingly, expenses disclosed under the respective notes are net of amount capitalised by the Company. Expenses capitalised are as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Other expenses*	0.5	0.9
Employee benefits expense	0.9	-
	1.4	0.9

* Includes power & fuel and water charges

36 RESEARCH AND DEVELOPMENT EXPENDITURE

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Roha, Pune and Mahad approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue Expenditure	30.0	25.9
Capital Expenditure	2.5	6.6
	32.5	32.5

37 AMOUNT SPENT TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The Company is covered under Section 135 of the Companies Act 2013, and is required to contribute towards activities eligible under Section 135 of The Companies Act, 2013 read with Schedule VII thereto. Company's CSR activities for ongoing projects are (a) promotion of education and enhancing vocational skills, (b) eradication of hunger and promoting hygiene, (c) promotion of sports, (d) protection of national heritage and promotion and development of traditional arts, (e) promotion of gender equality, and (f) other infrastructure that would help meet the objectives of environmental sustainability such as waste management, vermi-culture, organic farming, etc.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
a) Gross amount required to be spent by the Company during the year	2.3	2.0
b) An amount of ₹ 2.3 Crores (Previous Year: ₹ 2.0 Crores) was approved by the board towards CSR activities for the year ended 31 st March, 2026.		
c) Amount spent during the year ended on	Year ended 31 st March, 2026	Year ended 31 st March, 2025
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above (in cash)	2.4	2.0
d) For details of CSR expenditure incurred toward related parties refer to note 48.		



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

e) Details of ongoing projects and other than ongoing projects

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Opening balance (balance of excess amount spent from previous years)		
- with Company (a)	0.1	0.1
- in separate unspent CSR a/c	-	-
Amount required to be spent during the year (Net of previous year (short) / excess) (b)	2.2	1.9
Amount spent during the year:		
- From Company's bank a/c (c)	2.4	2.0
- From separate unspent CSR a/c	-	-
(Short) / excess CSR spend for the year (d)	0.2	0.1
Closing balance		
- with Company	0.2	0.1
- in separate unspent CSR a/c	-	-

38 EARNINGS PER SHARE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Profit for the year (A)	290.3	140.9
Equity shares outstanding at the beginning of the year	7,85,72,885	6,92,27,250
Add: Equity shares issued through preferential issue (allotment date:13 th January, 2025)	-	18,69,000
Add: Equity shares issued through qualified institutional placement (allotment date:29 th January, 2025)	-	74,76,635
Add: Equity shares issued against ESOP (refer note 16(j))	39,051	-
Equity shares outstanding at the end of the year	7,86,11,936	7,85,72,885
Weighted average number of equity shares outstanding at the end of the year (B)	7,85,95,121	7,08,96,656
Add: Dilutive impact of employee stock options	70,216	88,963
Add: Dilutive impact of share warrants	88,544	611
Weighted average number of equity shares adjusted for the effect of dilution (C)	7,87,53,881	7,09,86,230
Nominal value per equity share (in ₹)	2.0	2.0
Basic (in ₹) (after exceptional items) (A/B)	36.9	19.9
Diluted (in ₹) (after exceptional items) (A/C)	36.9	19.9

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

39 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below :

As at 31st March, 2026

Particulars	Effective portion of cash flow hedge	Retained earnings	Total
Net movement on effective portion of cash flow hedge (net of tax)	6.7	-	6.7
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	11.7	11.7
	6.7	11.7	18.4

As at 31st March, 2025

Particulars	Effective portion of cash flow hedge	Retained earnings	Total
Net movement on effective portion of cash flow hedge (net of tax)	14.1	-	14.1
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	(2.8)	(2.8)
	14.1	(2.8)	11.3

40 EMPLOYEE BENEFIT OBLIGATIONS

A Defined Contribution Plans

In accordance with the law, all employees of the Company are entitled to receive the benefits under the Provident Fund Act. Company's contribution paid / payable during the year to provident fund and labour welfare fund are recognised in the Statement of Profit and Loss. The Company makes contributions to the Superannuation Scheme for employee who have opted, a defined contribution scheme administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation to the scheme beyond its annual contributions.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Employer's contribution to Provident Fund and other funds	7.2	6.3
Employer's contribution to Superannuation Fund	-	0.1
	7.2	6.4

B Defined Benefit Plans

I Gratuity

Funded Scheme :

The Company has a defined benefit gratuity plan for its employees and every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. An employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policies. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

Refer note 52(b) for implication of changes in the Labour Code and impact of change in the carrying amount of provision for gratuity and incremental impact on Statement of Profit and Loss.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, as the Company takes on uncertain long-term obligations to make future benefit payments.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses (includes net employee benefit of discontinued operations, if any).

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current service cost	2.5	2.0
Net interest (income) / expense	1.1	0.6
Net expense	3.6	2.6

Changes in the present value of the defined benefit obligation are, as follows :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Defined benefit obligation as at the beginning of the year	31.9	30.0
Interest cost	2.3	2.0
Current service cost	2.5	2.0
Past service cost (refer note 52(b))	21.1	-
Benefit payments from plan assets	(3.9)	(2.5)
Re-measurement (gain) / loss in other comprehensive income (OCI)		
Actuarial (gain) / loss - Experience	(0.5)	(0.1)
Actuarial (gain) / loss - Financial	(1.3)	0.7
Actuarial (gain) / loss - Demographic	-	(0.2)
Defined benefit obligation as at the end of the year	52.1	31.9

Changes in the fair value of plan assets are as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Fair value of plan assets at the beginning of the year	18.8	19.7
Expected returns on plan assets	1.2	1.4
Employer contributions	3.8	0.1
Benefits paid	(3.9)	(2.6)
Re-measurement gain / (loss) in other comprehensive income (OCI)		
Actuarial gain / (loss) - Experience	0.0	0.2
Fair value of plan assets at the end of year	19.9	18.8

As at 31st March, 2026 and 31st March, 2025 plan assets were 100% invested in insurer managed funds.

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
(Gain) / loss on defined benefit obligation - Experience	(0.5)	(0.1)
(Gain) / loss on defined benefit obligation - Financial	(1.3)	0.7
(Gain) / loss on defined benefit obligation - Demographic	-	(0.2)
(Gain) / loss on plan assets - Experience	0.0	(0.2)
Amount recognised in the statement of OCI	(1.8)	0.2

Net defined benefit liability / (asset) at the end of the year

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined benefit obligation	52.1	31.9
Less : Fair value of plan assets	19.9	18.8
Closing net defined benefit liability	32.2	13.1

The principal assumptions used in determining gratuity obligations for the Company’s plan are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14).

Attrition:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Employee turnover		
age upto 30 years	18%	18%
age 31- 45 years	10%	10%
age above 45 years	2%	2%
Retirement age*	58-80 years	58-80 years

*Wholetime Directors 80 years and others 58 years

Financial assumptions

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	7.2%	6.7%
Expected rate of increment in compensation levels	7% to 8%	7% to 8%

A quantitative sensitivity analysis for significant assumptions is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2026		As at 31 st March, 2025	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount rate	(2.6)	2.9	(1.3)	1.4
Expected rate of increment in compensation levels	3.1	(2.8)	1.5	(1.4)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.

The assumptions for mortality and attrition do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Risk Exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- (a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- (b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- (c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

The following is the maturity profile of undiscounted defined benefit obligation:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Within the next 12 months	8.4	4.8
Between 2 and 5 years	30.5	21.8
Beyond 5 years	46.6	17.9

Expected contribution by the Company for the next year: ₹ 8.4 Crores (Previous year : ₹ 4.8 Crores).

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is 7.6 years (Previous Year : 7.5 years).

Composition of Plan Assets

Major categories of Plan Assets are as under:*	As at 31 st March, 2026	As at 31 st March, 2025
	Funded	Funded
Life Insurance Corporation of India (LIC)	19.9	18.8

*Investment in Plan Assets are unquoted. In respect of LIC plan assets are invested by LIC as per their guidelines and no further details are available with the Company.

II Pension

The Company provides for Pension, a defined benefit retirement plan covering eligible employees. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

Based on the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on 7th January 2026, approved discontinuation of Pension Policy providing for payment of pension benefits to eligible employees of the Company, with effect from 1st February, 2026.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and amounts recognised in Balance Sheet for the plan.

Net employee benefit expense on account of pension recognised in employee benefit expenses prior to discontinuation :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current service cost	0.1	0.1
Curtailment of plan (P&L Impact)	(4.4)	-
Net interest expense	1.0	0.8
Net expense	(3.3)	0.9

Changes in the present value of the defined benefit obligation are, as follows :

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined benefit obligation as at the beginning of the year	16.0	13.5
Interest cost	1.0	0.8
Current service cost	0.1	0.1
Curtailment of plan (P&L Impact)	(4.4)	-
Benefit payments directly by employer	(1.5)	(1.8)
Re-measurement (gain) / loss in other comprehensive income (OCI)		
Actuarial loss - Experience	1.2	2.5
Actuarial loss - Financial	(0.1)	0.9
Actuarial loss - Demographic	-	-
Curtailment of plan (OCI Impact)	(12.3)	-
Defined benefit obligation as at the end of the year	-	16.0

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Loss on defined benefit obligation - Experience	1.2	2.5
Loss on defined benefit obligation - Financial	(0.1)	0.9
Loss on defined benefit obligation - Demographic	-	-
Curtailment of plan (OCI Impact)	(12.3)	-
Amount recognised in the statement of OCI	(11.2)	3.4

Net defined benefit liability / (asset) for the year

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined benefit obligation	-	16.0
Fair value of plan assets	-	-
Closing net defined benefit liability / (asset)	-	16.0

The principal assumptions used in determining pension obligations for the Company’s plan are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14)

Financial assumptions

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	-	6.7%
Pension increase rate	-	10%
Retirement age	-	80 years



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2026		As at 31 st March, 2025	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate	-	-	(1.7)	2.1
Pension increase rate	-	-	2.0	(1.6)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

The assumption for mortality and attrition do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

The following is the maturity profile of undiscounted defined benefit obligation:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Within the next 12 months	2.1	1.9
Between 2 and 5 years	9.6	9.4
Beyond 5 years	16.8	15.6

III Leave Encashment / Compensated Absences / Sick Leave

The leave obligations cover the Company’s liability for sick leave, privilege leave and casual leave.

The amount of the provision to be settled within next 12 months is presented as current, since the Company does not have an unconditional right to defer the settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following table shows bifurcation of current and non-current provision for leave encashment.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current leave obligations expected to be settled within the next 12 Months	1.6	1.8
Leave obligations expected to be settled beyond 12 months	10.3	8.8
	11.9	10.6

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of unutilised compensated absences and utilise it in the future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the Balance Sheet date carried out by qualified actuary on projected unit credit method carried out for assessing the liability as on the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

The principal assumptions used in determining leave obligation for the Company are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14).

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	7.2%	6.7%
Expected rate of increment in compensation levels	7% to 8%	7% t 8%
Employee turnover		
age upto 30 years	18%	18%
age 31 - 45 years	10%	10%
age above 45 years	2%	2%
Leave availment	5%	5%
Retirement age*	58-80 years	58-80 years

*Wholetime Directors 80 years and others 58 years

41 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISE AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT 2006)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Principal amount due to suppliers under MSMED Act, 2006 *	28.1	22.4
Payment made to suppliers (other than interest) beyond the appointed day, during the year	4.8	10.9
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.0	0.1
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	1.5	1.5

*Includes dues to payable for purchase of capital goods ₹ 0.7 Crores as at 31st March, 2026 and ₹ 0.4 Crores as at 31st March, 2025.

The identification of suppliers under “Micro, Small and Medium Enterprises Development Act, 2006” was done on the basis of the information to the extent provided by the suppliers to the Company.

42 DEPOSITS (ACCEPTED UNDER SECTION 76(1) OF THE COMPANIES ACT, 2013)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Deposits with maturity less than 12 months	-	-
(b) Deposits with maturity more than 12 months	-	-
(c) Unclaimed matured deposits	-	0.1
	-	0.1



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

43 DISCLOSURE REQUIRED UNDER SEC. 186 (4) OF THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS, 2015

Amount of loan outstanding from subsidiaries / step-down subsidiaries / corporate guarantee / investment given on standalone basis and transactions during the year.

(a) Loans (Unsecured)

Year ended 31st March, 2026

Name of the Company	Repayment Term	Given during the year	Maximum Outstanding	Repaid during the year	Rate of Interest	Purpose
Sudarshan Europe B.V.	1 Year	-	46.9	46.9	6.75%	For working capital loans and business expansion

Year ended 31st March, 2025

Name of the Company	Repayment Term	Given during the year	Maximum Outstanding	Repaid during the year	Rate of Interest	Purpose
Sudarshan Japan Limited	2 Year	-	1.6	1.6	7.35%	Working capital loans
Sudarshan Europe B.V.	1 Year	45.0	46.9	-	6.75%	For working capital loans and business expansion

(b) Corporate guarantee given on behalf of subsidiaries / step-down subsidiaries

Name of the Company	Foreign Currency	Opening Balance of Corporate Guarantees*	Given during the year	Reduced during the year	Closing Balance of Corporate Guarantees*	Purpose
Sudarshan Europe B.V.	EUR 40 Mn	310.2	63.0	-	436.0	Leasing Arrangement
Sudarshan Europe B.V.	EUR 198.5 Mn	1,676.2	234.0	(64.7)	2,163.8	For working capital loans and business expansion
RIECO Industries Limited.	-	120.0	-	-	120.0	Working capital loans

For further details of loans and guarantees given to related party refer note 48. For details of Investments made refer note 6 and 7.

*Difference in the opening and closing balance is on account of change in the exchange rates.

(c) Investment

Name of the company	Purpose	Dividend	As at 31 st March, 2026	As at 31 st March, 2025
Sudarshan Europe B.V.	Investment in preference shares	5.50%	663.5	739.6
			663.5	739.6

44 The disclosures under Ind AS 108 - Operating Segments have been included in the Consolidated Financial Statements and accordingly, not included in these financial statements. Refer note 48 of the Consolidated Financial Statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

45 CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

(a) CAPITAL AND OTHER COMMITMENTS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
i. Capital commitments		
Estimated value of contracts (purchase orders) remaining to be executed on capital account and not provided for (Net of advances of ₹ 0.1 Crore (31 st March, 2025: ₹ 2.7 Crores))	33.8	8.8
ii. Other commitments		
The Company has availed import duty exemption under Export Promotion Capital Goods ("EPCG") scheme, which allows an exporter to import of capital goods including spares for pre-production, production and post-production at zero Customs duty, for exports. As per the scheme, the Company has undertaken export obligation amounting to 6 times of the amount saved on duty on the capital goods. The Company has imported capital goods under the EPCG scheme to utilize the benefit of a zero or concessional customs duty rate. These benefits are subject to future export obligations at year end aggregate to ₹ 10.1 Crores.		

(b) CONTINGENT LIABILITIES

Claims against the Company not acknowledged as debts

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Excise duty / Service tax demands - matters under dispute (refer note vi)	4.8	5.1
GST / CST demands - matters under dispute (refer note iv)	180.7	108.1
Custom duty demands - matters under dispute	3.3	3.3
Direct Tax demands - matters under dispute(refer note vii)	1.2	3.3
Electricity duty on Power Generation (refer note v)	36.1	32.4

- i

The Company’s pending litigations comprise of claims against the Company pertaining to proceedings pending with Income Tax, Excise, Custom and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- ii

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments / decisions pending with various forums / authorities. The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required in this regard.
- iii

The Company does not expect any reimbursements in respect of the above contingent liabilities.
- iv

The Company has received demand orders from the Goods and Services Tax (GST) Department pertaining to FY 2021–22 during the year 2025-26, aggregating to ₹ 70.8 Crores. These orders are appealable, and the Company believes it has a strong case on all the matters contested by the GST Department. Accordingly, based on legal advice, wherever applicable, and management’s assessment, no provision is considered necessary in respect of these demands, as the Company does not expect any material impact on its financial position, operations, or other activities.
- v

The Government of Maharashtra revised electricity duty payable on captive power generation (""CPP"") vide notification dated 13th April, 2015 and accordingly MSEDCL issued a Circular no 214 dated 23rd
- NOTES TO THE STANDALONE FINANCIAL STATEMENTS
- As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)
- April, 2015, the revised rates for CPP was revised to 120 paise per unit from 30 paise per unit. The rates for CPP increased by 4 times, which was very high, therefore the Captive Power Producers Association filed writ petition with Bombay High Court which has been admitted by H.C. vide case No. WP/4963/2015 and WP/906/2017. The High Court passed interim stay order, subsequently during the last hearing held on 24th January, 2020, the bench passed the order to continue the interim stay granted previously. The Company has obtained an opinion from a subject-matter expert (‘SME’) on the Electricity Duty contingency. The matter is sub-judice with the Bombay High Court and the SME has opined that the Company has a good case of success in the proceedings.
- vi

During the year ended 31st March, 2025, the Company applied under the amnesty scheme for certain eligible Excise duty / Service tax related matters pertaining to FY 2015–16 to FY 2017–18. An amount of ₹ 0.3 Crores, which had been disclosed as a contingent liability in previous years, was covered under this application. During the current year, the Company received approval under the scheme and, accordingly, settled the dues by making the required payment, thereby extinguishing the liability.

vii

The Company has subsequently received favourable orders from the Commissioner of Income Tax (Appeals) in respect of cases pertaining to Assessment Years 2020–21, amounting to ₹ 2.1 Crores stating that AO shall rectify the order passed earlier.
- Further during the year the company has also received the order is respect of cases pertaining to AY 2020-21 and 2021-22, amounting to ₹ 1.2 Crores. However, as at the reporting date, the statutory time limit for the tax authorities to file appeals before higher appellate forums has not yet expired. Accordingly, as a matter of prudence, the Company continues to disclose these amounts as contingent liabilities. Based on the current status of the cases and the legal advice obtained, management does not expect the outcome of these proceedings to have a materially adverse impact on the Company’s financial position or results of operations.
- (c) OTHER LITIGATIONS
- There are several other cases which has been determined as remote or has been provided in the books by the Company and hence not been disclosed above.
- (d) GUARANTEES EXCLUDING FINANCIAL GUARANTEES
- The Company has given guarantees on behalf of Sudarshan Europe B.V., and RIECO Industries Limited for working capital and business expansion requirement of the subsidiary companies. The Company has issued letter of support on behalf of it’s wholly own subsidiary RIECO Industries Limited. The management has considered the probability for outflow of the same to be remote. The Company has reviewed the financial position along with consideration of other factors of the entity to whom the guarantees are issued and has determined that the exposure of revocation of liability is remote. Hence these financial guarantees are not measured at fair value as per Ind AS 109 - Financial Instruments (Refer note 43). Other than this the Company has issued guarantees to Maharashtra Pollution Control Board, Maharashtra State Electricity Distribution Company Limited, Custom Authorities and other authorities amounting to ₹ 10.3 Crores (Previous Year ₹ 6.5 Crores).
- 46 OTHER STATUTORY INFORMATION
- (a)

There are no loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and related parties (all of these to be identified as defined under Companies Act, 2013) either severally or jointly with any other person.

(b)

The Company does not hold any Benami property and no proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(c)

The Company has transaction balance with below-mentioned companies struck-off under section 248 of The Companies Act, 2013 or section 560 of The Companies Act, 1956:
- 240
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Closing balances and nature of transactions

Name of struck off company	Nature of transactions with struck-off company	Balance Outstanding		Relationship with the struck off company
		As at 31 st March, 2026	As at 31 st March, 2025	
Aspen Systems Private Limited	Trade payables	-	0.0	None
Prayag Polytech Private Limited	Trade receivables	4.8	4.8	None
NTB Hitech Ceramics	Trade payables	-	-	None
Rathi Mixers Private Limited	Others payables	-	-	None
Rathi Enterprises Private Limited	Others payables	-	-	None

- (d) The Company has not traded or invested in crypto currency or virtual currency during the financial year ended 31st March, 2026 and 31st March, 2025.
- (e) (A) The Company has not advanced or loaned or invested funds, other than as disclosed below, to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

i) 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

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Year ended 31st March 2025

Name of party	Relationship	Nature of Transaction	Date	Amount	Name of ultimate beneficiaries	Relationship	Nature of Transaction	Date	Amount
Sudarshan Europe B.V.	Subsidiary	Investment in preference shares	25-02-2025	₹ 364.0 Crores (EUR 40 million)	Sudarshan Germany	Step down subsidiaries	Loan	03-03-2025	₹ 54.9 Crores (EUR 6 million)
				Horizons GmbH					
				Sudarshan Langelsheim	Step down subsidiaries	Loan	03-03-2025	₹ 13.7 Crores (EUR1.5 million)	
				PLT GmbH					

- (B) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

i) 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

ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (f) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction in number of Layers) Rules, 2017.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

47 RATIOS BASED ON STANDALONE FINANCIAL STATEMENTS ARE AS UNDER:

Particulars	Times/ Percentage	As At 31 st March, 2026	As At 31 st March, 2025	% Change	Comments where variance exceeds 25%
a) Current Ratio [Current assets / current liabilities]	Times	1.61	1.57	2.59%	
b) Debt-equity ratio [(Non-current borrowings + Current borrowings) / Net Worth (Equity share capital + Other equity - Capital reserve)]	Times	0.13	0.18	-25.49%	Betterment of ratio is due to improved operating performance and repayment of debts as per regular repayment schedule.
c) Debt Service Coverage Ratio [Net income / Debt obligations] [Net income is Profit for the year, before exceptional items (expense) / income, finance costs, depreciation and amortisation expense] [Debt obligations is maturity of non-current borrowings and interest payment for the year]	Times	2.57	2.01	27.93%	Improvement in ratio is due to improved operating performance and lower debt repayment obligation.
d) Interest Service Coverage Ratio [[Profit before exceptional items and tax + Depreciation and amortisation expense + Finance costs - Interest income - Dividend income) / Finance costs]	Times	16.81	13.24	27.00%	Betterment of ratio is due to improved operating performance and lower finance cost
e) Return on Equity Ratio [Profit for the year, before exceptional items (expense)/income / Average shareholder's equity]	Percentage	12.99%	9.46%	37.36%	Better profitability resulting into improved return on equity.
f) Inventory Turnover Ratio [(Cost of materials consumed + Changes in inventories of finished goods and work-in-progress) / Average inventory]	Times	3.66	4.26	-14.16%	
g) Trade Receivables Turnover Ratio [Sale of goods / Average trade receivables]	Times	3.56	4.16	-14.51%	



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Times/ Percentage	As At 31 st March, 2026	As At 31 st March, 2025	% Change	Comments where variance exceeds 25%
h) Trade Payables Turnover Ratio [Purchase of goods / Average trade payables]	Times	2.59	3.11	-16.81%	
i) Net capital turnover ratio [Sale of goods / Working capital] (Working capital is current assets minus current liabilities)	Times	4.02	4.62	-13.06%	
j) Net profit ratio [(Profit for the year before exceptional items (expense) / income / Revenue from operations)]	Percentage	12.99%	6.28%	106.89%	Betterment of ratio is due to net foreign exchange gain and improved operating performance.
k) Return on Capital employed [(Profit before exceptional items and tax + Finance costs) / Capital employed] (Capital employed is tangible net worth + Total debt + Deferred tax liability)	Percentage	13.16%	8.87%	48.33%	Betterment of ratio is due to net foreign exchange gain and improved operating performance.
l) Long term debt to working capital [(Non-current borrowings + Current maturities of non-current borrowings) / Net working capital (Current assets-Current liabilities excluding Current maturities of non-current borrowings)]	Times	0.04	0.28	-84.15%	Betterment of ratio is due to repayment of long term debt out of internal cash accruals.
m) Total debts to total assets ratio [(Non-current borrowings + Current borrowings) / Total assets]	Percentage	9.22%	11.90%	-22.56%	
n) Bad debts to Account receivable ratio [Bad debts written off /Average trade receivables]	Percentage	0.00%	0.05%	-100.00%	Reduced ratio on account of lower bad debts
o) Current liability ratio [Current liabilities / Total liabilities]	Percentage	86.95%	84.90%	2.41%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Times/ Percentage	As At 31 st March, 2026	As At 31 st March, 2025	% Change	Comments where variance exceeds 25%
p) Operating Margin [(Profit before exceptional items and tax + Depreciation and amortisation expense + Finance costs (-) Other income) / Revenue from operations]	Percentage	18.22%	13.85%	31.58%	Betterment of ratio is due to net foreign exchange gain and improved operating performance.
q) Return on Investment [Net gain on sale of financial instruments / Average investments in mutual funds]	Percentage	6.85%	7.30%	(6.16%)	
r) Net worth [Equity share capital + Other equity - Capital reserve]	₹ in Crores	2,533.9	2,258.9	12.17%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

48 RELATED PARTY TRANSACTION (AS PER IND AS 24 ON RELATED PARTY DISCLOSURES SPECIFIED UNDER SECTION 133 OF THE COMPANIES ACT 2013)

A List of Related Parties and description of relationship

(a) Key Management Personnel ("KMP")

- Mr. P. R. Rathi	Chairman (ceased as a Chairman and Non-Executive and Non-Independent Director with effect from close of business hours on 29 th May, 2025)
- Mr. R. B. Rathi	Chairman and Managing Director (Appointed as a Chairman with effect from close of business hours on 29 th May, 2025)
- Mr. A. Vij	Wholetime Director
- Mr. N. T. Raisinghani	Non-Executive - Independent Director
- Mrs. S. A. Panse	Non-Executive - Independent Director (ceased with effect from 13 th August, 2025 upon completion of her tenure)
- Mrs. S. P. Navandar	Non-Executive - Independent Director
- Mrs. A. A. Wakhlu	Non-Executive - Independent Director
- Ms. B. Batra	Non-Executive - Independent Director
- Mr. A. Chandra	Non-Executive - Independent Director (appointed with effect from 1 st October, 2025)
- Mr. R. K. Mariwala	Non-Executive - Independent Director (appointed with effect from 1 st October, 2025)
- Mr. S. K. Asher	Non-Executive Non-Independent Director (appointed with effect from close of business hours on 12 th November, 2025)
- Mr. A. Mukhopadhyay	Non-Executive Non-Independent Director (appointed with effect from 1 st October, 2025)
- Mr. Nilkanth Natu	Chief Financial Officer
- Mr. Mandar Velankar	Company Secretary

(b) Close member of Key Management Personnel

- Mrs. R. R. Rathi	Wife of Mr. R. B. Rathi
- Mr. R. P. Rathi	Son of Mr. P. R. Rathi *
- Mrs. Jayashree Mantri	Sister of Mr. P. R. Rathi *
- Smt. K. B. Rathi	Mother of Mr. R. B. Rathi
- Mr. A. B. Rathi	Brother of Mr. R. B. Rathi
- Mrs. Meena Maheshwari	Sister of Mr. R. B. Rathi
- Mrs. S. P. Rathi	Wife of Mr. P. R. Rathi *
- Mrs. V. R. Rathi	Wife of Mr. R. P. Rathi
- Mrs. R. R. Agarwal	Daughter of Mr. P. R. Rathi *
- Mr. Rishab Agarwal	Husband of Mrs. R.R. Agarwal*
- Ms. Smriti R. Rathi	Daughter of Mr. R. B. Rathi
- Ms. Tanvi R. Rathi	Daughter of Mr. R. B. Rathi

*ceased to be close member of KMP following the resignation of Mr. P. R. Rathi as a Chairman and Non-Executive and Non-Independent Director with effect from close of business hours on 29th May, 2025.

(c) Subsidiary Companies and others

Direct Subsidiaries:

- Sudarshan Europe B.V.
- Sudarshan CSR Foundation **
** (Sudarshan CSR Foundation (CSR Foundation); a wholly owned subsidiary of Sudarshan Chemical Industries Limited (Company), is a “not for profit Company” under Section 8 of the Companies Act, 2013. The main objective of CSR foundation is to carry out CSR activities as per the CSR policies of the Company.)
- RIECO Industries Limited

Step-Down Subsidiaries

- Sudarshan North America, Inc.
- Sudarshan Mexico S. de R.L. de CV.
- Sudarshan (Shanghai) Trading Company Limited
- Sudarshan Japan Limited
- Sudarshan Brasil Ltda.
- Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)***



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

- Sudarshan Middle East General Trading L.L.C.#
- Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemieeteiligungen AG)##
- Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)##
- Heubach Colorants Middle East FZE\$ ##
- Heubach Colorants Argentina S.A.U.##
- Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)##
- Sudarshan Brasil MFG Ltda. (Formerly known as Heubach Colorants Brasil Ltda.)##
- Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)##
- Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)##
- Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)##
 - Sudarshan Chile Industria Química Limitada (Formerly known as Heubach Colorants Chile Industria Química Limitada)##
 - Heubach Colorants Pigment Preparations (Tianjin) Ltd.##
 - Heubach Colorants (Shanghai) Ltd.##
 - Sudarshan Colombia SLO S.A.S. (Formerly known as Heubach Colorants Colombia S.A.S.)##
 - Heubach Colorants Iberica, S.L.U.##
 - Sudarshan France SLO SAS (Formerly known as Heubach Colorants France SAS)##
 - Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)##
 - P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)##
 - P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)##
 - Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##
 - Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)##
 - Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)##
 - Heubach Colorants Korea Ltd.##
 - Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)##
 - Heubach Colorants Peru S.A.C.\$\$\$##
 - Heubach Colorants Scandinavia AB\$\$ ##
 - Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)##
 - Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)##
 - Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.Ş.)##
 - Heubach Colorants Taiwan Co., Ltd.##
 - Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)##
 - Heubach Europa EWIV##
 - Sudarshan México, S.A. de C.V.(Formerly known as Heubach Colorants México, S.A. de C.V.)##
 - Sudarshan México Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)##
- Sudarshan Lux Holding S.à r.l (Formerly known as Heubach Holdings S.a r.l)##
 - Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)##
 - Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)##
 - Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)##
 - Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)##
 - Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)##
 - Heubach Research Centre s.r.o##
 - Heubach Foundation##
- Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)**
 - Inventories Frankfurt GmbH##
 - VP4 Frankfurt GmbH##
 - Inventories Langelsheim GmbH##
 - Sudarshan Langelsheim PLT GmbH (Formerly known as Blitz F24-523 GmbH)**
 - Sudarshan Langelsheim RE GmbH (Formerly known as Blitz F24-524 GmbH)**
 - Sudarshan Fairless Hills MFG Ltd., LP (Heubach Ltd.)##

** Acquired on 20th December, 2024
*** Acquired on 14th January, 2025
Incorporated on 13th February, 2025
Acquired on 3rd March, 2025 pursuant to the acquisition of Heubach Group of Germany
\$ Under liquidation
\$\$ Liquidated effective 29th December, 2025
\$\$\$ Liquidated effective 6th March, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

(d) Others : Joint ventures

- Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)
- Hangzhou Baihe Heubach Pigments Co. Limited (w.e.f 3rd March, 2025)

(e) Others : Entities in which Key Management Personnel and / or their relatives exercise significant influence with whom the Company has entered into the transaction during the course of the period.

- Balkrishna Rathi Finance Private Limited - Crawford Bayley & Co
- Sudarshan Chemical Industries Limited Employee - Pragati-Leadership Institute Private Limited Group Gratuity Scheme
- Sudarshan Chemical Industries Limited Employee's - Breakthrough Management Group India Private Limited Superannuation Scheme
- *Rabro Speciality Chemicals Private Limited - Pigment Manufacturers Association of India
- Shri Jagannath Rathi Charity Trust - **Lexcelon Corporate Advisors Private Limited

*ceased as a Related Party effective close of business hours on 29th May, 2025

**Became Related Party effective 1st October, 2025

B Transactions with Related Parties

Nature of Transactions	For the year ended 31 st March 2026					For the year ended 31 st March 2025				
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidi- ary Com- pany Com- panies	Others	Total
a Salary (including reimbursement of expenses)* :	22.3	0.0	-	-	22.3	21.1	0.1	-	-	21.2
Mr. R.B.Rathi	16.1	-	-	-	16.1	16.9	-	-	-	16.9
Mr. A.Vij	3.9	-	-	-	3.9	2.4	-	-	-	2.4
Mr. Nilkanth Natu	1.4	-	-	-	1.4	1.1	-	-	-	1.1
Mr. Mandar Velankar	0.9	-	-	-	0.9	0.7	-	-	-	0.7
Others	-	0.0	-	-	0.0	-	0.1	-	-	0.1
b Pension :	0.3	0.4	-	-	0.7	0.5	0.9	-	-	1.4
Mrs. K.B.Rathi	-	0.3	-	-	0.3	-	0.4	-	-	0.4
Mr. P.R. Rathi	0.3	-	-	-	0.3	0.5	-	-	-	0.5
Mr. N.J. Rathi	-	0.1	-	-	0.1	-	0.5	-	-	0.5
c Commission (Subject to Shareholders' approval) :	1.4	-	-	-	1.4	0.9	-	-	-	0.9
Mrs. Sudha Navandar	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mr. N. Raisinghani	0.2	-	-	-	0.2	0.2	-	-	-	0.2

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026				For the year ended 31 st March 2025					
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidi- ary Com- pany Com- panies	Others	Total
Mrs. Anu Wakhlu	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Ms. Bhumika Batra	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mrs. S. A. Panse	0.1	-	-	-	0.1	0.2	-	-	-	0.2
Mr. Apurva Chandra	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Rajendra Mariwala	0.1	-	-	-	0.1	-	-	-	-	-
Mr. S. K. Asher	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Amitabha Mukhopadhyay	0.1	-	-	-	0.1	-	-	-	-	-
Mr. P.R.Rathi	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. A. N. Rathi	-	-	-	-	-	0.1	-	-	-	0.1
d Sitting fees :	0.3	-	-	-	0.3	0.4	-	-	-	0.4
Ms. Bhumika Batra	0.1	-	-	-	0.1	0.0	-	-	-	0.0
Mr. N. Raisinghani	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mrs. Sudha Navandar	0.1	-	-	-	0.1	0.0	-	-	-	0.0
Mrs. Anu Wakhlu	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Mr. Amitabha Mukhopadhyay	0.0	-	-	-	0.0	-	-	-	-	-
Mr. Apurva Chandra	0.0	-	-	-	0.0	-	-	-	-	-
Mr. Rajendra Mariwala	0.0	-	-	-	0.0	-	-	-	-	-
Mr.S.K.Asher	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Mrs. S.A.Panse	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Mr. P.R.Rathi	-	-	-	-	-	0.1	-	-	-	0.1
Mr. A. N. Rathi	-	-	-	-	-	0.0	-	-	-	0.0
Mr.D.N.Damania	-	-	-	-	-	0.0	-	-	-	0.0
Mr. S. Padmanabhan	-	-	-	-	-	0.0	-	-	-	0.0
Mrs. R. F. Forbes	-	-	-	-	-	0.0	-	-	-	0.0
e Sale of Property Plant and Equipment :	-	-	-	-	-	0.4	-	-	-	0.4
Mr. P.R. Rathi	-	-	-	-	-	0.4	-	-	-	0.4
Mr. A.V. Vij	-	-	-	-	-	-	-	-	-	-
f Sale of Goods :	-	-	418.9	-	418.9	-	-	567.5	-	567.5
Sudarshan North America, Inc.	-	-	162.6	-	162.6	-	-	232.1	-	232.1
Sudarshan Europe B.V.	-	-	157.4	-	157.4	-	-	264.0	-	264.0
Sudarshan Mexico S. de R.L. de C.V.	-	-	58.3	-	58.3	-	-	70.2	-	70.2
Heubach Colorants (Shanghai) Ltd.	-	-	9.1	-	9.1	-	-	-	-	-
Sudarshan Brasil MFG Ltda	-	-	8.6	-	8.6	-	-	-	-	-
Sudarshan Germany Horizons GmbH	-	-	8.2	-	8.2	-	-	-	-	-
Sudarshan Colorants India Limited	-	-	6.7	-	6.7	-	-	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026				For the year ended 31 st March 2025					
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidi- ary Com- panies	Others	Total
Sudarshan Gujarat MFG Pvt Ltd Unit-I	-	-	4.2	-	4.2	-	-	-	-	-
Sudarshan Mexico MFG, S.A. de C.V.	-	-	1.1	-	1.1	-	-	-	-	-
Sudarshan Colombia SLO S.A.S	-	-	1.0	-	1.0	-	-	-	-	-
Sudarshan Chile Industria Química	-	-	0.5	-	0.5	-	-	-	-	-
Sudarshan Langelsheim PLT GmbH	-	-	0.3	-	0.3	-	-	-	-	-
Heubach Colorants Pigment Preparations (Tianjin) Ltd.	-	-	0.2	-	0.2	-	-	-	-	-
Sudarshan Southern Africa MFG (Pty)	-	-	0.2	-	0.2	-	-	-	-	-
Sudarshan MFG (Thailand) Ltd.	-	-	0.2	-	0.2	-	-	-	-	-
Others	-	-	0.3	-	0.3	-	-	1.2	-	1.2
g Purchase of Goods / Services / Property Plant and Equipment / Laboratory Expenses :										
Sudarshan Gujarat MFG Pvt Ltd	-	-	43.5	-	43.5	-	-	2.5	1.7	4.2
Sudarshan Colorants India Limited	-	-	24.6	-	24.6	-	-	-	-	-
Sudarshan Switzerland HLD1 AG	-	-	10.3	-	10.3	-	-	-	-	-
Sudarshan Industries Limited	-	-	7.1	-	7.1	-	-	-	-	-
Sudarshan Germany Horizons GmbH	-	-	1.3	-	1.3	-	-	1.3	-	1.3
Rabro Speciality Chemicals Private Limited	-	-	0.2	-	0.2	-	-	-	-	-
Sudarshan North America, Inc.	-	-	-	-	-	-	-	1.1	1.7	1.7
Forbes Marshall Private Limited	-	-	-	-	-	-	-	-	0.0	0.0
Others	-	-	-	-	-	-	-	0.1	-	0.1
h Legal and Professional Fees Paid :										
Crawford Bayley & Co.	-	-	-	3.7	3.7	-	-	-	4.5	4.5
Lexcelon Corporate Advisors Private Limited	-	-	-	2.0	2.0	-	-	-	3.5	3.5
Pragati Leadership Institute Private Limited	-	-	-	1.1	1.1	-	-	-	-	-
Breakthrough Management Group	-	-	-	0.4	0.4	-	-	-	0.3	0.3
Others	-	-	-	0.2	0.2	-	-	-	0.7	0.7
i Unsecured Loans given :										
Sudarshan Europe B.V.	-	-	-	-	-	-	-	45.0	-	45.0
								45.0	-	45.0
j Unsecured Loans repayments received :										
Sudarshan Europe B.V.	-	-	51.0	-	51.0	-	-	1.4	-	1.4
Sudarshan Japan Limited	-	-	51.0	-	51.0	-	-	-	-	-
								1.4	-	1.4
k Interest received / accrued on unsecured loans:										
Sudarshan Europe B.V.	-	-	2.0	-	2.0	-	-	0.6	-	0.6
Sudarshan Japan Limited	-	-	2.0	-	2.0	-	-	0.6	-	0.6
								0.0	-	0.0



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026				For the year ended 31 st March 2025					
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidi- ary Com- panies	Others	Total
l Rent received :	-	-	-	0.0	0.0	-	-	-	0.0	0.0
Rabro Speciality Chemicals Private Limited	-	-	-	0.0	0.0	-	-	-	0.0	0.0
Balkrishna Rathi Finance Private Limited	-	-	-	0.0	0.0	-	-	-	0.0	0.0
Shri Jagannath Rathi Charity Trust	-	-	-	0.0	0.0	-	-	-	0.0	0.0
m Rent paid :	-	-	0.1		0.1	-	-	-	-	-
Sudarshan Colorants India Limited	-	-	0.1	-	0.1	-	-	-	-	-
n Donation Paid :	-	-	0.5	0.2	0.7	-	-	1.5	-	1.5
Sudarshan CSR Foundation	-	-	0.5	-	0.5	-	-	1.5	-	1.5
Shri Jagannath Rathi Charity Trust	-	-	-	0.2	0.2	-	-	-	-	-
o Reimbursement / Cross Charges Receivable from subsidiaries :	-	-	115.2	0.2	115.4	-	-	38.6	0.4	39.0
Sudarshan Europe B.V.	-	-	113.0	-	113.0	-	-	36.6	-	36.6
RIECO Industries Limited	-	-	2.0	-	2.0	-	-	0.7	-	0.7
Sudarshan North America, Inc.	-	-	0.2	-	0.2	-	-	0.3	-	0.3
Sudarshan Mexico S. de R.L. de C.V.	-	-	0.0	-	0.0	-	-	-	-	-
Sudarshan Japan Limited	-	-	-	-	-	-	-	1.0	-	1.0
Others	-	-	-	0.2	0.2	-	-	0.0	0.4	0.4
p Reimbursement / Cross Charges Payable to subsidiaries :	-	-	10.1	-	10.1	-	-	10.0	-	10.0
Sudarshan Europe B.V.	-	-	9.8	-	9.8	-	-	4.1	-	4.1
Sudarshan North America, Inc.	-	-	0.2	-	0.2	-	-	0.4	-	0.4
Sudarshan Japan Limited	-	-	-	-	-	-	-	5.3	-	5.3
Sudarshan Mexico S. de R.L. de C.V.	-	-	0.0	-	0.0	-	-	0.2	-	0.2
Others	-	-	0.1	-	0.1	-	-	-	-	-
q Interest received / accrued on corporate guarantee :	-	-	24.9	-	24.9	-	-	2.6	-	2.6
Sudarshan Europe B.V.	-	-	24.7	-	24.7	-	-	2.4	-	2.4
RIECO Industries Limited	-	-	0.2	-	0.2	-	-	0.2	-	0.2
r Subscription paid :	-	-	-	0.0	0.0	-	-	-	0.1	0.1
Pigment Manufacturers Association of India	-	-	-	0.0	0.0	-	-	-	0.1	0.1
s Car Deposit Received :	-	-	-	-	-	0.2	-	-	-	0.2
Mr. P.R. Rathi		-	-	-	-	0.2	-	-	-	0.2
Mr.N.J. Natu		-	-	-	-	0.0	-	-	-	0.0

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions		As at 31 st March 2026				As at 31 st March 2025					
		Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total
a	Trade Receivables	-	-	215.9	-	215.9	-	-	191.9	-	191.9
	Sudarshan North America, Inc.	-	-	88.2	-	88.2	-	-	90.8	-	90.8
	Sudarshan Europe B.V.	-	-	66.1	-	66.1	-	-	50.7	-	50.7
	Sudarshan Mexico S. de R.L. de C.V.	-	-	36.3	-	36.3	-	-	48.6	-	48.6
	Heubach Colorants (Shanghai) Ltd.	-	-	8.0	-	8.0	-	-	-	-	-
	Sudarshan Germany Horizons GmbH	-	-	5.4	-	5.4	-	-	-	-	-
	Sudarshan Colorants India Limited	-	-	4.3	-	4.3	-	-	-	-	-
	Sudarshan Brasil MFG Ltda	-	-	3.1	-	3.1	-	-	-	-	-
	Sudarshan Gujarat MFG Pvt Ltd	-	-	2.1	-	2.1	-	-	-	-	-
	Sudarshan (Shanghai) Trading Co. Limited	-	-	1.3	-	1.3	-	-	1.8	-	1.8
b	Trade Payables	-	-	27.5	-	27.5	-	-	5.2	-	5.2
	Sudarshan Gujarat MFG Pvt Ltd	-	-	12.8	-	12.8	-	-	-	-	-
	Sudarshan Switzerland HLD1 AG	-	-	7.1	-	7.1	-	-	-	-	-
	Heubach Colorants India Limited	-	-	6.0	-	6.0	-	-	0.1	-	0.1
	RIECO Industries Limited	-	-	1.3	-	1.3	-	-	0.4	-	0.4
	Sudarshan Germany Horizons GmbH	-	-	0.2	-	0.2	-	-	-	-	-
	Sudarshan Europe B.V.	-	-	0.1	-	0.1	-	-	3.4	-	3.4
	Sudarshan North America, Inc.	-	-	0.0	-	0.0	-	-	1.1	-	1.1
	Sudarshan (Shanghai) Trading Co. Limited	-	-	-	-	-	-	-	0.2	-	0.2
	-	-	-	-	-	-	-	-	-	-	-
c	Other Receivables	-	-	208.4	1.4	209.8	-	-	48.0	3.0	51.0
	Sudarshan Europe B.V.	-	-	204.6	-	204.6	-	-	44.7	-	44.7
	RIECO Industries Limited	-	-	2.6	-	2.6	-	-	1.1	-	1.1
	Sudarshan Chemical Industries Limited Employee Group Gratuity Scheme	-	-	-	1.4	1.4	-	-	-	3.0	3.0
	Sudarshan (Shanghai) Trading Co. Limited	-	-	1.0	-	1.0	-	-	1.0	-	1.0
Sudarshan North America, Inc.	-	-	0.1	-	0.1	-	-	0.2	-	0.2	

C Balances due from / to related parties :

- 2 All transactions were made on normal commercial terms and conditions and at market rates.

As at and for the year ended 31st March, 2026

C Balances due from / to related parties :

Nature of Transactions		As at 31 st March 2026				As at 31 st March 2025					
		Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total
a Trade Receivables		-	-	215.9	-	215.9	-	-	191.9	-	191.9
	Sudarshan North America, Inc.	-	-	88.2	-	88.2	-	-	90.8	-	90.8
	Sudarshan Europe B.V.	-	-	66.1	-	66.1	-	-	50.7	-	50.7
	Sudarshan Mexico S. de R.L. de C.V.	-	-	36.3	-	36.3	-	-	48.6	-	48.6
	Heubach Colorants (Shanghai) Ltd.	-	-	8.0	-	8.0	-	-	-	-	-
	Sudarshan Germany Horizons GmbH	-	-	5.4	-	5.4	-	-	-	-	-
	Sudarshan Colorants India Limited	-	-	4.3	-	4.3	-	-	-	-	-
	Sudarshan Brasil MFG Ltda	-	-	3.1	-	3.1	-	-	-	-	-
	Sudarshan Gujarat MFG Pvt Ltd	-	-	2.1	-	2.1	-	-	-	-	-
	Sudarshan (Shanghai) Trading Co. Limited	-	-	1.3	-	1.3	-	-	1.8	-	1.8
RIECO Industries Limited	-	-	0.4	-	0.4	-	-	-	-	-	
Heubach Colorants Pigment Preparations (Tianjin) Ltd.	-	-	0.2	-	0.2	-	-	-	-	-	
Sudarshan Southern Africa MFG (Pty)	-	-	0.2	-	0.2	-	-	-	-	-	
Sudarshan MFG (Thailand) Ltd.	-	-	0.1	-	0.1	-	-	-	-	-	
Sudarshan Chile Industria Quimica	-	-	0.1	-	0.1	-	-	-	-	-	
Sudarshan Langelshelm PLT GmbH	-	-	0.1	-	0.1	-	-	-	-	-	
b Trade Payables		-	-	27.5	-	27.5	-	-	5.2	-	5.2
	Sudarshan Gujarat MFG Pvt Ltd	-	-	12.8	-	12.8	-	-	-	-	-
	Sudarshan Switzerland HLD1 AG	-	-	7.1	-	7.1	-	-	-	-	-
	Heubach Colorants India Limited	-	-	6.0	-	6.0	-	-	0.1	-	0.1
	RIECO Industries Limited	-	-	1.3	-	1.3	-	-	0.4	-	0.4
	Sudarshan Germany Horizons GmbH	-	-	0.2	-	0.2	-	-	-	-	-
	Sudarshan Europe B.V.	-	-	0.1	-	0.1	-	-	3.4	-	3.4
	Sudarshan North America, Inc.	-	-	0.0	-	0.0	-	-	1.1	-	1.1
	Sudarshan (Shanghai) Trading Co. Limited	-	-	-	-	-	-	-	0.2	-	0.2
		-	-	-	-	-	-	-	-	-	-
c Other Receivables		-	-	208.4	1.4	209.8	-	-	48.0	3.0	51.0
	Sudarshan Europe B.V.	-	-	204.6	-	204.6	-	-	44.7	-	44.7
	RIECO Industries Limited	-	-	2.6	-	2.6	-	-	1.1	-	1.1
	Sudarshan Chemical Industries Limited Employee Group Gratuity Scheme	-	-	-	1.4	1.4	-	-	-	3.0	3.0
	Sudarshan (Shanghai) Trading Co. Limited	-	-	1.0	-	1.0	-	-	1.0	-	1.0
Sudarshan North America, Inc.	-	-	0.1	-	0.1	-	-	0.2	-	0.2	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	As at 31 st March 2026				As at 31 st March 2025					
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total
Sudarshan Mexico S. de R.L. de C.V.	-	-	0.1	-	0.1	-	-	0.1	-	0.1
Sudarshan Japan Limited	-	-	-	-	-	-	-	0.9	-	0.9
Others	-	-	-	0.0	-	-	-	-	-	-
d Other Payables										
Sudarshan Europe B.V.	-	-	4.3	0.0	4.3	-	-	7.1	0.0	7.1
Sudarshan Mexico S. de R.L. de C.V.	-	-	4.0	-	4.0	-	-	4.6	-	4.6
Sudarshan (Shanghai) Trading Co. Limited	-	-	0.2	-	0.2	-	-	0.2	-	0.2
Sudarshan Japan Limited	-	-	0.1	-	0.1	-	-	0.1	-	0.1
Sudarshan North America, Inc.	-	-	-	-	-	-	-	2.1	-	2.1
Others	-	-	-	0.0	-	-	-	0.1	-	0.1
e Advances paid to party										
Crawford Bayley & Co.	-	-	-	-	-	-	-	-	2.0	2.0
Others	-	-	-	-	-	-	-	-	0.0	0.0
f Loan receivables										
Sudarshan Europe B.V.	-	-	-	-	-	-	-	46.3	-	46.3
g Corporate guarantee given										
Sudarshan Europe B.V.	-	-	2,719.8	-	2,719.8	-	-	2,106.4	-	2,106.4
RIECO Industries Limited	-	-	2,599.8	-	2,599.8	-	-	1,986.4	-	1,986.4
	-	-	120.0	-	120.0	-	-	120.0	-	120.0
h Commission Payable										
Mrs. Sudha Navandar	1.4	-	-	-	1.4	0.9	-	-	-	0.9
Mr. N. Raisinghani	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mrs. Anu Wakhlu	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Ms. Bhumika Batra	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mrs. S. A. Panse	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. Apurva Chandra	0.1	-	-	-	0.1	0.2	-	-	-	0.2
Mr. Rajendra Mariwala	0.1	-	-	-	0.1	-	-	-	-	-
Mr. S. K. Asher	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Amitabha Mukhopadhyay	0.1	-	-	-	0.1	-	-	-	-	-
Mr. P.R.Rathi	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. A. N. Rathi	-	-	-	-	-	0.1	-	-	-	0.1



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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	As at 31 st March 2026				As at 31 st March 2025					
	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total	Key Man- agement Personnel	Close Mem- ber of Key Management Personnel	Subsidiary Companies	Others	Total
i Salary / Pension Payable *	-	-	-	-	-	0.0	0.0	-	-	0.0
Mr. N. J. Rathi	-	-	-	-	-	-	0.0	-	-	0.0
Mr. P.R.Rathi	-	-	-	-	-	0.0	-	-	-	0.0
Mrs. K. B. Rathi	-	-	-	-	-	-	0.0	-	-	0.0
j Car deposit payable	0.4	-	-	-	0.4	0.6	-	-	-	0.6
Mr. R.B.Rathi	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Mr. Mandar Velankar	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. A.Vij	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. Nilkanth Natu	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Mr. N. J. Rathi	-	-	-	-	-	-	0.0	-	-	-
Mr. P.R.Rathi	-	-	-	-	-	0.2	-	-	-	0.2
k Investment in Cumulative Non-convertible Redeemable Preference Shares :	-	-	663.5	-	663.5	-	-	739.6	-	739.6
	-	-	-	-	-	-	-	-	-	-
Sudarshan Europe B.V.	-	-	663.5	-	663.5	-	-	739.6	-	739.6

*Does not include gratuity and leave encashment since the same is considered for all employees of the Company as a whole.

Note: Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All transactions were made on normal commercial terms and conditions and are at market rates.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

49 RISK MANAGEMENT AND CAPITAL MANAGEMENT

A Financial instruments risk management objectives and policies

The Company’s principal financial liabilities other than derivatives, comprise of borrowings, lease liabilities, other financial liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company’s operations and to support its operations. The Company’s principal financial assets other than derivatives include investments, trade and other receivables, deposits, loans, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company’s senior management oversees the management of these risks. The Company’s senior management is supported by an Enterprise Risk Management (ERM) team that advises on financial risks and the appropriate financial risk governance framework for the Company. The ERM team provides assurance to the Company’s senior management that the Company’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company’s policies and risk objectives. The ERM team process seeks to provide greater confidence to the decision maker and thus enhance achievement of objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivable, trade and other payables and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

Potential impact of risk	Management policy	Sensitivity to risk
i) Interest rate risk		
The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.	In order to manage its interest rate risk arising from variable interest rate borrowings, the Company uses Interest rate swaps to hedge its exposure to future market interest rates whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 25 bps change in interest rates. A 25 bps reduction in interest rates would have led to approximately an additional ₹ 0.8 Crores and (Previous Year: ₹ 1.0 Crores) gain in Statement of Profit and Loss. A 25 bps increase in interest rates would have led to an equal but opposite effect.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Potential impact of risk	Management policy	Sensitivity to risk
ii) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the Company’s functional currency (₹). The risk also includes highly probable foreign currency cash flows.	The Company has exposure arising out of export, import, loans, borrowings and other transactions. The Company hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Company’s Risk Management policy.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to financial statements, the Company has calculated the impact on the Statement of Profit and Loss. The following tables demonstrate the sensitivity to a possible change in EUR and ₹ exchange rates, with all other variables held constant. The Company’s exposure to foreign currency changes for all other currencies is not material. For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date would have led to an increase in additional gain of ₹ 14.1 Crores. (Previous Year: gain of ₹ 8.1 Crores). A 2% decrease would have led to an increase in additional loss of ₹ 14.1 Crores. (Previous Year: loss of ₹ 8.1 Crores).

Foreign currency exposure and sensitivity	As at 31 st March, 2026		As at 31 st March, 2025	
	₹ denominated	₹ denominated	₹ mdenominated	₹ denominated
Trade receivables and other receivables	319.7	281.9	340.3	102.5
Forward contracts for trade receivables	(349.0)	(80.6)	(342.5)	(99.4)
Investments & Loans to Subsidiaries	-	663.5	-	785.9
Forward contracts for Investments and Loans	-	-	-	(231.5)
Foreign currency borrowings	(27.6)	-	(98.2)	-
Trade payables and other payables	(110.8)	(8.7)	-	-
Forward contracts for trade payable	9.5	8.7	(119.6)	(10.9)
Forward contracts for borrowings	9.5	-	57.5	-
Total	(148.6)	864.8	(162.5)	546.6

The movement in Effective portion of cash flow hedge under other equity for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Balance at beginning of the year	(12.7)	(25.1)
Changes in the fair value of effective portion of derivatives – gain / (loss)	(5.0)	(4.4)
Net Gain / (Loss) reclassified to Statement of Profit and Loss on occurrence of hedged forecasted transactions	11.4	16.8
Balance at end of the year	(6.3)	(12.7)
Tax impact	1.7	1.4

The Company basis their assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the current geopolitical scenario. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Disclosure

How the risk arises	How the Company manages risks
The Company has a significant portion of its revenue in foreign currency (other than ₹). This exposure in foreign exchange risk affects the profitability and financial position of the Company due to variation in the foreign exchange rates.	The risk management strategy is as follows: - To use the foreign exchange forward contracts to hedge the foreign currency risk associated with highly probable forecasted sales. - To use the non-derivative contracts (cash flow legs of foreign currency borrowing) to hedge the foreign currency risk associated with highly probable forecasted sales. - To use the cash flow legs of foreign currency borrowing combined with the cash flow legs of Cross Currency Interest Rate Swap to hedge the foreign currency risk associated with highly probable forecasted sales.
The Company has certain amount of its purchases in foreign currency (other than ₹) which results in exposure to fluctuation of exchange rate affecting the profitability and financial position of the Company.	The risk management strategy is to use the foreign exchange forward contracts to hedge the foreign currency risk associated with highly probable forecasted purchases.
The Company has taken borrowings denominated in EUR which have floating interest rate. This results in exposing the Company to fluctuations in cash flow due to floating interest rate risk.	The risk management strategy is to use the Interest Rate Swap (IRS) to hedge the interest rate risk associated with floating interest rate cash flow.

The Company uses derivatives (forward contract, interest rate swap and cross currency interest rate swap) or non-derivative or a combination of both to hedge its exposure of forex / interest rate related risk. These instruments are either used to lock in a lower purchase price or / and a higher sales prices / fixed interest rate. The gain or loss on hedging instrument are aligned and effectively an offset compared with hedged item.

The economic relationship between hedged item and hedged instrument is established to ensure that both are moving in the opposite direction because of the same hedged risk.

The credit risk associated with the hedge relationship is negligible due to the highly rated counterparties.

The Company’s hedging policy only allows for effective hedge relationships. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If the critical terms of the hedged item do not match exactly with the critical terms of the hedging instrument, the Company uses the quantitative analysis to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds, on an absolute basis, the change in value of the hedged item that attributes to the hedged risk. This may arise if there is any change in the timing of the underlying hedged item or if the critical terms of the hedging instrument and the hedged item do not match exactly.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

(b) Credit risk

Potential impact of risk	Management policy	Sensitivity to risk
i) Trade Receivables: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities.	Customer credit risk is managed subject to the Company’s policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis based on Expected Credit Loss (ECL) model is performed at each reporting date.	The Company considers the probability of default upon initial recognition and whether there have been significant increase in the credit risk on ongoing basis throughout each reporting period, to assess increase in the credit risk, the Company compares the rate of default on the date of reporting and initial recognition. The maximum amount to which the Company is exposed is ₹ 654.9 Crores and ₹ 679.0 Crores (net of ECL provision) for 31st March 2026 and 31st March 2025 respectively. Against these receivables, a provision for expected loss allowance is recognised (Refer note 11). The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.
ii) Deposits and financial instruments (other than trade receivables): Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities.	The Company maintains exposure in cash and cash equivalents and mutual fund schemes. Investments of surplus funds are made with assigned credit limits with approved counterparties who meet requirements of ratings, financial strength, credit spreads, etc. Counterparty credit limits are set to minimize concentration risks and are reviewed periodically by the Board.	Long term credit ratings of these banking institutions are considered to be of investment grade. No impairment has been recorded in respect of fixed deposits that are with recognised commercial banks and not past due.

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury department in accordance with the Company’s policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company’s Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company’s Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Reconciliation of provision for expected credit loss	
Balance as at 31 st March , 2024	10.4
Provision (reversed) / recognised for expected credit loss	4.2
Balance as at 31 st March , 2025	14.6
Provision (reversed) / recognised for expected credit loss	0.0
Balance as at 31 st March , 2026	14.6

In addition to the historical pattern of credit loss, the Company has also considered the likelihood of increased credit risk considering emerging situations due to the current geopolitical scenarios. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

In addition, financial instruments that are subject to concentration of credit risk including loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Potential impact of risk	Management policy	Sensitivity to risk
Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price or there could be excessive concentrations of risks. The Company's treasury department is responsible for liquidity, funding as well as settlement management.	The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.	The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.
Excessive concentrations of risks arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.	In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used to manage risk concentrations at both the relationship and industry levels.	The Company assessed the concentration of risk and concluded it to be low. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Note	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
As at 31 st March, 2026						
Borrowings (including accrued interest)	19	326.4	9.0	-	-	335.4
Committed Interest	-	3.2	-	-	-	3.2
Other financial liabilities	21	67.3	-	3.6	-	70.9
Lease liabilities	5	4.8	4.7	47.8	14.5	71.8
Trade payables	20	525.6	-	-	-	525.6
Derivatives instruments	22	15.5	-	-	-	15.5
	Total	942.8	13.7	51.4	14.5	1,022.4
As at 31 st March, 2025						
Borrowings (including accrued interest)	19	361.2	16.0	24.1	-	401.3
Committed Interest	-	5.2	0.8	0.6	-	6.6
Other financial liabilities	21	48.4	-	3.4	-	51.8
Lease liabilities	5	2.7	2.9	23.6	17.7	46.9
Trade payables	20	492.4	-	-	-	492.4
Derivatives instruments	22	3.5	-	-	-	3.5
	Total	913.4	19.7	51.7	17.7	1,002.5

B Capital management

For the purpose 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 capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. Net debt are non - current borrowings and current borrowing as reduced by cash and cash equivalents.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total Debt	335.4	401.3
Less: Cash and Cash equivalents	(53.2)	(18.7)
Net debt	282.2	382.6
Total Equity (Share Capital + Reserves including capital reserves)	2,533.9	2,258.9
Net Debt - Equity ratio	0.11	0.17

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year and previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March 2025.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

50 SHARE BASED PAYMENTS

During the financial year 2018-19, the Board of Directors of the Company and its Shareholders' approved a Employee Stock Option Plan (ESOP) and reserved 13,84,545 common shares for issuance thereunder. During the year ended 31st March, 2021, options totalling to 3,94,220 ordinary shares were granted to certain identified eligible employees of the Company. Detailed description of share based payment arrangements is as below:

a	Date of shareholders' approval	9 th August, 2018
b	Total number of options approved under ESOP	3,94,220
c	Vesting requirements	Out of the total options granted, 40% options vest after 4 th year, 20% options vest after 5 th year, 20% options vest after 6 th year and 20% options vest after 7 th year from the date of respective grant, subject to time-based and performance-based conditions of the ESOP scheme.
d	Exercise price or pricing formula	₹ 349.4
e	Maximum term of options granted	5 years from each vesting date
f	Date of grant	6 th April, 2020
g	Settlement mode	Equity share
h	Source of shares (primary, secondary or combination)	Primary

The weighted average fair value of the share option granted is ₹ 169.2/-. Options were priced using the Black-Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behaviour considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 10 years.

Inputs into the model were as follows:

a	Grant date share price	₹ 349.4
b	Exercise price	₹ 349.4
c	Expected volatility	45.64% – 47.51%
d	Expected life of share options	6.5 to 9.5 years
e	Dividend yield	1.90% - 2.20%
f	Risk free interest rate	6.45% to 6.68%

Reconciliation of outstanding share options is as follows:

Particulars	Number of options	Weighted average exercise price
Outstanding as at 1 st April, 2024	3,32,650	349.4
Granted during the year	-	-
Forfeited / lapsed during the year	1,91,596	349.4
Exercised during the year	-	-
Outstanding as at 31 st March, 2025	1,41,054	349.4
Exercisable as at 31 st March, 2025	-	-
Outstanding as at 1 st April, 2025	1,41,054	349.4
Granted during the year	-	-
Forfeited / lapsed during the year	-	-
Exercised during the year (refer note 16(j))	49,891	349.4
Outstanding as at 31 st March, 2026	91,163	349.4
Exercisable as at 31 st March, 2026	-	-

1,05,319 options were vested during the year ended 31st March 2026. There are no options vested during the year 31st March 2025



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in ₹ Crores, unless otherwise stated)

There has been realisation of money by exercise of option during the year ended 31st March 2026 of ₹ 1.7 Crores (31st March 2025: ₹ Nil) (Refer note 16(j)).

The options outstanding at 31st March, 2026 have an exercise price of ₹ 349.4 (31st March, 2025: ₹ 349.4) and a weighted average remaining contractual life of 4.2 years (31st March, 2025: 5.2 years).

Weighted average share price at the date of the exercise of share options exercised in 2025-26 is ₹ 1,146.0 and no shares were exercised during previous year 2024-25 hence weighted average share price is not disclosed.

Weighted average fair value of share options granted during the year is not disclosed as no share options were granted during the current and previous financial year.

51 HEDGING ACTIVITIES

Cash flow hedges

The Company enters into derivative instruments which comprise of interest rate swaps, cross currency swaps and also designates its foreign currency borrowings against highly probable forecasted export sales and derivative contracts-IRS for hedge accounting to manage its foreign currency exposure.

These instruments are measured at fair values at each reporting period resulting in derivative financial assets and derivative financial liabilities. The gain / (loss) on maturity / termination of such derivative instruments is recorded in the Statement of Profit and Loss along with the relevant hedged item.

The cash flow hedges of the highly probable forecasted export sales during the year ended 31st March, 2026 were assessed to be highly effective and a net unrealised (loss) / gain of ₹ 6.4 Crores (31st March, 2025: ₹ 12.4 Crores) is included in OCI. The amounts retained in OCI at 31st March, 2026 are expected to be realised in the Statement of Profit and Loss till the year ended 31st March, 2028.

The following are the details of outstanding derivative and non derivative instruments (foreign currency loans) entered into by the Company which have been designated as cash flow hedges:

Type of Cover	Amount outstanding in Foreign currency in Crores	Currency	Fair value gain / (loss) movement during the year	
			in OCI	in P&L
			(effective)	(ineffective)
Non-derivative contracts (Foreign Currency Loans)	1.1	₹	7.6	(0.4)
Derivative contracts - Interest Rate Swaps (IRS)	1.1	₹	(1.2)	-
			6.4	(0.4)

Type of Cover	Amount outstanding in Foreign currency in Crores	Currency	Fair value gain / (loss) movement during the year	
			in OCI	in P&L
			(effective)	(ineffective)
Non-derivative contracts (Foreign Currency Loans)	1.1	₹	15.2	(1.4)
Derivative contracts - Interest Rate Swaps (IRS)	1.1	₹	(2.8)	-
			12.4	(1.4)

For qualitative details w.r.t hedging strategy followed by the Company refer note 49(A).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in ₹ Crores, unless otherwise stated)

Derivatives not designated as hedging instruments:

The Company has used foreign exchange forward contracts to manage its import payments, loan repayments and realisation from export customers. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the payments against import purchases, loan repayments and realisation from export customers.

52 EXCEPTIONAL ITEMS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Amounts incurred towards acquisition of Heubach Group - refer note 52 (a)	-	(18.2)
Impact of New Labour Code (refer note 52 (b))	(21.1)	-
	(21.1)	(18.2)

- a) The Board of Directors of Sudarshan Europe B.V ("SEBV") (wholly owned subsidiary of Sudarshan Chemical Industries Limited) at its meeting held on 8th October, 2024 provided its in-principle approval for the acquisition of global pigment business operations of the Heubach Group of Germany through an asset and share deal, subject to completion of customary conditions and receipt of requisite regulatory approvals. Pursuant to this, SEBV has entered into a definitive agreement in relation to the said proposed acquisition on 11th October 2024. The said acquisition was completed on 3rd March, 2025 ("Closing Date") by SEBV for a preliminary purchase consideration of € 151.9 million (approx. ₹ 1,389.9 Crores) which was subsequently finalised at € 139.6 million (approx. ₹ 1,277.0 Crores) during the 'measurement period' as per Ind AS 103 : Business Combinations in line with the Purchase and Transfer Agreement. The acquisition was financed through a combination of external funds raised by the Company and borrowings availed by SEBV. Transaction and other incidental costs with respect to the aforesaid acquisition incurred up to 31st March, 2025 have been disclosed as "Exceptional items income / (expense)".
- b) On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., 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. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes.

The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave.

The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available till approval of the financial statements for issue, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Company has determined that these changes result in an increase in gratuity obligation (₹ 21.1 Crores). The changes to gratuity obligation resulting from the labour codes are accounted as plan amendments and resulting past service cost are recognised as an expense immediately in the Statement of Profit and Loss (Refer note 40). Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has disclosed such incremental impact under "Exceptional items (expense) / income" in the Standalone Statement of Profit and Loss for the year ended 31st March 2026. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

53 FINANCIAL INSTRUMENTS - FAIR VALUES

Below is a comparison, by class, of the carrying amounts of the Company's financial instruments as of 31st March, 2026.

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Financial assets				
Investments*	663.5	198.5	-	862.0
Trade receivables	654.9	-	-	654.9
Cash and cash equivalents	53.2	-	-	53.2
Bank balances other than cash and cash equivalents	4.7	-	-	4.7
Derivatives - Forward Contracts Receivable	-	0.7	-	0.7
Interest rate / currency swap contracts	-	-	0.2	0.2
Other financial assets	226.9	-	-	226.9
Total	1,603.2	199.2	0.2	1,802.6
Financial liabilities				
Borrowings	335.4	-	-	335.4
Lease liabilities	52.9	-	-	52.9
Trade payables	525.6	-	-	525.6
Derivative - Forward Contracts Payable	-	15.5	-	15.5
Other financial liabilities	70.9	-	-	70.9
Total	984.8	15.5	-	1,000.3

*Excludes investments in subsidiaries accounted as per cost model in accordance with Ind AS 27- 'Separate Financial Statements'.

Note- The carrying amounts of financial assets and financial liabilities carried at amortised cost approximate their fair values.

Below is a comparison, by class, of the carrying amounts of the Company's financial instruments as of 31st March, 2025.

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Financial assets				
Investments*	739.6	260.1	-	999.7
Loans	46.3	-	-	46.3
Trade receivables	679.0	-	-	679.0
Cash and cash equivalents	18.7	-	-	18.7
Bank balances other than cash and cash equivalents	7.7	-	-	7.7
Derivatives - Forward Contracts Receivable	-	9.4	-	9.4
Interest rate / currency swap contracts	-	-	1.4	1.4
Other financial assets	70.7	-	-	70.7
Total	1,562.0	269.5	1.4	1,832.9

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As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Financial liabilities				
Borrowings	401.3	-	-	401.3
Lease liabilities	34.1	-	-	34.1
Trade payables	492.4	-	-	492.4
Derivative - Forward Contracts Payable	-	3.5	-	3.5
Other financial liabilities	51.8	-	-	51.8
Total	979.6	3.5	-	983.1

*Excludes investments in subsidiaries accounted as per cost model in accordance with Ind AS 27- ‘Separate Financial Statements’.

Note- The carrying amounts of financial assets and financial liabilities carried at amortised cost approximate their fair values.

The management assessed that the fair value of cash and cash equivalent, bank balances, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumptions were used to estimate the fair value:

- (i)

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii)

The fair value of unquoted instruments, loans from banks, lease liabilities and other current financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (iii)

The Company enters into derivative financial instruments with financial institutions and banks with investment grade credit ratings. Foreign exchange Forward Contracts and Interest Rate Swap are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The model incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
- (iv)

The fair values of the Company’s interest-bearing borrowings and loans are determined by using Discounted Cash Flow method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

54 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company’s assets and liabilities

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability,



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
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either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This level of hierarchy include Company’s over-the- counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31st March, 2026 and 31st March, 2025.

Quantitative disclosures fair value measurement hierarchy -

Reporting Date	Date of valuation	Fair value measurement using			
		Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial assets at FVTPL					
Foreign exchange forward contracts					
As at 31 st March, 2026	31 st March, 2026	0.7	-	0.7	-
As at 31 st March, 2025	31 st March, 2025	9.4	-	9.4	-
Investment in mutual funds					
As at 31 st March, 2026	31 st March, 2026	193.3	193.3	-	-
As at 31 st March, 2025	31 st March, 2025	257.3	257.3	-	-
Investment in others					
As at 31 st March, 2026	31 st March, 2026	5.2	-	-	5.2
As at 31 st March, 2025	31 st March, 2025	2.8	-	-	2.8
Financial assets at FVTOCI					
Interest Rate Swap Contracts					
As at 31 st March, 2026	31 st March, 2026	0.2	-	0.2	-
As at 31 st March, 2025	31 st March, 2025	1.4	-	1.4	-
Total Financial assets	31 st March, 2026	199.4	193.3	0.9	5.2
	31 st March, 2025	270.9	257.3	10.8	2.8
Financial liabilities					
Financial liabilities at FVTPL					
Foreign exchange forward contracts					
As at 31 st March, 2026	31 st March, 2026	15.5	-	15.5	-
As at 31 st March, 2025	31 st March, 2025	3.5	-	3.5	-
Total Financial liabilities	31 st March, 2026	15.5	-	15.5	-
	31 st March, 2025	3.5	-	3.5	-

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The table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Valuation technique used to determine fair value of fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy are shown below:

Type	Valuation Technique
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate / Currency swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating - rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the respective group entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or on credit spreads derived from current credit default swap or bond prices.
Investment in others	The valuation model considers the present value of expected payments, discounted using a current risk adjusted discount rate. They are classified as Level 3 Fair values.
Investment in mutual funds	The fair values of the mutual funds are based on net asset value as at reporting date.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. The Company has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Company believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants’ increasing demands for low-emission buildings. The Company, therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties (if any).

55 The Standalone Financial Statements are presented in ₹ and all values are rounded to the nearest Crores (₹ 00,00,000), except Where otherwise indicated.

Until 31st March, 2025, the Company’s Standalone Ind AS Financial Statements were presented in Indian Rupees (₹ 00,000) with values rounded off to the nearest lakhs, except Where otherwise indicated.

Certain notes and disclosures in the Standalone Ind AS Financial Statements have been presented as zero (“0.0”) where the absolute amount is below the revised rounding off threshold adopted by the Company.

56 EVENTS AFTER THE REPORTING YEAR ENDED 31st MARCH, 2026

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 16 (C) and note 18 for details.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended 31st March 2026
(All amounts are in ₹ Crores, unless otherwise stated)

57 Additional regulatory information/disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Company.

58 MCA has amended Rule 3 of the Companies (Accounts) Rules, 2014 (the “Accounts Rules”) relating to the mode of keeping books of account and other books and papers in electronic mode through an amendment on 5th August, 2022. In compliance with the requirements of the amendment, the books of accounts and other relevant books and records are accessible in India at all times. Further, backup of books of account maintained in electronic form is kept in servers physically located in India on a daily basis.

59 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for changes, if any, made using certain administrative access rights to the SAP Hana software. Further, no instance of audit trail feature being tampered with was noted in respect of such accounting software where the audit trail has been enabled. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

60 The management has evaluated the likely impact of prevailing uncertainties relating to imposition or enhancement of reciprocal tariffs and believes that there are no material impacts on the financial statements of the Company for the year ended March 31, 2026. However, the management will continue to monitor the situation from the perspective of potential impact on the operations of the Company.

61 Standards notified but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company will adopt these new and amended standards, when they become effective.

- (a) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender’s post reporting date waiver—granted before the financial statements were approved for issue - of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1st April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1st April 2026 retrospectively in accordance with Ind AS 8.

As per our report of even date attached

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

per Huzefa Ginwala
Partner
Membership No.:111757

Place: Pune
Date : 25th May, 2026

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

S. P. Navandar
Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi
Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu
Chief Financial Officer
ICAI Membership
No.:108532

Mandar Velankar
Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026

INDEPENDENT AUDITOR’S REPORT

To the Members of Sudarshan Chemical Industries Limited

Report on the Audit of the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Sudarshan Chemical Industries Limited (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint ventures comprising of the consolidated Balance Sheet as at 31st March, 2026, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS 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 reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the ‘Auditor’s Responsibilities for the Audit

of the consolidated Ind AS financial statements’ section of our report. We are independent of the Group and its joint ventures 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 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 audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Timing of recognition of revenue (as described in note 2.3(f) (Summary of material accounting policies) and note 26 of notes forming part of the consolidated Ind AS financial statements)	Our audit procedures included the following: We and other auditors obtained an understanding of the Group’s sales process, including design and implementation of controls and tested the operating effectiveness of these controls. We and other auditors read the Group’s accounting policies pertaining to revenue recognition and assessed compliance with Ind AS 115 - Revenue from Contracts with Customers. We and other auditors obtained and read the terms of customer contracts on a sample basis to assess various performance obligations in the contract, the point in time of transfer of control of goods to customers and pricing terms. We and other auditors tested on a sample basis sales invoice for identification of point in time for transfer of control and terms of contract with customers. Further, we performed procedures to test on a sample basis whether revenue was recognized in the appropriate period (including at year end) by testing underlying sales orders, sales invoice copies, lorry receipts, shipping records, customer acceptances etc. and tested the management assessment involved in the process, wherever applicable. We and other auditors performed various analytical procedures to identify any unusual sales trends for further testing. We and other auditors assessed the disclosure relating to revenue in accordance with applicable accounting standards in the consolidated Ind AS financial statements of the Group.
Hedge accounting including valuations thereof (as described in note 2.3(s) (Summary of material accounting policies) and note 15, note 17, note 22 and note 49 of notes forming part of the consolidated Ind AS financial statements)	Our audit procedures included the following: We obtained understanding of the Holding Company’s overall hedge accounting strategy, derivative instrument valuation and hedge accounting process from initiation to settlement of derivative instruments including assessment of the design and implementation of controls and tested the operating effectiveness of these controls. We read the Holding Company’s accounting policy for hedge accounting in accordance with relevant accounting standards. We tested the existence of derivative instruments by tracing to the independent confirmations obtained from respective banks. We tested management’s hedge documentation and contracts, on a sample basis.

Key audit matters	How our audit addressed the key audit matter
Considering the significant complexities and judgements involved in estimating highly probable forecasted sales transactions, future foreign exchange rates, determination of effectiveness of hedge and the fact that these transactions have a significant financial effect and extensive accounting and disclosure requirements, hedge accounting has been identified as a key audit matter.	We tested on a sample basis the fair values of derivative instruments recorded by the Holding Company with the independent balance confirmations obtained from banks. We involved valuation specialists in re-performing the year-end fair valuations including evaluation of hedge effectiveness of derivative instruments on a sample basis and compared these valuations with those recorded by the Holding Company and assessed the valuation methodology and key assumptions used therein. We assessed the disclosure is in accordance with applicable accounting standards in the consolidated Ind AS financial statements of the Holding Company.
Determination of fair value of acquired assets including intangible assets, and liabilities assumed in accordance with Ind AS 103 – ‘Business Combinations’ (as described in note 2.3(b) (summary of material accounting policies) and note 45 of notes forming part of the consolidated Ind AS financial statements)	
Sudarshan Europe B.V. (“SEBV”), a wholly owned subsidiary of the Holding Company acquired the global pigment business operations of the Heubach Group of Germany on March 03, 2025, for a purchase consideration of ₹ 1,277.0 Crores.	Our procedures included the following: We obtained an understanding of the Holding Company’s process, including design and implementation of controls over the accounting of business combinations and tested the design and operating effectiveness of these controls. We read the Holding Company’s accounting policies pertaining to business combination and assessed compliance with Ind AS 103 - Business Combinations. We obtained and read relevant transaction agreements, meeting minutes and the underlying documentation for the consideration paid to assess that the accounting treatment is in accordance with the requirements of Ind AS - 103 Business Combinations. We obtained and read the report of the management’s expert to evaluate the reasonableness of the methodology and key assumptions used by management and its expert for identification and fair valuation of the acquired assets including intangible assets, and liabilities assumed by corroborating this identification with our understanding of the business based on our discussion with the management. We evaluated the competence and objectivity of the management’s experts. We obtained an understanding of the purchase price allocation process followed by the management. We tested the arithmetical accuracy of management’s calculations of capital reserve. We involved internal valuation experts to review the reasonableness of the valuation methodology and key assumptions used by the management and its expert in the determination of fair value of the acquired assets including intangible assets, and liabilities assumed. We assessed the related disclosures relating to business combination in accordance with applicable accounting standards in the consolidated Ind AS financial statements of the Group.



Key audit matters	How our audit addressed the key audit matter
Assessment of contingencies and provision relating to ongoing litigations for Direct Tax, Indirect tax and other matters in respect of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) (as included in note 39(b) of notes forming part of the consolidated Ind AS financial statements)	
The auditors of Sudarshan Colorants India Limited, a step-down subsidiary of the Holding Company, have reported assessment of contingencies and provision relating to ongoing litigations for Direct Tax, Indirect tax and other matters as a key audit matter on account of the following reasons:	The step-down subsidiary’s auditors (being other firm of chartered accountants) have performed the audit procedures including but not limited to the following: Obtained a detailed understanding of the management’s process for determining provisions and contingent liabilities pertaining to tax claims and other litigation disputes. Verified the design, implementation and operating effectiveness of controls in respect of assessment of direct tax, indirect tax, other matters and provisions related thereon, if any. Obtained the details and understood the nature of tax positions and litigations pending against the Company by reading the minutes of various meetings and discussing the developments during the year for litigations with the Management, the Audit Committee and management expert for the future course of action by the Company. Read the orders received by the Company from the tax authorities and opinions sought from the management’s experts. Involved auditor’s tax experts to assist them in the assessment of the possible outcome of certain cases, evaluation of underlying assumptions in estimating the tax provisions and related expenses thereon. Evaluated the evidence supporting the management’s judgment about possible outcomes and the reasonableness of the estimates made by them. Assessed and validated the appropriateness and adequacy of disclosures in the financial statements in compliance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets and Ind AS 12 Income Tax.
The step-down subsidiary has various ongoing Direct tax, Indirect tax and other matters under litigation.	
The assessment of the likely outcome of the tax and other matters and related outflow of resources that are probable, involve significant management judgment and uncertainty of assumptions, since they are based on the application and interpretation of law.	
This has been considered to be a key audit matter because of the significant impact on the financial statements and uncertainty of the possible outcomes.	

We have determined that there are no other key audit matters to communicate in our report.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and Those Charged with Governance for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS 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 Ind AS 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 Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2026 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

- We did not audit the financial statements and other financial information, in respect of (57) subsidiaries

whose financial statements include total assets of ₹ 7,060.0 Crores as at March 31, 2026, and total revenues of ₹ 7,126.5 Crores and net cash outflows of ₹ 206.0 Crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 29.3 Crores for the year ended March 31, 2026, as considered in the consolidated financial statements, in respect of 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - We / the other auditors whose report we have relied upon 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 Ind AS financial statements;

- (b) Except with respect to one subsidiary company, the back-up of books of account was kept in servers physically located in India on a daily basis as stated in note 40(h) to the consolidated Ind AS financial statements and for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g), in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint venture, incorporated in India, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2026 has been paid / provided by the Holding Company, its subsidiaries and its joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting

under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer note 39 to the consolidated Ind AS financial statements;
 - Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) note 15 and note 22 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its joint ventures and (b) the Group's share of net profit/loss in respect of its joint ventures;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and its joint venture, incorporated in India during the year ended March 31, 2026.
 - The respective managements of the Holding Company and its subsidiaries and its joint venture, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, and joint venture respectively that, to the best of its knowledge and belief, other than as disclosed in the note 40(e) to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded

in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- The respective managements of the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, other than as disclosed in the note 40(e) to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries and joint venture from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- The final dividend paid by the Holding Company, its subsidiaries and joint venture companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18 to the consolidated Ind AS financial statements, the respective

Board of Directors of the Holding Company incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective 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.

- Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint venture which are companies incorporated in India whose Ind AS financial statements have been audited under the Act, except for the instances discussed in note 40(i) to the consolidated Ind AS financial statements, the Holding Company, its subsidiaries and joint venture have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, except for the instances discussed in note 40(i) to the consolidated Ind AS financial statements, we and respective auditors of the above referred subsidiaries and joint venture, did not come across any instance of audit trail feature being tampered in respect of other accounting software where the audit trail has been enabled.

Additionally, except for the instances discussed in note 40(i) to the consolidated Ind AS financial statements, the audit trail of relevant prior year has been preserved by the Holding Company and the above referred subsidiaries and joint venture as per the statutory requirements for record retention, to the extent it was enabled and recorded in those respective year as stated in note 40(i) to the consolidated Ind AS financial statements.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 26111757XEIPYG8921

Place of Signature: Pune

Date: May 25, 2026

Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the consolidated financial statements

Re: Sudarshan Chemical Industries Limited (‘the Company’)

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr. No.	Name	CIN	Relationship with Holding Company	Clause number of the CARO report which is qualified or is adverse
1.	Sudarshan Dahej MFG Private Limited (formerly known as Heubach Pigments Private Limited)	U24290GJ2020PTC113524	Subsidiary of the Holding Company	(xvii) and (xix)

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 26111757XEIPYG8921

Place of Signature: Pune

Date: May 25, 2026



Annexure 2 referred in paragraph 2(f) under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

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

In conjunction with our audit of the consolidated Ind AS financial statements of Sudarshan Chemical Industries Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint venture, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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 in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to consolidated Ind AS financial statements

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

financial control with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to consolidated Ind AS financial statements

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

Opinion

In our opinion, the Group and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to six (6) subsidiaries, and one (1) joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, and joint venture incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 26111757XEIPYG8921

Place of Signature: Pune

Date: May 25, 2026

CONSOLIDATED BALANCE SHEET

As at 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at 31 st March, 2026	As at 31 st March, 2025 (Refer note 45)
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	2,146.4	2,035.1
(b) Capital work-in-progress	3	119.5	121.1
(c) Goodwill	4	6.8	6.8
(d) Other intangible assets	4	119.3	118.1
(e) Intangible assets under development	4	24.8	0.2
(f) Right-of-use assets	5	714.7	613.7
(g) Investments accounted for using equity method	6	231.9	207.3
(h) Financial assets			
i Investments	7	11.5	9.1
ii Loans	11	0.0	1.7
iii Derivative instruments	15	-	0.1
iv Other financial assets	8	42.9	36.7
(i) Income tax assets (net)	25	47.7	38.9
(j) Deferred tax assets (net)	25	170.6	59.0
(k) Other non-current assets	9	122.8	109.8
		3,758.9	3,357.6
II Current assets			
(a) Inventories	10	2,443.6	2,501.8
(b) Financial assets			
i Investments	7	323.0	328.2
ii Loans	11	2.5	0.4
iii Trade receivables	12	1,679.0	1,225.0
iv Cash and cash equivalents	13	932.9	1,104.3
v Bank balances other than (iv) above	14	142.0	406.9
vi Derivative instruments	15	0.9	10.7
vii Other financial assets	8	157.7	189.2
(c) Other current assets	9	282.8	568.8
		5,964.4	6,335.3
Total assets		9,723.3	9,692.9
EQUITY AND LIABILITIES			
A Equity			
(a) Equity share capital	16	15.7	15.7
(b) Other equity	17	3,434.5	3,376.7
Equity attributable to owners of the parent		3,450.2	3,392.4
(c) Non-controlling interests	46	403.8	598.2
Total equity		3,854.0	3,990.6
B Liabilities			
I Non-current liabilities			
(a) Financial liabilities			
i Borrowings	19	1,647.9	1,631.9
ii Lease liabilities	5	275.5	247.8
iii Other financial liabilities	21	7.2	4.1
(b) Provisions	23	740.1	650.9
(c) Deferred tax liabilities (net)	25	295.1	247.5
(d) Other non-current liabilities	24	6.0	6.8
		2,971.8	2,789.0
II Current liabilities			
(a) Financial liabilities			
i Borrowings	19	471.1	452.8
ii Lease liabilities	5	78.7	45.1
iii Trade payables			
Total outstanding dues of micro enterprises and small enterprises	20	93.1	57.2
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	1,440.9	1,336.5
iv Derivative instruments	22	15.5	3.5
v Other financial liabilities	21	421.7	636.4
(b) Provisions	23	92.1	114.8
(c) Other current liabilities	24	166.0	179.6
(d) Current tax liabilities (net)	25	118.4	87.4
		2,897.5	2,913.3
Total liabilities		5,869.3	5,702.3
Total equity and liabilities		9,723.3	9,692.9
Summary of material accounting policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

S. P. Navandar

Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi

Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu

Chief Financial Officer
ICAI Membership
No.:108532

per Huzefa Ginwala

Partner
Membership No.:111757

Mandar Velankar

Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune

Date : 25th May, 2026

Place: Pune

Date : 25th May, 2026



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended 31 st March, 2026	Year ended 31 st March, 2025 (Refer note 45)
I. Income			
(a) Revenue from operations	26	9,787.2	3,345.6
(b) Other income	27	79.2	33.4
Total income		9,866.4	3,379.0
II. Expenses			
(a) Cost of materials consumed	28	4,757.0	3,354.4
(b) Purchase of stock-in-trade	29	45.4	17.9
(c) Changes in inventories of finished goods and work-in-progress	30	169.4	(1,598.6)
(d) Employee benefits expense	31	1,666.3	356.0
(e) Finance costs	32	164.9	48.3
(f) Depreciation and amortisation expense	33	347.2	166.2
(g) Other expenses	34	2,559.2	834.8
Total expenses		9,709.4	3,179.0
III. Profit before exceptional items, share of profit of joint ventures, and tax (I - II)		157.0	200.0
IV. Share of profit of joint ventures, (net of taxes)		29.3	2.9
V. Profit before exceptional items and tax (III + IV)		186.3	202.9
VI. Exceptional items (expenses) / income	50	(29.7)	(103.6)
VII. Profit before tax (V + VI)		156.6	99.3
VIII. Tax expense	25		
(a) Current tax		226.3	82.1
(b) Adjustment of tax related to earlier period (net)		(18.5)	3.5
(c) Deferred tax (credit) / expense		(92.0)	(46.6)
Total tax expense		115.8	39.0
IX. Profit for the year (VII - VIII)		40.8	60.3
X. Other comprehensive income (OCI)	37		
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement gains / (losses) on defined benefit plans		27.3	5.1
Income tax effect		(3.7)	(0.4)
(ii) Gain on bargain purchase	45	-	1,196.3
		23.6	1,201.0
(b) Items that will be reclassified to profit or loss			
(i) Net movement on effective portion of cash flow hedges		6.4	12.4
Income tax effect		0.3	1.7
(ii) Gain / (loss) on translation of foreign operations		50.7	(27.4)
		57.4	(13.3)
Other comprehensive income for the year (net of taxes)		81.0	1,187.7
XI. Total comprehensive income for the year (net of taxes) (IX + X)		121.8	1,248.0
XII. Profit for the year attributable to:			
- Owners of the parent		22.3	55.9
- Non-controlling interest		18.5	4.4
		40.8	60.3
XIII. Other comprehensive income for the year attributable to:			
- Owners of the parent		80.4	1,187.9
- Non-controlling interest		0.6	(0.2)
		81.0	1,187.7
XIV. Total comprehensive income for the year attributable to:			
- Owners of the parent		102.7	1,243.8
- Non-controlling interest		19.1	4.2
		121.8	1,248.0
XV. Earnings per share	36		
[Nominal value per share ₹ 2 (31st March 2025 - ₹ 2)]			
Basic (in ₹)		2.8	7.9
Diluted (in ₹)		2.8	7.9
Summary of material accounting policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

S. P. Navandar

Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi

Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu

Chief Financial Officer
ICAI Membership
No.:108532

per Huzefa Ginwala

Partner
Membership No.:111757

Mandar Velankar

Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune

Date : 25th May, 2026

Place: Pune

Date : 25th May, 2026

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Cash flow from operating activities		
Profit before exceptional items and tax	186.3	202.9
Exceptional items (expenses) / income [refer note(50)]	(29.7)	(103.6)
	156.6	99.3
Adjustment to reconcile profit before tax to net cash flow		
Share of profit of joint ventures (net of taxes)	(29.3)	(2.9)
Depreciation and amortisation expense	347.2	166.2
Loss / (gain) on sale / disposal of property, plant and equipment	4.0	(0.6)
Net (gain) / loss on fair valuation on financial instruments	(3.0)	(0.4)
Liabilities no longer required, written back	(16.6)	(1.0)
Net (gain) / loss on foreign exchange	9.9	(16.1)
Net gain on sale of financial instruments	(18.3)	(10.8)
(Reversal) / Provision of net realisable value adjustment	3.8	22.6
Fair value loss / (gain) on derivatives	20.7	(6.4)
Impairment losses/(reversal) on financial instruments	(5.5)	9.0
Bad-debt written off	0.1	1.2
Finance costs	164.9	48.1
Interest income	(18.3)	(4.2)
Operating profit before working capital changes	616.2	304.0
Working capital adjustments :		
Increase / (decrease) in trade payables	(353.0)	217.7
Increase / (decrease) in provisions	(11.9)	6.1
Increase / (decrease) in other liabilities	(28.1)	39.9
Increase / (decrease) in other financial liabilities	(356.7)	134.8
(Increase) / decrease in trade receivables	(28.8)	(123.7)
(Increase) / decrease in inventories	360.3	(186.4)
(Increase) / decrease in other assets	355.8	(200.8)
(Increase) / decrease in other financial assets	(6.6)	(37.8)
Cash generated from operations	547.2	153.8
Income taxes paid (net of refunds) including tax related to exceptional items	(203.2)	(82.5)
Net cash flow generated from operating activities (A)	344.0	71.3
Cash flows from investing activities :		
Purchases of property, plant and equipment, intangible assets and intangible assets under development (including net movement in capital-work-in-progress, capital advances and payable for capital goods)	(270.4)	(94.6)
Proceeds from sale of property, plant and equipment and intangible assets, net of incidental expenses	2.9	1.3
Net (investment) / redemption of fixed deposits	(13.2)	(11.2)



CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Proceeds / (transfer) from / (to) escrow account, earmarked for Open offer	361.5	(361.5)
Dividend received from joint ventures	39.9	-
Consideration paid on account of business combination net of cash and cash equivalents acquired	-	(897.6)
Amount paid towards share application	-	(1.8)
Investments in financial instruments (mutual funds)	(1,130.4)	(1,538.9)
Proceeds from sale of financial instruments (mutual funds)	1,156.3	1,317.2
Interest received	18.3	4.2
Net cash flow generated from / (used in) investing activities (B)	164.9	(1,582.9)
Cash flows from financing activities :		
Proceeds from long-term borrowings	-	1,588.8
Repayment of long-term borrowings	(316.0)	(142.9)
Net proceeds / (repayments) from short-term borrowings	73.5	205.2
Dividend paid to owners of the parents	(35.6)	(9.2)
Purchase of shares from non-controlling interest, including transaction cost	(225.5)	-
Proceeds from issue of shares (including securities premium)	1.8	995.0
Transaction cost on issue of equity shares	-	(12.9)
Proceeds from issue of share warrants	-	25.0
Finance costs paid	(124.1)	(44.5)
Payment of lease liabilities	(54.4)	(8.4)
Net cash flow generated from / (used in) financing activities (C)	(680.3)	2,596.1
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(171.4)	1,084.5
Cash and cash equivalents at the beginning of the year	1,104.3	47.2
Net foreign exchange difference	-	(27.4)
Cash and cash equivalents at the end of the year	932.9	1,104.3
Cash and cash equivalents (refer note 13)		
Cash on hand	0.1	0.1
Deposits with original maturity of less than three months	139.2	161.6
Balance with banks (on current account)	793.6	942.6
Total	932.9	1,104.3

Notes :

The above Statement of Cash Flows has been prepared under the “Indirect Method” set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors of **Sudarshan Chemical Industries Limited**

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Registration Number:
324982E/E300003

S. P. Navandar

Independent Director &
Audit Committee Chairperson
DIN No.:02804964

R.B. Rathi

Chairman &
Managing Director
DIN No.:00018628

Nilkanth Natu

Chief Financial Officer
ICAI Membership
No.:108532

per Huzefa Ginwala

Partner
Membership No.:111757

Mandar Velankar

Company Secretary
ICSI Membership
No.:ACS 14469

Place: Pune
Date : 25th May, 2026

Place: Pune
Date : 25th May, 2026



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹2 each issued, subscribed and fully paid

As at 31st March, 2026

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year (refer note 16 (j))	Balance at the end of the reporting period
Equity share capital amount (in ₹ Crores)	15.7	-	-	0.0	15.7
Number of shares	7,85,72,885	-	-	39,051	7,86,11,936

As at 31st March, 2025

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the reporting period	Changes in equity share capital during the year (refer note 16 (j))	Balance at the end of the reporting period
Equity share capital amount (in ₹ Crores)	13.8	-	-	1.9	15.7
Number of shares	6,92,27,250	-	-	93,45,635	7,85,72,885

B. Other Equity

Particulars	Reserves and Surplus			Items of OCI		Share application pending allotment	Money received against share warrants	Total other equity attributable to owners of the parent	Non-controlling interests (refer note 46)	Total other equity
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings*	Share options outstanding reserve		Foreign currency translation reserve		
Balance as at 1 st April, 2024	13.2	0.0	0.1	213.4	919.4	4.6	-	9.3	-	1,134.6
Profit for the year	-	-	-	-	55.9	-	-	-	-	55.9
Other comprehensive income (net of taxes) (refer note 37)	-	-	-	-	4.9	-	-	(27.4)	-	(8.4)
Amortized amount of share based payments (ESOPs) to employees (refer note 47)	-	-	-	-	2.2	(2.2)	-	-	-	-
Additions on account of business combination (refer note 45)	-	1,196.3	-	-	-	-	-	-	-	1,196.3
Total comprehensive income for the year ended 31 st March 2025	-	1,196.3	-	-	63.0	(2.2)	-	(27.4)	-	1,243.8
Transactions with equity holders, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Payment of dividend (refer note 18)	-	-	-	-	(6.9)	-	-	-	-	(6.9)
Share warrants issued (refer note 17(h))	-	-	-	-	-	-	25.0	-	-	25.0
Transaction costs on issue of equity shares (refer note 16(h) and (i))	(12.9)	-	-	-	-	-	-	-	-	(12.9)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2026

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Reserves and Surplus			Items of OCI		Share application pending allotment	Money received against share warrants	Total other equity attributable to owners of the parent	Non-controlling interests (refer note 46)	Total other equity
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings*	Share options outstanding reserve		Foreign currency translation reserve		
Premium on equity shares issued through qualified institutional placement (refer note 16(h))	798.5	-	-	-	-	-	-	-	-	798.5
Premium on equity shares issued through preferential issue (refer note 16(i))	194.6	-	-	-	-	-	-	-	-	194.6
Total distributions to equity holders	980.2	-	-	-	(6.9)	-	25.0	998.3	594.0	1,592.3
Balance as at 31 st March, 2025	993.4	1,196.3	0.1	213.4	975.5	2.4	25.0	3,376.7	598.2	3,974.9
Balance as at 1 st April, 2025	993.4	1,196.3	0.1	213.4	975.5	2.4	25.0	3,376.7	598.2	3,974.9
Profit for the year	-	-	-	-	22.3	-	-	-	-	22.3
Other comprehensive income (net of taxes) (refer note 37)	-	-	-	-	23.0	-	-	50.7	-	6.7
Total comprehensive income for the year ended 31 st March 2026	-	-	-	-	45.3	-	-	50.7	-	6.7
Transactions with equity holders, recorded directly in equity	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interest due to acquisition (Refer note 46)	-	-	-	-	-	-	-	-	(213.5)	(213.5)
Payment of dividend (refer note 18)	-	-	-	-	(35.4)	-	-	-	-	(35.4)
Net (loss) on transactions with non-controlling interests	-	-	-	-	(11.2)	-	-	-	-	(11.2)
Amount received (ESOPs) from employees (refer note 16(j))	2.0	-	-	-	-	(0.7)	-	-	-	1.7
Total distributions to equity holders	2.0	-	-	-	(46.6)	(0.7)	-	-	-	(44.9)
Balance as at 31 st March, 2026	995.4	1,196.3	0.1	213.4	974.2	1.7	25.0	3,434.5	403.8	3,838.3

*includes re-measurement of defined employee benefit plans

There are no prior period errors during the current year and previous year
The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors of Sudarshan Chemical Industries Limited

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982/E/300003

R. B. Rath
Chairman & Managing Director
DIN No.:00018628

Nilkanth Natu
Chief Financial Officer
ICAI Membership No.:108532

per Huzefa Ginwala
Partner
Membership No.:111757

Mandar Velankar
Company Secretary
ICSI Membership No.:ACS 14469

Place: Pune
Date : 25th May, 2026

Place: Pune
Date : 25th May, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

1. Corporate Information:

The consolidated financial statements comprise financial statements of “Sudarshan Chemical Industries Limited” (“the Company” or “the Holding Company”), its subsidiaries, and joint ventures (collectively referred to as “the Group”) for the year ended 31st March 2026. The Company is a Public Limited Company domiciled in India. The Company was incorporated as a Private Limited Company on 19th February 1951. The name of the Company was changed to Sudarshan Chemical Industries Limited on 15th May, 1975. Equity shares of the Company were listed on the Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”) since February 02, 1977 and May 25, 1995 respectively.

The CIN number of the Company is L24119PN1951PLC008409. The Company’s Equity Shares are listed on the BSE and NSE. The registered office of the Company is located at 7th Floor, Eleven West Panchshil, Survey No. 25, Near PAN Card Club Road, Baner, Pune – 411 069, Maharashtra, India.

The Group manufactures, sells and trades in a wide range of Organic, Inorganic and Effect Pigments. The Group also manufactures and sells Pollution Control Equipment, Size Reduction Equipment and Grinding Equipment for industrial applications.

The Consolidated Financial Statements of the Group for the year ended 31st March 2026 were approved for issue in accordance with a resolution of the Board of Directors on 25th May, 2026.

2. Material Accounting policies:

2.1 Statement of Compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to consolidated financial statements.

Accordingly, the Group has prepared these consolidated financial statements which comprise the Consolidated Balance Sheet as at 31st March 2026, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together

hereinafter referred to as “Consolidated Financial Statements” or “financial statements”). These financial statements are approved for issue by the Board of Directors on 25th May, 2026.

2.2 Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time), (Ind AS compliant Schedule III), as applicable to the consolidated financial statements of the Group.

These consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value. (Refer Note 51).
- Entities whose functional currencies are the currencies of hyperinflationary economies and are adjusted in terms of the measuring unit current at the end of the reporting period. Refer Note 53 for further details.
- Equity settled ESOP at grant date fair value (refer note 51)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in ₹, and all values are rounded to the nearest Crores (₹ 00,00,000), except when otherwise indicated. In the previous year, amounts were rounded to the nearest lakhs (₹ 00,000).

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

2.3 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns
- Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group’s voting rights and potential voting rights
 - The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the

consolidated financial statements to ensure conformity with the Group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidated financial statements present assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries as those of a single economic entity. In preparing these consolidated financial statements, below key consolidation procedures are followed:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, assets, liabilities, equity, income, expenses and cash flows of subsidiaries are based on the amounts of the assets and liabilities determined as per the Business Combination policy and recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) In case of foreign subsidiaries, revenue items are consolidated at the functional currency spot rates at the date the transaction first qualifies for recognition. All assets and liabilities are converted at rates prevailing at the end of the reporting period. Any exchange difference

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

- arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
- (e) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.4 Summary of material accounting policies:

(a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

- An asset is treated as current when it is:
- expected to be realised or intended to be sold or consumed in normal operating cycle;
 - held primarily for the purpose of trading;
 - expected to be realised within twelve months after the reporting period, or
 - cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
- it is expected to be settled in normal operating cycle;
 - it is held primarily for the purpose of trading;
 - it is due to be settled within twelve months after the reporting period, or
 - there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash

and cash equivalents. The Group has identified twelve months as its operating cycle.

(b) Business combinations, Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received, with the exception of the costs of issuing debt or equity securities that are recognised in accordance with Ind AS 32 and Ind AS 109.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 - Income Tax and Ind AS 19 - Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

- in accordance with Ind AS 102 - Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 - Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
 - Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

When additional payments contingent on future events are negotiated and agreed as part of the business combination agreement, the entity analyses the nature as well as economic substance of these payments, particularly, payments made to those who remain as employees of the business after it is acquired, to determine whether these whether they are in the nature of payment for future employee services or they represent contingent consideration for business combination. In the former case, depending on the exact terms of the arrangement, the payments to be made are accounted for as remuneration for services to be received subsequent to the acquisition, rather than as part of the consideration paid for the business. Any contingent consideration to be transferred by the acquirer, i.e., contingent payment to be treated as such, is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 - Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted

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through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(c) Investment in joint venture:

The group holds an interest in joint ventures - Heubach Toyo Colour Private Limited, and Hangzhou Baihe Heubach Pigments Co. Ltd. The financial statements of Heubach Toyo Colour Private Limited, and Hangzhou Baihe Heubach Pigments Co. Ltd. are prepared for the same reporting period as the Group. The accounting policies of these entities are aligned with those of the Group.

Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets, and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a jointly controlled entity is initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and that of other comprehensive income of the jointly controlled entity. Distributions received from a jointly controlled entity reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group, jointly controlled entities are eliminated to the extent of the interest in the jointly controlled entity. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within "Share of profit/(loss) of joint ventures" in the statement of profit or loss.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown separately on the face of the statement of profit and loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as "Share of profit of joint venture" in the statement of profit and loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

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(d) Foreign currencies:

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The functional currency and presentation currency of the Group is Indian National Rupee (₹). The Group's financial statements are presented in ₹. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss exception to the following:

- Extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.
- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI and accumulated in equity in a separate reserve, viz., Foreign Currency Translation

Reserve. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

All other foreign exchange gains and losses are presented in the Statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Consolidated Statement of Profit and Loss are also recognised in Other Comprehensive Income (OCI) or Consolidated Statement of Profit and Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group Companies

On consolidation, the results and financial position of foreign operations (except group subsidiaries in Argentina and Turkey which has currency of hyperinflation (refer policy described in note z below), none of the Group's subsidiary and joint ventures has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

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- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.
- On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit and loss

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. All resulting exchange differences are recognised in other comprehensive income.

(e) Fair value measurement:

The Group measures financial instruments, such as, derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its

highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2, 51 and 52)

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- Quantitative disclosures of fair value measurement hierarchy (note 52)
- Investment in unquoted equity shares (note 7)
- Financial instruments (including those carried at amortised cost) (note 6, 7, 8, 9, 13, 17, 18, 19, 36 and 37)

(f) Revenue:

i) Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-180 days from the shipment or delivery of goods or services as the case may be.

The Group does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods or services will be transferred to the customer within a period of one year.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3 (z) and note 26.

The Group has following streams of revenue:

(1) Revenue from sale of goods:

If the criteria for revenue under over-a-period of time as mentioned below in "revenue from projects" are not met, the Group recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is determined

based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, inco-terms the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

(2) Revenue from projects:

In relation to Group's revenue from manufacture and sale of pollution control equipment, size reduction equipment and pneumatic conveying systems, the equipment are customised based on specific customer requirements. Most of such revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. In respect of customised products based on specific customer requirement, each equipment / system is considered as a separate performance obligation.

The Group may promise to provide distinct goods or services within a contract, in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The Group uses the expected cost plus a margin approach to estimate the standalone selling price of each performance obligation in case of contracts with more than one distinct performance obligations.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over a period of time if any of the following criteria is met:

- The customer simultaneously consumes the benefits as the Group performs, or
- The customer controls the work-in-progress, or

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- The Group’s performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date.

The Group recognizes revenue over time as the Group’s performance does not create an asset with alternative use to the Group and the Group has right to payment for the performance completed till date.

The Group uses cost-based measure of progress (or input method) for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the cost-based measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated profits, are recorded proportionally as costs are incurred.

When it becomes probable that the total contract costs will exceed the total contract revenue, the Group recognizes the expected losses from onerous contract as an expense immediately.

(3) Revenue from services

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Contract balances

- (a) Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration and are transferred to Trade receivables on completion of milestones and its related invoicing. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in Note 2.3 (r) Financial instruments – initial recognition and subsequent measurement.

- (b) Trade receivables: A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.3 (r) Financial instruments.
- (c) Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration in form of advance (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Group performs the obligation as per the contract.

ii) Export incentive (government grant):

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

iii) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount on initial recognition.

iv) Dividend income:

Dividend income from investments is recognised when the shareholder’s right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

v) Other income:

Insurance claims are accounted on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. Other income is recognised when it is received or when the right to receive payment is established.

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vi) Impairment:

An impairment is recognised to the extent that the carrying amount of receivable or asset relating to contracts with customers (a) the remaining amount of consideration that the group expects to receive in exchange for the goods or services and that have not been recognised as expenses.

vii) Variable considerations:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(g) Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as deferred income and is allocated to the Consolidated Statement of Profit and Loss over the periods and in the proportions in which depreciation on those assets is charged.

(h) Taxes:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

i) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those

that are enacted or substantively enacted, at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii) Deferred tax:

Deferred tax is provided using the balance-sheet approach on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences (“outside-basis differences”) can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit

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will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax

liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside the Consolidated Statement of Profit and Loss is recognised outside the Consolidated Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI / capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

At each balance sheet date, the Group assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted for any of the tax jurisdictions in which the Group operates.

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iii) Indirect taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of indirect taxes paid, except:

- 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.
- 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.

(i) Property, plant and equipment and Capital work in progress:

i) Recognition and measurement:

An item of property, plant and equipment ("PPE") is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Group depreciates them separately based on their specific useful lives.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. 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. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

Machinery spares which meet the definition of PPE are capitalised and depreciated over the useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 Consolidated Statement of Profit and Loss when the asset is derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

ii) Depreciation:

- (1) Depreciation on items of property, plant and equipment (except freehold land) is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, except in respect of the following assets where, useful life of assets has been determined based on technical evaluation done by the management's expert:

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Asset Class	(in years)	
	Useful Life Adopted	Useful Life as per Schedule – II
Plant and Machinery - Other than below	1 - 21	7.5 / 15
Plant and Machinery - SS Vessels / SS Equipments	7.5 / 15	7.5
Plant and Machinery - Other than SS Components	7.5 / 7.7	7.5
Building and Appliances	1 - 61	5 / 30 / 60
Furniture and Fixtures / Office equipments	1 - 10	10.0
Vehicles	1 - 8	8.0

The above-mentioned useful lives are on a three-shift basis, except for vehicles.

- (2) The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
- (3) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 P&L when the asset is derecognised.
- (4) The Group reviews the residual value, useful lives and depreciation method annually and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(j) Intangible assets and Intangible assets under development:

i) Recognition and measurement:

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss.

Internally generated intangible assets arising from development activity are recognised at cost when the project is clearly defined and the costs are separately identified and reliably measured, on demonstration of technical feasibility of the project, the intention and ability of the Group to complete, use or sell it is demonstrated, adequate resources are available to complete the project and only if it is probable that the asset would generate future economic benefits. Such costs are capitalised as “Technical know-how”. Otherwise, it is recognised as an expense in the Consolidated Statement of Profit and Loss in the period they are incurred. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is derecognised.

ii) Amortisation:

- (1) The useful lives of intangible assets are assessed as either finite or indefinite.
- (2) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

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- (3) Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

iii) Research and development costs

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss as and when incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

Its intention to complete and its ability and intention to use or sell the asset

How the asset will generate future economic benefits

The availability of resources to complete the asset

The ability to measure reliably the expenditure during development

A summary of the amortisation / depletion policies applied to the Group’s other intangible assets to the extent of depreciable amount is as follows:

Asset Class	Years
Registrations	1-12
Computer Software	1-10
Technical Know-How	3-10
Other intangible assets	5

For acquired Technical Know-How in business combination transaction, management has considered 10 years as useful life.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the P&L unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

- (i) Capital work in progress (“CWIP”):
Capital work in progress is stated at cost, net of accumulated impairment loss, if any.
- (1) Projects under commissioning and other CWIP items are carried at cost, comprising direct costs, related incidental expenses and eligible borrowing costs, if any.
- (2) Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(k) Borrowing costs:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset till the date the asset is ready for intended use. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended period when active development activity on the qualifying asset is suspended. Other borrowing costs are recognised as an expense in the period in which they are incurred. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss for the period for which they are incurred.

(l) Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

- i) Right-of-use assets:
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment

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losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful Life estimated by management (years)
Leasehold Land	1 to 95 years
Building	1 to 15 years
Plant & Machinery (IT Equipment's)	1 to 8 years
Vehicles	2 to 4 years

If ownership of the right-of-use asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (r) Impairment of non-financial assets.

Sale and leaseback

When the Group (seller-lessee) sells an asset to another entity (buyer-lessor) and leases it back from the buyer-lessor, the Group determines if the transaction qualifies as a sale under Ind AS 115 or whether the transaction is a collateralised borrowing.

A sale and leaseback qualify as a sale if the buyer-lessor obtains control of the underlying asset. The Group measures a right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain / (loss) that the Group recognises is limited to the proportion of the total gain / (loss) that relates to the rights transferred to the buyer-lessor.

Any difference between the sale consideration and the fair value of the asset is either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market

terms), and this is applied if the lease payments are not at market rates.

If the transfer does not qualify as a sale under Ind AS 115, the Group does not derecognise the transferred asset, and it accounts for the cash received as a financial liability.

ii) Lease liabilities:

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, 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 (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets:

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition

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exemption to leases that are considered to be low value (i.e. ₹ 500,000).

- In making this assessment, the Group also factors below key aspects:
- The assessment is conducted on an absolute basis and is independent of the size, nature, or circumstances of the lessee.
- The assessment is based on the value of the asset when new, regardless of the asset's age at the time of the lease.
- The lessee can benefit from the use of the underlying asset either independently or in combination with other readily available resources, and the asset is not highly dependent on or interrelated with other assets.
- If the asset is subleased or expected to be subleased, the head lease does not qualify as a lease of a low-value asset.

Based on the above criteria, the Group has classified leases of IT equipment for individual employees, and leases of office furniture and water dispensers as leases of low value assets.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor:

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the Consolidated Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(m) Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, stores and spares and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

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

(n) Impairment of non-financial assets:

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term

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growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

For the assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31st March and when circumstances indicate that the carrying value may be impaired. If impairment exists, it is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill, if booked, cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31st March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use

amounts. See Note 6 for further discussion of the impact of climate-related risks on the value in use.

(o) Provisions, contingent liabilities and contingent assets:

i) Provisions:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Consolidated Statement of Profit and Loss net of any reimbursement.

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

Decommissioning Liability

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for Onerous Contract

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation

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or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

ii) Contingent liability

Contingent liability is:

(a) possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or

(b) a present obligation that arises from past events but is not recognized because;

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The Group does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37. The cases which have been determined as remote by the Group have not been disclosed.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

iii) Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Group does not recognize the contingent asset in its Consolidated Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and the Group recognise such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(p) Post-employment and other employee benefits:

i) Short-term employee benefits:

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised at an undiscounted value for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Post-employment benefits:

(1) Defined contribution plans:

The contributions to provident fund and superannuation schemes are recognised in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service. The Group has no further obligations under these schemes beyond its periodic contributions. The group recognizes contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

(2) Defined benefit plans:

The Group operates two defined benefit plans for its employees, viz. gratuity, and pension. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

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Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.
- Re-measurement

The Group presents the first two components of defined benefit costs in Statement of profit and loss in the line item "Employee benefits expense". Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs. Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. These benefits are expensed at the earlier of when the Group

can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(3) Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains / losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(q) Share based payments:

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in note 47.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best

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estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Consolidated Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through Consolidated Statement of Profit and Loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(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.

i) Financial assets:

(1) Initial recognition and measurement:

With the exception of trade receivables that do not contain a significant financing component

or for which the Group has applied the practical expedient, the Group initially measures a financial asset at amortised cost, fair value through fair value through other comprehensive income (OCI), and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Note 2.3 (f) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

(2) Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)

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- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments):

A “financial asset” is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method and are subject to impairment as per the accounting policy applicable to “Impairment of financial assets.”. 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 finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on financial assets, refer Note 8 and for receivables, refer Note 12.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A “financial asset” is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- (b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Consolidated Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to Consolidated Statement of Profit and Loss.

The Group’s debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through other comprehensive income (equity instruments):

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under Ind AS 32 Financial Instruments - Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to Consolidated Statement of Profit and Loss. Dividends are recognised as other income in the Consolidated Statement of Profit and Loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group has not elected to classify irrevocably any of its equity investments under this category.

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

Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. The Group has not designated any financial assets at FVTPL. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Consolidated Statement of Profit and Loss. Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income on listed equity investments are recognised in the Consolidated Statement of Profit & Loss as Other Income when the right of payment has been established.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay

the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(3) Impairment of financial assets:

In accordance with Ind AS 109, the Group uses “Expected Credit Loss” (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Group applies “simplified approach” which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At all reporting date these historical default rates are

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reviewed and changes in the forward-looking estimates are analysed.

Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other assets, the Group uses 12 month Expected Credit Loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime Expected Credit Loss is used. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities and equity instruments:

(1) Classification as debt or equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. The Group classifies a financial instrument issued by it as equity instrument only if below conditions are met:

- The instrument neither includes contractual obligation to deliver cash or another financial asset to another entity, nor it includes any obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.
- If the instrument will or may be settled in the Group's own equity instruments, it is non-derivative instrument that includes no contractual obligation for the Group to deliver a variable number of its own equity instruments. If the instrument is derivative, then it should be settled only by the Group exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

All other instruments are classified as financial liability and accounted for using the accounting policy applicable to the Financial Liabilities.

(2) Initial recognition and measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Consolidated Statement of Profit and Loss as finance cost. The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(3) Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. Financial liabilities are carried at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or

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costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss. For more information refer Note 32.

(4) Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

(5) Supplier Finance arrangements:

The Group has established supplier finance arrangements (Refer Note 21A). The Group evaluates whether financial liabilities covered such arrangements continue to be classified within trade payables, or they need to be classified as a borrowing or as part of other financial liabilities/ as a separate line item on the face of the balance sheet. Such evaluation requires exercise of judgment basis specific terms of the arrangement.

The Group classifies financial liabilities covered under supplier finance arrangement within trade payables in the balance sheet only if (i) the obligation represents a liability to pay for goods and services, (ii) is invoiced and formally agreed with the supplier, (iii) is part of the working capital used in its normal operating cycle, (iv) the group is not legally released from its original obligation to the supplier, and has not assumed a new obligation toward the bank, and another party (iv) there is no substantial modification to the terms of the liability.

If one or more of the above criteria are not met, the Group derecognises its original liability toward the supplier and recognise a new liability toward the bank which is classified as bank borrowing or other financial liability, depending on factors such as whether the Group (i) has obligation toward bank, (ii) is getting extended credit period such that obligation is no longer part of its working capital cycle, (iii) is paying interest directly or indirectly, (iv) has provided

guarantee or security, and/ or (v) is recognized as borrower in the bank books.

Cash flows related to liabilities arising from supplier finance arrangements that continue to be classified in trade payables in the consolidated balance sheet are included in operating activities in the consolidated statement of cash flows, when the Group finally settles the liability.

In cases, where the Group has derecognised its original liability toward the supplier and recognise a new liability toward the bank, the Group has assessed that the bank is acting as its agent in making payment to the supplier. Accordingly, the Group presents operating cash outflow and financing cash inflow, when bank made payment to the supplier. The payment made by the group to the bank toward interest, if any, as well as on settlement is presented as financing cash outflow.

(6) Reclassification of financial assets:

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an

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intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(s) Derivative financial instruments and hedge accounting:

Initial recognition and subsequent measurement

The Group uses various derivative financial instruments such as forwards, interest rate swaps and currency swaps to mitigate the risk of changes in interest rates and exchange rates. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Consolidated Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to the Consolidated Statement of Profit and Loss, when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- (a) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- (b) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- (c) Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument.
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedge:

The Group designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates and exchange rates. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss as Finance Costs.

If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to the Consolidated Statement of Profit and Loss over the period of maturity.

Cash flow hedge:

The Group designates derivative contracts or non-derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is

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recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Consolidated Statement of Profit and Loss. Refer to Note 49 for more details.

If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold / terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Consolidated Statement of Profit and Loss.

(t) Cash and cash equivalents, and Bank balances:

Cash and cash equivalent comprises of cash at banks (which are unrestricted for withdrawal and usage), and cash on hand and short-term deposits with original maturity of three months or less. Bank balances other than cash and cash equivalents as explained above comprises of earmarked balances of unclaimed dividends, funds for open offer made under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and short-term deposits with original maturity of three months or more. These items are subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above which are considered as integral part of the Group's cash management.

(u) Dividends:

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

(v) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the

equity shareholders of the Group by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(w) Events after the reporting date:

If the Group receives information after the reporting period, but prior to the date of approved for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

(x) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Group has identified the Managing Director as the chief operating decision maker of the Group.

(y) Rounding-off of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to nearest lakhs, with one decimal, as per the requirement of Schedule III, unless otherwise stated.

(z) Hyperinflation

The financial statements of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period (Refer note 53).

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(aa) Climate-related matters:

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- i) Useful life of property, plant and equipment: When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- ii) Impairment of non-financial assets: The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

(bb) New and amended standards:

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- i. **Amendments to Ind AS 21 - Lack of exchangeability**
- ii. The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how

the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

- iii. The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Group's financial statements.

ii. **Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event.

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Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments have resulted in additional disclosures in Note 15 but have not had an impact on the classification of Group's liabilities.

iii. **Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements**

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 20 and Note 43B.

iv. **International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12**

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules.

(cc) Significant accounting judgements, estimates and assumptions:

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 44.
- Sensitivity analyses disclosures Notes 38, 44(A) and 51.
- Capital management Note 44(B)

Use of significant judgements:

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

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i) **Determining the lease term of contracts with renewal and termination options – Group as a lessee:**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Refer Note 5 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) **Business combinations and intangible assets**

Business combinations and intangible assets Business combinations are

accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Refer note 51 & 52.

ii) **Estimating the incremental borrowing rate to measure lease liabilities**

The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating).

iii) **Useful life and residual value of property, plant and equipment and intangible assets:**

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group’s property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Consequently, the future depreciation charge could be revised and may have an impact on profit for future

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years. The policy for the same has been explained in notes 2.3 (h) and 2.3 (i).

iv) **Recognition of deferred tax assets**

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.3 (f).

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Valuation of recoverable income tax assets especially with respect to deferred tax assets on tax loss carry forwards. The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

v) **Defined benefit obligation:**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for respective countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for respective countries. Further details about defined benefit plans are given in Note 2.3 (o).

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vi) Impairment of non-financial assets:

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an assets or Cash Generating Unit’s (CGU’s) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the 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 risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. The policy for the same has been explained under Note 2.3 (m).

vii) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than it carrying amount, the impairment loss is recorded in the Consolidated Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying

amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Consolidated Statement of Profit or Loss. The policy for the same has been explained in Note 2.3 (q) Financial Instruments.

viii) Provision for inventory obsolescence:

The Group identifies slow and non-moving stock of all inventories on an ongoing basis. These materials are then classified based on their expected quality parameters to determine the possibility of utilisation / liquidation of these materials. Based on this study, a provision for slow and non-moving inventory is created.

ix) Share based payment:

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses the Black-Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 52.

x) Litigation:

The Group has various ongoing litigations, the outcome of which may have a material effect on the financial position, results of operations or cashflows. The Group’s legal team regularly analyses current information about these matters and assesses the requirement for provision for probable losses including estimates of legal expense to resolve such matters. In making the decision regarding the need for loss provision, the management considers the degree of probability of an unfavourable

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outcome and the ability to make sufficiently reliable estimate of the amount of loss. The filing of a lawsuit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Considering the facts on hand and the current stage of certain ongoing litigations the Group foresees a remote risk of any material claim arising from claims against the Group. The Management has exercised significant judgement in assessing the impact, if any, on the disclosures in respect of litigations in relation to the Group.

xi) Determination of timing of satisfaction of performance obligation:

For revenue recognised at a point in time, the Group has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. The goods manufactured by the Group are on the basis of the open purchase order as on date and the order expected to be received. Further, the goods are dispatched as per the terms mentioned in the purchase order.

For revenue recognised over a period of time, at each reporting date, the Group is required to estimate costs to complete on fixed-price contracts. Estimating costs to complete on such contracts requires the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. This estimate will impact revenues, cost of sales, work-in-progress, billings in excess of costs, estimated earnings, and accrued contract expenses.

(xii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using different valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but

where this is not feasible, a degree of judgement is required in establishing fair values. Judgements and estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 51 and 52 for further disclosures.

(xiii) Climate – related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group’s products. The Group has concluded that there is no single climate-related assumption that affects the assessment of value-in-use amounts.
- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning one of the Group’s manufacturing facilities. See Note 2.3 i) for further disclosures.

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL-WORK-IN-PROGRESS

A. Reconciliation of carrying amount

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Machinery	Vehicles	Furniture and Fixtures (refer note 56)	Office Equipments	Total	Capital Work-in-Progress
Gross amount as at 1 st April, 2024 (refer note G)	8.4	179.4	0.4	1,430.6	9.7	27.5	4.1	1,660.1	14.5
Additions	-	6.6	0.9	68.6	3.4	0.7	0.8	81.0	96.4
Additions on account of business combination (refer note E)	161.6	443.2	-	433.0	4.9	21.7	3.4	1,067.8	74.7
Disposals	-	(0.0)	-	(3.1)	(2.3)	(0.4)	(0.0)	(5.8)	-
Exchange differences	(3.3)	(2.2)	-	(10.3)	(0.0)	(0.6)	(0.3)	(16.7)	(0.5)
Capitalised to property, plant and equipment									(64.0)
Gross amount as at 31 st March, 2025	166.7	627.0	1.3	1,918.8	15.7	48.9	8.0	2,786.4	121.1
Accumulated depreciation as at 1 st April, 2024 (refer note G)	-	26.7	0.1	579.0	5.5	7.8	1.2	620.3	-
Depreciation for the year	-	12.4	1.1	128.5	1.4	3.6	1.3	148.3	-
Disposals	-	-	-	(2.8)	(2.0)	(0.4)	(0.0)	(5.2)	-
Exchange differences	-	(1.9)	-	(9.2)	(0.1)	(0.6)	(0.3)	(12.1)	-
Accumulated depreciation as at 31 st March, 2025	-	37.2	1.2	695.5	4.8	10.4	2.2	751.3	-
Net amount as at 31 st March, 2025	166.7	589.8	0.1	1,223.3	10.9	38.5	5.8	2,035.1	121.1
Gross amount as at 1 st April, 2025 (refer note G)	166.7	627.0	1.3	1,918.8	15.7	48.9	8.0	2,786.4	121.1
Additions	4.3	44.8	-	155.7	9.6	52.1	2.0	268.5	186.2
Disposals	-	(0.7)	(1.2)	(19.5)	(6.1)	(2.4)	(0.7)	(30.6)	-
Exchange differences	8.8	99.3	-	142.0	2.4	11.4	1.2	265.1	8.4
Capitalised to property, plant and equipment									(196.2)
Gross amount as at 31 st March, 2026	179.8	770.4	0.1	2,197.0	21.6	110.0	10.5	3,289.4	119.5
Accumulated depreciation as at 1 st April, 2025 (refer note G)	-	37.2	1.2	695.5	4.8	10.4	2.2	751.3	-
Depreciation for the year	-	68.9	-	187.7	4.2	12.6	1.1	274.5	-
Disposals	-	(0.5)	(1.2)	(15.9)	(3.6)	(2.1)	(0.6)	(23.9)	-
Exchange differences	-	45.3	-	85.4	1.6	7.5	1.3	141.1	-
Accumulated depreciation as at 31 st March, 2026	-	150.9	-	952.7	7.0	28.4	4.0	1,143.0	-
Net amount as at 31 st March, 2026	179.8	619.5	0.1	1,244.3	14.6	81.6	6.5	2,146.4	119.5



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- B. The Group has pledged certain Property, plant and equipment against borrowings, the details of which have been given in note 19 (d).
- C. The above disclosure includes Property, plant and equipment used for Research and Development.
- D. The Group has not revalued its Property, plant and equipment during financial years ended 31st March, 2026 and 31st March, 2025. Also refer note 45 for fair valuation of assets acquired on account of business combination.
- E. Refer Note 45 for additions on account of business combination.
- F. Refer Note 39(a) for disclosure on contractual commitments for the acquisition of Property, plant and equipment.
- G. On transition to Ind AS (i.e. 1st April, 2016), the Holding Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.
- H. Following is the ageing schedule for Capital-work-in progress (“CWIP”):

As at 31st March, 2026

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	102.5	15.2	0.9	0.7	119.3
Projects temporarily suspended	-	-	-	0.2	0.2
	102.5	15.2	0.9	0.9	119.5

As at 31st March, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	83.5	8.1	16.0	11.7	119.3
Projects temporarily suspended	-	-	-	1.8	1.8
	83.5	8.1	16.0	13.5	121.1

The CWIP mainly includes on going project in relation to capital expenditure for Plant and Machinery.

There are no projects whose completion is overdue or have exceeded their cost compared to original plan except for projects mentioned below:

As at 31st March, 2026

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 (completion overdue)	4.6	-	-	-	4.6
	4.6	-	-	-	4.6

As at 31st March, 2025

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project 1 (completion overdue) [additions on account of business combination (refer note 45)]	3.4	-	-	-	3.4
	3.4	-	-	-	3.4

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4 INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT

A. Reconciliation of carrying amount

Particulars	Computer Software	Technical Knowhow (Acquired)	Technical Knowhow (Internally Generated)	Registrations (Acquired)	Other Intangible Assets	Total	Goodwill on acquisition of Business [refer note (D)]	Intangible Assets under development "IAUD"
Gross amount as at 1 st April, 2024 (refer Note G)	21.6	2.8	22.1	12.5	4.7	63.7	6.8	-
Additions	0.2	-	-	0.6	-	0.8	-	-
Additions on account of business combination (refer note F)	3.9	87.1	-	6.6	0.1	97.7	-	0.2
Exchange differences	0.2	-	-	0.7	2.2	3.1	-	-
Gross amount as at 31 st March, 2025	25.9	89.9	22.1	20.4	7.0	165.3	6.8	0.2
Accumulated amortisation as at 1 st April, 2024 (refer Note G)	13.8	2.1	10.4	6.1	2.6	35.0	-	-
Amortisation for the period	2.8	0.7	3.8	1.7	0.6	9.6	-	-
Exchange differences	0.2	-	-	0.2	2.2	2.6	-	-
Accumulated amortisation as at 31 st March, 2025	16.8	2.8	14.2	8.0	5.4	47.2	-	-
Net amount as at 31 st March, 2025	9.1	87.1	7.9	12.4	1.6	118.1	6.8	0.2
Gross amount as at 1 st April, 2025 (refer Note G)	25.9	89.9	22.1	20.4	7.0	165.3	6.8	0.2
Additions	6.7	-	-	1.0	-	7.7	-	24.8
Disposals / Transfer	(0.2)	-	-	-	-	(0.2)	-	(0.2)
Exchange differences	3.6	16.6	-	11.0	19.0	50.2	-	-
Gross amount as at 31 st March, 2026	36.0	106.5	22.1	32.4	26.0	223.0	6.8	24.8
Accumulated amortisation as at 1 st April, 2025 (refer Note G)	16.8	2.8	14.2	8.0	5.4	47.2	-	-
Amortisation for the year	5.5	7.9	2.9	5.3	0.8	22.4	-	-
Disposals / Transfer	-	-	-	-	-	-	-	-
Exchange differences	1.9	1.3	-	11.8	19.1	34.1	-	-
Accumulated amortisation as at 31 st March, 2026	24.2	12.0	17.1	25.1	25.3	103.7	-	-
Net amount as at 31 st March, 2026	11.8	94.5	5.0	7.3	0.7	119.3	6.8	24.8

B. The Group has not revalued its intangible assets during financial years ended 31st March, 2026 and 31st March, 2025. Also refer note 45 for fair valuation of assets acquired on account of business combination.

C. Ageing schedule for the Intangible Assets under Development ("IAUD") as at 31st March, 2026 and 31st March, 2025.



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As at 31st March, 2026

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress*	24.8	-	-	-	24.8
Projects temporarily suspended	-	-	-	-	-
	24.8	-	-	-	24.8

*Costs related to SAP-RISE implementation, Inventory management tool and SCM (Supply Chain Management) tool are recognized as Intangible Asset under Development.

As at 31st March, 2025

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.2	-	-	-	0.2
Projects temporarily suspended	-	-	-	-	-
	0.2	-	-	-	0.2

D. Goodwill on acquisition of business of RIECO Industries Limited -

Goodwill of ₹6.8 Crores (Previous year: ₹6.8 Crores) relates to the CGU - Engineering Equipments Business (refer note 48). The estimated value in use of the CGU is based on future cash flows assuming an annual terminal growth rate of 5% for the period subsequent to the forecast period of 5 years and a discount rate of 25% which considers the operating and macroeconomic environment in which the entity operates. An analysis of the sensitivity of the change in key parameters (operating margin, discount rates and long term average growth rate) based on reasonably probable assumptions, did not result in any probable scenario in which the recoverable amount of the CGU would decrease below the carrying amount. The discount rate was estimated based on past experience and Holding Company's weighted average cost of capital. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors.

E. There are no projects whose completion is overdue or have exceeded their cost compared to original plan.

F. Refer Note 45 for additions on account of business combination.

G. On transition to Ind AS (i.e. 1st April, 2016), the Holding Company has elected to continue with the carrying value of all intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

H. During the year ended 31st March, 2026, the Group has determined that there is no impairment towards intangible assets including intangible assets under development.



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5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group as a lessee

The Group has lease contracts for various items of building, land, plant & machinery (IT equipment) and vehicles used in its operations. Leases of building generally have lease terms between 1 and 20 years, certain Plant & Machinery (IT equipment) have lease term of 1 to 5 years and vehicle have lease term of 2 to 4 years. Leasehold land generally have lease terms between 7 and 99 years. Certain Leasehold land pertains to upfront payments and hence have longer lease terms upto 99 years with no corresponding leasehold liabilities. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for such leases.

A. Reconciliation of carrying amount of Right-of-use assets (“ROU”)

Particulars	Leasehold Land	Plant & Machinery (IT Equipment)	Buildings	Vehicles	Total
Gross amount as at 1 st April, 2024	2.6	1.9	28.2	-	32.7
Additions	-	-	20.8	0.2	21.0
Additions on account of business combination **	295.8	1.7	279.8	3.3	580.6
Disposals	-	-	(7.3)	-	(7.3)
Exchange differences	0.0	-	(3.1)	(0.2)	(3.3)
Gross amount as at 31 st March, 2025	298.4	3.6	318.4	3.3	623.7
Accumulated depreciation as at 1 st April, 2024	0.2	0.4	5.8	-	6.4
Depreciation for the period	0.4	0.2	7.5	0.2	8.3
Disposals	-	-	(3.6)	-	(3.6)
Exchange differences	0.0	0.0	(0.9)	(0.2)	(1.1)
Accumulated depreciation as at 31 st March, 2025	0.6	0.6	8.8	-	10.0
Net carrying amount as at 31 st March, 2025	297.8	3.0	309.6	3.3	613.7
Gross amount as at 1 st April, 2025	298.4	3.6	318.4	3.3	623.7
Additions	1.5	1.3	57.5	2.3	62.6
Disposals	(0.7)	(1.1)	(3.8)	(0.2)	(5.8)
Exchange differences	52.8	0.6	43.9	2.4	99.7
Gross amount as at 31 st March, 2026	352.0	4.4	416.0	7.8	780.2
Accumulated depreciation as at 1 st April, 2025	0.6	0.6	8.8	-	10.0
Depreciation for the year	4.9	1.0	41.9	2.5	50.3
Disposals	(0.3)	-	(3.6)	-	(3.9)
Exchange differences	0.4	(0.1)	7.0	1.8	9.1
Accumulated depreciation as at 31 st March, 2026	5.6	1.5	54.1	4.3	65.5
Net carrying amount as at 31 st March, 2026	346.4	2.9	361.9	3.5	714.7

B. Lease Liabilities (at amortised cost)

Particulars	
As at 1 st April 2024	26.1
Add: Addition during the year	21.0
Add: Interest accrued on lease liability	3.6
Add: Additions on account of business combination**	255.8
Less: Exchange differences	(0.4)

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Particulars	
Less: Disposal / termination	(4.8)
Less: Cash outflows for leases	(8.4)
As at 31 st March 2025	292.9
As at 1 st April 2025	292.9
Add: Addition during the year	62.6
Add: Interest accrued on lease liability	18.5
Add: Exchange differences	36.8
Less: Disposal / termination	(2.2)
Less: Cash outflows for leases	(54.4)
As at 31 st March 2026	354.2

** Refer Note 45 for additions on account of business combination.

Bifurcation of liabilities

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current	78.7	45.1
Non-current	275.5	247.8
	354.2	292.9

C. Amount recognised in the Statement of Profit and Loss

Particulars	Year Ended 31 st March, 2026	Year Ended 31 st March, 2025
Interest expenses on lease liabilities	18.5	3.6
Expenses relating to short term lease (included in other expenses)	29.4	11.0
Depreciation on ROU assets	50.3	8.3
	98.2	22.9

D. Amounts recognised in the Statement of Cash Flows

Particulars	Year Ended 31 st March, 2026	Year Ended 31 st March, 2025
Payment of lease liabilities	54.4	8.4
	54.4	8.4

E. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Less than 1 year	78.7	47.1
1 to 5 years	201.3	149.6
More than 5 years	272.5	237.1

6 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Unquoted equity instruments (fully paid)		
Hangzhou Baihe Heubach Pigments Co. Ltd	196.6	171.2
Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)	35.3	36.1
4,96,00,000 (Previous Year : 4,96,00,000) equity shares of ₹10 each		
	231.9	207.3

Refer note 54 for further details.

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7 INVESTMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-current		
Unquoted, fully paid equity instruments		
I. Investment designated at cost		
Pigment Manufacturers Association of India		
1,000 (Previous Year : 1,000) equity shares of ₹10 each	0.0	0.0
II. Investment designated as fair value through profit and loss account (FVTPL)		
AVADA Satara MH Private Limited		
66,92,000 (Previous Year : 66,92,000) equity shares of ₹10 each, fully paid up	3.1	2.8
First Energy 2 Private Limited**		
30,00,000 (Previous Year : 30,00,000) equity Shares of ₹10 each, fully paid up	3.0	3.0
Dalavaipuram Renewables Private Limited**		
3,07,896 (Previous Year : 3,07,896) equity shares of ₹10 each, fully paid up	1.2	1.2
9,23,662 (Previous Year : 9,23,662) Non-interest bearing optionally convertible debenture of ₹10 each		
Bharuch Enviro Infrastructure Limited**		
89,426 (Previous Year : 89,426) equity shares of ₹10 each, fully paid up	0.1	0.1
Narmada Clean Tech Limited**		
1,988,681 (Previous Year : 1,988,681) equity shares of ₹10 each, fully paid up	2.0	2.0
Enviro Technology Limited**		
2,400 (Previous Year : 2,400) equity shares of ₹10 each, fully paid up	0.0	0.0
Ankleshwar Research and Analytical Infrastructure Limited**		
2,500 (Previous Year : 2,500) equity shares of ₹10 each, fully paid up)	0.0	0.0
AMPYR Renewable Energy		
9,05,575 (Previous Year : Nil) equity shares of ₹10 each	2.1	-
11,50,000 (Previous Year : Nil) Compulsory Convertible Preference Shares		
	11.5	9.1
Current		
Investment designated as fair value through profit and loss account (FVTPL)		
Investments in mutual funds (quoted funds)	323.0	257.3
Investments in mutual funds (unquoted funds)	-	70.9
	323.0	328.2
Aggregate amount of quoted investments and market value thereof	323.0	257.3
Aggregate amount of unquoted investments	11.5	80.0
Aggregate amount of impairment in the value of investments	-	-

**Investments acquired as a part of asset acquired in business combination (refer note 45).



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8 OTHER FINANCIAL ASSETS (AT AMORTIZED COST)

(a) Non-current (unsecured, considered good):

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Security deposit^	35.2	27.6
Less: Credit impaired	-	(0.5)
	35.2	27.1
Tender deposit	4.2	4.2
Fixed deposit with bank (original and remaining maturity more than 12 months)	3.5	3.6
Amount paid towards share application	-	1.8
	42.9	36.7

(b) Current (Unsecured, considered good)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Security deposit	0.5	2.8
Government grant receivable	7.1	8.0
Fixed deposit with bank (original maturity more than 12 months, but remaining maturity less than 3 months)	-	35.1
Other receivables\$	150.1	143.3
	157.7	189.2

^includes deposits with customs authorities , Maharashtra State Electricity Distribution Company Limited and Maharashtra Industrial Development Corporation.

\$includes interest accrued on deposits, claim receivable from third parties and amount receivable from administrator (refer note 45(h)).

9 OTHER ASSETS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Capital advances (unsecured)		
Considered good	0.4	3.6
Considered doubtful	0.9	0.9
Less : Provision for doubtful advances	(0.9)	(0.9)
	0.4	3.6
Balances with government authorities	30.1	32.2
Prepaid expenses	12.4	5.5
Payment under protest [refer note 23 (ii)]	79.9	68.5
	122.4	106.2
	122.8	109.8
(b) Current:		
Balances with government authorities	98.8	295.1
Prepaid expenses	46.8	24.9
Advances to suppliers	86.0	214.0
Contract assets (refer note 26)	37.9	27.3
Others*	13.3	7.5
	282.8	568.8

*Includes recovery from vendors and sundry debit balances, etc.

No advances are due from directors or other officers of the Group, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person except as disclosed in note 43.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

10 INVENTORIES (VALUED AT LOWER OF COST OR NET REALISABLE VALUE)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Raw materials (includes items with third parties and items lying in transit)	595.5	529.0
Work-in-progress	351.5	394.1
Finished goods (includes items with third parties and items lying in transit)	1,372.9	1,499.8
Stores and spares (includes items with third parties)	89.0	54.1
Packing materials	34.7	24.8
	2,443.6	2,501.8

During the year, an amount of ₹3.8 Crores (31st March, 2025 : ₹22.6 Crores) was (reversed) / charged off to the Statement of Profit and Loss on account of provision for difference in stock values and net realisable values of inventories.

Value of raw material in transit is ₹65.3 Crores as at 31st March, 2026 (₹54.0 Crores as at 31st March, 2025)

Value of finished goods in transit is ₹338.0 Crores as at 31st March, 2026 (₹104.8 Crores as at 31st March, 2025)

For details of inventory pledged as security refer note 19 (d).

11 LOANS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non-Current		
Unsecured, considered good		
Loans to employees	0.0	1.7
	0.0	1.7
Current		
Unsecured, considered good		
Loans to employees	2.5	0.4
	2.5	0.4

Loans are non derivative financial assets which generate fixed interest income for the Group. The carrying value may be affected by change in the credit risk of counterparties.

There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties, either severally or jointly with any other person except as disclosed in note 43.

12 TRADE RECEIVABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current:		
Unsecured, considered good	1,679.0	1,225.0
Trade receivables which have significant increase in credit risk	17.9	11.9
Trade receivables - credit impaired	26.9	26.0
	1,723.8	1,262.9
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	26.9	26.0
Unsecured (Considered good)	17.9	11.9
	44.8	37.9
	1,679.0	1,225.0
Trade receivable from:		
(i) Related parties (refer Note 43)	10.1	9.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(ii) others	1,713.7	1,253.4
	1,723.8	1,262.9

Refer note 19 (d) for details of pledges and securities and refer note 44 for details of credit risk related to trade receivables.

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person. Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days. For terms and conditions relating to related party receivables, refer note 43.

For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer note 43.

Ageing schedule for trade receivables

As at 31st March, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	1,476.5	189.0	5.4	6.9	0.2	0.6	1,678.6
Undisputed - which have significant increase in credit risk	1.8	0.8	0.5	9.0	3.0	2.8	17.9
Undisputed - Credit impaired	1.6	3.8	3.6	2.5	3.0	1.3	15.8
Disputed - Considered good	-	0.4	-	-	-	-	0.4
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	1.2	-	-	1.1	0.8	8.0	11.1
Total	1,481.1	194.0	9.5	19.5	7.0	12.7	1,723.8

Note : Above figures are gross of provision for expected credit loss amounting to ₹44.8 Crores.

There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

As at 31st March, 2025

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - Considered good	924.4	293.4	5.7	1.5	-	-	1,225.0
Undisputed - which have significant increase in credit risk	1.6	0.5	5.8	3.3	0.1	0.6	11.9
Undisputed - Credit impaired	0.7	1.2	8.2	4.9	0.6	1.7	17.3
Disputed - Considered good	-	-	-	-	-	-	-
Disputed - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	0.4	0.5	7.8	8.7
	926.7	295.1	19.7	10.1	1.2	10.1	1,262.9

Note : Above figures are gross of provision for expected credit loss amounting to ₹37.9 Crores.

There are no unbilled receivables, hence the same has not been disclosed in the ageing schedule.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Pursuant to an arrangement with a bank, the Holding Company has sold to the bank certain of its trade receivables on a non-recourse basis. The receivables sold were mutually agreed upon with the respective bank after considering the credit worthiness and contractual terms with the customer. The Holding Company has transferred substantially all the risks and rewards of ownership of such receivables to the respective banks, and according, the same were derecognised in the Balance sheet. As at 31st March 2026, the amount of trade receivables de-recognised pursuant to the aforesaid arrangement ₹31.6 Crores (31st March 2025: ₹nil).

13 CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Balance with banks:		
On current accounts	793.6	942.6
Deposits with original maturity of less than three months	139.2	161.6
Cash on hand	0.1	0.1
	932.9	1,104.3

Changes in liabilities arising from financing activities

Particulars	As at 1 st April, 2025	Cash flow (net)	On account of business combination	Other Non- cash changes^	As at 31 st March, 2026
Non-current borrowings (including current maturities of non-current borrowings)	1,810.9	(316.0)	-	277.1	1,772.0
Current borrowings (excluding current maturities of non-current borrowings)	273.8	73.5	-	(0.3)	347.0
Lease liabilities	292.9	(54.4)	-	115.7	354.2
Total	2,377.6	(296.9)	-	392.5	2,473.2

Changes in liabilities arising from financing activities

Particulars	As at 1 st April, 2024	Cash flow (net)	On account of business combination	Other Non- cash changes^	As at 31 st March, 2025
Non-current borrowings (including current maturities of non-current borrowings)	354.7	1,445.8	26.3	(15.9)	1,810.9
Current borrowings (excluding current maturities of non-current borrowings)	86.2	205.2	-	(17.6)	273.8
Lease liabilities	26.1	(8.4)	255.8	19.4	292.9
Total	467.0	1,642.6	282.1	(14.1)	2,377.6

^other non cash items includes new leases taken or termination of lease contracts in case of lease liabilities and exchange differences in case of borrowings.

It also includes the effect of reclassification of non-current portion of borrowings, including lease liabilities to current due to the passage of time, and the effect of accrued but not yet paid interest on borrowings, including lease liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

14 BANK BALANCES OTHER THAN ABOVE

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Earmarked balances with bank*	24.9	382.6
Earmarked balances on unclaimed dividends**	6.7	7.2
Margin money deposits***	2.2	8.4
Bank deposits with original maturity more than three months and remaining maturity less than twelve months	108.2	8.7
	142.0	406.9

*For the year ended March 31, 2025: Lodged against funds received from Qualified Institutional Placement, earmarked for specified purposes (refer note 39(a)(iii))

**Unclaimed dividend accounts are restricted in use as it relates to unclaimed dividends.

***Lodged against bank guarantee, letter of credits and other credit facility earmarked for specified purposes.

15 DERIVATIVE INSTRUMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Cash flow hedges (FVTOCI)		
Interest rate swap contracts	-	0.1
	-	0.1
(b) Current:		
Derivatives not designated as hedges (FVTPL)		
Foreign currency forward contracts	0.7	9.4
Cash flow hedges (FVTOCI)		
Interest rate swap contracts	0.2	1.3
	0.9	10.7

Note: Refer note 49 for hedging activities and note 44 for foreign currency risk management.

16 EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
AUTHORISED :		
10,00,00,000 (Previous Year : 10,00,00,000) equity shares of ₹2 each (Refer Note (g))	20.0	20.0
ISSUED :		
7,86,12,436 (Previous Year : 7,85,73,385) equity shares of ₹2 each*	15.7	15.7
SUBSCRIBED AND FULLY PAID-UP :		
7,86,11,936 (Previous Year : 7,85,72,885) equity shares of ₹2 each fully paid up*	15.7	15.7

*Allotment of 500 Rights Equity Shares of ₹2 each is kept in abeyance, matter being sub-judice.

(a) Reconciliation of authorised equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Quantity in nos.	Value ₹ Crores	Quantity in nos.	Value ₹ Crores
At the beginning of the year	10,00,00,000	20.0	7,50,00,000	15.0
Add : Increase during the year (Refer note (g))	-	-	2,50,00,000	5.0
Outstanding at the end of the year	10,00,00,000	20.0	10,00,00,000	20.0

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(All amounts are in ₹ Crores, unless otherwise stated)

(b) Reconciliation of issued, subscribed and fully paid-up equity share capital

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Quantity in nos.	Value ₹ Crores	Quantity in nos.	Value ₹ Crores
At the beginning of the year	7,85,72,885	15.7	6,92,27,250	13.8
Add : Shares issued through qualified institutions placement ("QIP")(refer note (h))	-	-	74,76,635	1.5
Add : Shares issued through preferential issue (refer note (i))	-	-	18,69,000	0.4
Add : Shares issued under ESOP scheme (refer note (j))	39,051	0.0	-	-
Outstanding at the end of the year	7,86,11,936	15.7	7,85,72,885	15.7

(c) Terms / Rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹2.0 per share (Previous Year : ₹2.0 per share). Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend, which is ratified subsequently.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors of Holding Company at its meeting held on 25th May, 2026, recommended dividend of ₹5/- (Rupee five only) (i.e. 250%) per Equity Share of face value of ₹2/- each fully paid up, for the Financial Year ended 31st March, 2026, subject to approval of the members at ensuing Annual General Meeting.

In the previous year, the Board of Directors had recommended a final dividend of ₹4.50/- per share on face value of ₹2.0/- per share (i.e. 225%) for the FY 2024-25, which was approved by the shareholders at the 74th Annual General Meeting of the Holding Company.

(d) Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	No.	% of total shares in class	No.	% of total shares in class
HDFC Small Cap Fund	57,89,852	7.37	57,34,275	7.30
Mr. Akash Bhanshali	56,05,577	7.13	56,05,577	7.13
Mr. A. N. Rath	54,47,620	6.93	54,47,620	6.93
Tata Mutual Fund - Tata Small Cap Fund	60,21,899	7.66	47,82,355	6.09
Mr. R. B. Rath	40,50,359	5.15	40,50,359	5.15

As per records of the Holding Company, including it's register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Consequent to issue of Equity Shares by way of Employee Stock Options Plan of the Holding Company, percentage of total shares held by the above shareholders has diluted since the total number of issued Equity Shares has increased from 7,85,72,885 to 7,86,11,936.

During the FY24-25, the Holding Company had issued 9,80,000 Warrants convertible into 9,80,000 Equity Shares of ₹2 each to Mr. R. B. Rath. The said Warrants are eligible for conversion into Equity Shares within a period of eighteen months from the date of Issue i.e. 13th December, 2024. As on 31st March, 2026, the said Warrants have not been converted into Equity Shares and hence are not reflected in the total number of shares held by Mr. R. B. Rath in the table above. Refer note 17 (h) for more details.



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(All amounts are in ₹ Crores, unless otherwise stated)

(e) For a period of five years immediately preceding 31st March, 2026

- aggregate number of shares allotted as fully paid up pursuant to contract without payment being received in cash - Nil
- aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil
- aggregate number of shares bought back - Nil

(f) Shareholding of Promoters as at 31st March, 2026

Promoter / Promoter Group	No of shares as at 31 st March, 2026	% of total shares	No of shares as at 31 st March, 2025	% of total shares	% change during the year
Mr. A. N. Rath*	-	-	54,47,620	6.93	(6.93)
Mr. R. B. Rath	40,50,359	5.15	40,50,359	5.15	-
Mr. P. R. Rath**	-	-	34,24,740	4.36	(4.36)
Mr. R. P. Rath**	-	-	30,23,859	3.85	(3.85)
Mr. R. B. Rath and Mrs. Rachna Rajesh Rath (As Trustees - SOW Rachna Rath Family Trust)	12,08,250	1.54	12,08,250	1.54	-
Mr. M. A. Rath	5,27,900	0.67	5,27,900	0.67	-
Balkrishna Rath Finance Private Limited	4,62,550	0.59	4,62,550	0.59	-
Mr. N. J. Rath*	-	-	4,37,650	0.56	(0.56)
Rajesh Balkrishna Rath (HUF)	1,77,425	0.22	1,77,425	0.22	-
Mrs. R. R. Rath	14,120	0.02	14,120	0.02	-
	64,40,604	8.19	1,87,74,473	23.89	(15.70)

*Pursuant to Regulation 31A of the SEBI Listing Regulations, 2015 and based on the approval accorded by the Board of Directors on 14th February, 2025, No-Objection/ approval letters from both the Stock Exchanges on 4th April, 2025, and approval accorded by Shareholders by way of Postal Ballot on 24th May, 2025, Shareholding of A. N. Rath Group consisting of A. N. Rath, N. J. Rath, NJR Finance Pvt Ltd (nil shareholding), A. A. Rath (nil shareholding) and Anuj N. Rath HUF (nil shareholding) had been reclassified from Promoter and Promoter Group category to the Public category.

**Pursuant to Regulation 31A of the SEBI Listing Regulations, 2015 and based on the approval accorded by the Board of Directors on 29th May, 2025, No-Objection/ approval letters from both the Stock Exchanges on 15th July, 2025, and approval accorded by Shareholders by way of Postal Ballot on 6th September, 2025, shareholding of P. R. Rath, R. P. Rath and S. P. Rath had been reclassified from Promoter and Promoter Group category to the Public category.

Shareholding of Promoters as at 31st March, 2025

Promoter / Promoter Group	No of shares as at 31 st March, 2025	% of total shares	No of shares as at 31 st March, 2024	% of total shares	% change during the year
Mr. A. N. Rath	54,47,620	6.93	54,47,620	7.87	(0.94)
Mr. R. B. Rath	40,50,359	5.15	40,50,359	5.85	(0.70)
Mr. P. R. Rath	34,24,740	4.36	41,86,240	6.05	(1.69)
Mr. R. P. Rath	30,23,859	3.85	30,23,859	4.37	(0.52)
Mrs. S. P. Rath	-	-	13,13,680	1.90	(1.90)
Mr. R. B. Rath and Mr. A. B. Rath (As Trustees - SOW Rachna Rath Family Trust)	12,08,250	1.54	12,08,250	1.75	(0.21)
Ajay Balkrishna Rath (HUF)	-	-	11,75,325	1.70	(1.70)
Mr. M. A. Rath	5,27,900	0.67	8,27,900	1.20	(0.53)
Mr. A. B. Rath	-	-	6,73,660	0.97	(0.97)
Balkrishna Rath Finance Private Limited	4,62,550	0.59	4,62,550	0.67	(0.08)
Mr. N. J. Rath	4,37,650	0.56	4,37,650	0.63	(0.07)
Rajesh Balkrishna Rath (HUF)	1,77,425	0.22	1,77,425	0.26	(0.04)
Mrs. R. R. Rath	14,120	0.02	14,120	0.02	-
	1,87,74,473	23.89	2,29,98,638	33.24	(7.45)

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- (g) The Board of Directors of the Holding Company at its meeting held on 16th October, 2024, considered and approved the proposal for increase in the Authorised Share Capital from ₹15,00,00,000 divided into 7,50,00,000 equity shares of ₹2/- each to ₹20,00,00,000 divided into 10,00,00,000 equity shares of ₹2/- each ranking pari-passu with the existing equity shares of the Holding Company with a consequent amendment to the Memorandum of Association. The same was approved by the Shareholders of the Holding Company by way of resolution passed by Postal Ballot on 30th November, 2024.
- (h) On 29th January, 2025, the Holding Company has issued and allotted 74,76,635 fully paid-up equity shares of face value of ₹2/- each at a price of ₹1,070 per equity share, including a premium of ₹1,068 per equity share, aggregating up to ₹800.0 Crore (“Issue”) to qualified institutional investors in accordance with the provisions of SEBI ICDR Regulations. The Holding Company has used the proceeds from the Issue for investment in Sudarshan Europe B.V. for part funding of the acquisition of global pigment business operations of the Heubach Group, including all associated costs in relation to the acquisition, repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by the Holding Company and for general corporate purposes in accordance with the Placement Document dated 28th January, 2025. Out of the total proceeds, ₹799.2 Crore were utilised upto the period ended 30th June, 2025 for the said objectives. The monitoring agency report for the period ended 30th June, 2025 issued by CRISIL Ratings Limited stating that no deviation in such utilisation of funds was uploaded on the stock exchanges on 30th July, 2025. Remaining unutilized proceeds of ₹0.8 Crore were utilised upto the period ended 30th September, 2025 for the said objectives. The monitoring agency report for the period ended 30th September, 2025 issued by CRISIL Ratings Limited stating that no deviation in such utilisation of funds was uploaded on the stock exchanges on 14th November, 2025. Accordingly, the Holding Company has fully utilized proceeds raised from qualified institutional investors as on 31st March, 2026.
- (i) On 13th January, 2025, the Holding Company has issued and allotted 18,69,000 fully paid-up equity shares of face value of ₹2/- each at a price of ₹1,043.33 per equity share, including a premium of ₹1,041.33 per equity share, aggregating up to ₹195.0 Crore to the identified allottees / investors, not belonging to “Promoter and Promoter Group” of the Holding Company by way of a preferential issue on private placement basis, for cash consideration (the “Preferential Allotment”) in accordance with provisions of the Chapter V of the SEBI ICDR Regulations and as per applicable provisions of the Companies Act, 2013 and rules made thereunder. Consequently, equity share capital and other equity (securities premium) of the Holding Company has increased by ₹0.4 Crore and ₹194.6 Crore respectively. Issue expenses of ₹0.8 Crore have been netted from Other Equity (securities premium).
- (j) During the Financial Year 2025-26, employees exercised a total of 49,891 stock options under the Holding Company’s Employee Stock Option Plan (ESOP) at an exercise price of ₹349.40 per share. Out of these, 39,051 equity shares were issued and allotted during the year, including allotments made on 29th July 2025, 9th October 2025, and 17th December 2025. The balance 10,840 options exercised, for which application money has been received, are pending allotment as at the year-end and are accordingly disclosed under the head “Share Application Money Pending Allotment” (Refer note 17(g)).

(k) Other disclosures

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries.

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts; except as disclosed in note 47 and note 17(h) and 17(j).

There are no securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.



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17 OTHER EQUITY

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Capital reserve		
Balance at the beginning of the year	1,196.3	0.0
Additions on account of business combination [refer note 45(e)]	-	1,196.3
Balance at the end of the year	1,196.3	1,196.3
(b) Capital redemption reserve		
Balance at the beginning of the year	0.1	0.1
Balance at the end of the year	0.1	0.1
(c) Securities premium		
Balance at the beginning of the year	993.4	13.2
Add: Premium on issue of equity shares (refer note 16(h) and (i))	2.0	993.1
Less: Transaction costs on issue of equity shares (refer note 16(h) and (i))	-	(12.9)
Balance at the end of the year	995.4	993.4
(d) General reserve		
Balance at the beginning of the year	213.4	213.4
Balance at the end of the year	213.4	213.4
(e) Foreign currency translation reserve		
Balance at the beginning of the year	(18.1)	9.3
Foreign currency translation difference during the year	50.7	(27.4)
Balance at the end of the year	32.6	(18.1)
(f) Effective portion of cash flow hedge		
Balance at the beginning of the year	(11.3)	(25.4)
Other Comprehensive Income (net of tax)	6.7	14.1
Balance at the end of the year	(4.6)	(11.3)
(g) Share options outstanding reserve		
Balance at the beginning of the year	2.4	4.6
(Deductions) / additions during the year	(0.7)	(2.2)
Balance at the end of the year	1.7	2.4
(h) Money received against share warrants		
Balance at the beginning of the year	25.0	-
Warrants issued during the year	-	25.0
Balance at the end of the year	25.0	25.0
(i) Retained earnings		
Balance at the beginning of the year	975.5	919.4
Add: Profit for the year	22.3	55.9
Other comprehensive income recognised directly in retained earnings	23.0	4.9
Net (loss) on transactions with non-controlling interests	(11.2)	-
Transferred to retained earnings on lapse of employee stock options	-	2.2
Less: Appropriations		
Final equity dividend (refer note 18)	35.4	6.9
Balance at the end of the year	974.2	975.5

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Particulars	As at	As at
	31 st March, 2026	31 st March, 2025
(j) Share application pending allotment		
Balance at beginning of the year	-	-
Application money received during the year	0.4	-
Balance at the end of the year	0.4	-
	3,434.5	3,376.7

Description of nature and purpose of each reserve

(a) Capital reserve

Capital reserve includes surplus on re-issue of shares made in the financial year 1996-97 amounting to ₹0.0 Crores and capital reserve generated on account of bargain purchase arising through business combination in the previous year (refer note 45). The reserve is not available for distribution.

(b) Capital redemption reserve

Capital redemption reserve is created pursuant to buy-back of Equity Shares (₹0.1 Crores) in the Financial Year 2006-07.

(c) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares and adjustment on account of transaction costs in accordance with the provisions of the Companies Act, 2013.

(d) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

(e) Foreign currency translation reserve

For the preparation of the Consolidated Financial Statements, assets and liabilities of foreign operations are translated to Indian Rupees at exchange rates prevailing at the reporting period end; income and expense items are translated at the average exchange rates prevailing during the period. Differences arising on such translation are accumulated in foreign currency translation reserve. The cumulative amount is reclassified to Consolidated Statement of Profit or Loss when the net investment is disposed-off.

(f) Effective portion of cash flow hedge

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. Such gains or losses will be reclassified to Statement of Profit and Loss in the period in which the underlying hedged transaction occurs (refer note 44 and note 49).

(g) Share options outstanding reserve

The share options-based payment reserve is used to recognise the grant date fair value of options issued to employees under employee stock option plan (refer note 16(j) and note 47).The amounts recognised in this reserve are transferred to Securities premium when options are exercised by the employees or they expire unexercised.



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(All amounts are in ₹ Crores, unless otherwise stated)

(h) Money received against share warrants

During the previous year, the Fund Raising Committee of the Board of Directors of the Holding Company at its meeting held on 31st October, 2024, approved raising of funds not exceeding ₹100.0 Crores (Rupees hundred Crores only) by way of issuance of upto 9,80,000 (Nine Lakhs Eighty Thousand) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Holding Company of face value of ₹2/- each (“Warrants”) at a price of ₹1,019.75 each payable in cash, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months, to Mr. Rajesh Balkrishna Rath, being a part of the promoter and promoter group of the Holding Company, by way of a preferential issue through private placement offer. The same was subsequently approved by the Shareholders of the Holding Company by way of resolution passed by Postal Ballot on 30th November, 2024. The Fund Raising Committee of the Board of Directors of the Holding Company at it’s meeting held on 13th December, 2024, approved the allotment of 9,80,000 warrants to Mr. Rajesh Balkrishna Rath, as per the details set forth below:

Name of Allottee	Category	Number of warrants allotted	Price at which the warrants are issued (in ₹) (per warrant)	Paid-up value per warrant on allotment (in ₹)* (at least 25% of the price at which the warrants are issued)	Consideration received as on the date of allotment (in ₹ Crores)*
Mr. Rajesh Balkrishna Rath	Member of the Promoter and Promoter Group, Chairman and Managing Director (Appointed as a Chairman with effect from close of business hours on 29 th May, 2025)	9,80,000	1,019.75 (Including premium of ₹1,017.75 per warrant)	254.9	25.0

*The warrant holder will be required to make further payments of ₹764.81 (Rupees Seven Hundred Sixty Four and Eighty One Paise Only) for each Warrant, which is equivalent to 75% (seventy five percent) of the Warrants Issue Price at the time of exercise of the right attached to Warrant(s) to subscribe to equity shares.

(i) Retained earnings

Retained earnings are the profits / (losses) that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

(j) Share application pending allotment

The Group has established equity-settled share based payment plans for eligible employees of the Company. This pertains to application money received for employees pending allotment and issue of shares under share based payment scheme.

18 DISTRIBUTION MADE AND PROPOSED TO BE MADE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Dividends on equity shares declared and paid:		
For the year ended 31 st March, 2025 : ₹4.5 per share	35.4	
For the year ended 31 st March, 2024 : ₹1.0 per share		6.9
Proposed dividend on equity shares : Dividend		
For the year ended 31 st March, 2026 : ₹5 per share*	39.3	
For the year ended 31 st March, 2025 : ₹4.5 per share*		35.4

*Proposed dividends on equity shares are subject to approval at the Annual General Meeting of the Holding Company and are not recognised as a liability as at year end. Proposed dividend for the year ended 31st March, 2025 was subsequently approved by the shareholders at the 74th Annual General Meeting of the Holding Company.

The Holding Company has complied with the provisions of Section 123 of the Companies Act, 2013 related to dividend declared and dividend paid.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts are in ₹ Crores, unless otherwise stated)

19 BORROWINGS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current borrowings		
Secured		
Term loans from banks		
Foreign currency loans (refer note 19 (c) (I) (i) and (ii))	1,628.6	1,612.9
Unsecured		
Term loans from related party		
Rupee loans (refer note 19 (c) (II) (iii) and note 43)	19.3	19.0
	1,647.9	1,631.9
(b) Current borrowings		
Secured		
From banks :		
Rupee loans (refer note 19 (c) (I) (iii))	186.5	92.3
Foreign currency loans (refer note 19 (c) (I) (iii))	-	39.6
Current maturities of non-current borrowings		
Foreign currency loans (refer note 19 (c) (I) (i) and (ii))	124.1	74.1
Unsecured		
From banks :		
Rupee loans (refer note 19 (c) (II) (ii))	160.5	141.9
Debentures		
8.45% p.a unsecured rated listed taxable redeemable Non-convertible Debentures (NCDs) (refer note 19 (c) (II) (i))	-	104.9
	471.1	452.8

Non-current borrowings are disclosed net of unamortized finance cost of ₹30.0 Crores (31st March, 2025: ₹32.4 Crores)
The above balance also includes interest accrued but not due amounting to ₹1.0 Crores as at 31st March, 2026 and ₹7.6 Crores as at 31st March, 2025.

OTHER REGULATORY INFORMATION

The Holding Company and its subsidiaries / joint ventures incorporated in India file monthly / quarterly statement for its current assets with banks. Further, pursuant to subsequent adjustment if any post closures of yearly books and statutory audit, the Holding Company and its subsidiaries / joint ventures files the revised return with the updated amounts at the year end.

The charges or satisfaction on the assets of the Holding Company and its subsidiaries / joint ventures incorporated in India are registered with Registrar of Companies within the statutory period. The Holding Company and its subsidiaries / joint ventures does not have any charges or satisfaction which are yet to be registered with Registrar of Companies (ROC) beyond statutory period.

The Holding Company and its subsidiaries / joint ventures incorporated in India has used the borrowings obtained from banks and financial institutions for the specific purpose for which they were taken during the year ended 31st March, 2026 and 31st March, 2025.

The Holding Company and its subsidiaries / joint ventures incorporated in India has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31ST MARCH, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

19 BORROWINGS:

(c) SECURITY DETAILS AND REPAYMENT SCHEDULE

Security	Instalment start date	Last Instalment Payable on	Terms of Repayment	Effective Interest Rate p.a.	As at 31 st March, 2026 Current	As at 31 st March, 2025 Current	As at 31 st March, 2025 Non-Current
i) SECURED							
i) Foreign currency term loans / External Commercial Borrowings (ECBs) from banks							
Secured by a first pari passu charge on all the movable property, plant and equipment both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amralewadi, Dist. Pune and further secured by way of mortgage by first pari passu charge on the immovable properties of the Holding Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amralewadi, Dist. Pune							
The Bankers are:							
State Bank of India (Loan drawn ₹ 22 Mn)	27-Sep-21	27-Sep-25	17 equal quarterly instalments	3 month SOFR* + 1.40% + 0.26%	-	22.0	-
State Bank of India (Loan drawn ₹ 40 Mn)	27-May-21	31-Aug-25	18 equal quarterly instalments	3 month SOFR* + 1.50% + 0.26%	-	19.2	-
Axis Bank Limited (Loan drawn ₹ 13.23 Mn)	30-Sep-23	31-Dec-26	14 equal quarterly instalments	6 month SOFR* + 1.25% + 0.4286%	27.6	32.9	24.1
ii) Foreign Currency Term Loan							
Syndicated Term Loan Borrowing of Sudarshan Europe B.V. Wholly Owned Subsidiary, underwritten by Standard Chartered Bank and The Hongkong and Shanghai Banking Corporation Limited, secured by way of Corporate Guarantee issued by the Holding Company.	27-Feb-25	27-Feb-30	15 quarterly ballooning instalment	3 months ₹IBOR+2.50%	96.5	-	1,588.8
					1,628.6		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended 31ST MARCH, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Security	Instalment start date	Last Instalment Payable on	Terms of Repayment	Effective Interest Rate p.a.	As at 31 st March, 2026 Current	Non-Current	As at 31 st March, 2025 Current	Non-Current
iii) Working capital loans repayable on demand from banks / Loan repayable within 12 months					186.5	-	131.9	-
Working capital borrowings of the Holding Company from Bank of Maharashtra, ICICI Bank Limited and State Bank of India are secured by first pari passu charge by hypothecation of stock-in-trade, book debts and receivables. These are further secured by second charge on the immovable properties of the Holding Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amralewadi, Dist. Pune by registered mortgage. Working capital borrowings of Sudarshan Europe B.V., wholly owned subsidiary, from The Hongkong and Shanghai Banking Corporation Limited is secured by way of corporate guarantee issued by the Holding Company. Working capital borrowings of RIECO Industries Limited, wholly owned subsidiary from Bank of Maharashtra and ICICI Bank Limited are secured by way of assets of RIECO Industries Limited and backed by Corporate Guarantee issued by the Holding Company.			15 to 90 days	6.90% to 8.45% / Repo rate + 2.5% and repo linked loan rate + 0.7%				
ii) UNSECURED								
i) Non convertible debentures	18-Jul-25	18-Jul-25	Bullet payment after 3 years	8.45%	-	-	104.9	-
8.45% p.a unsecured rated listed taxable redeemable Non-convertible Debentures (NCDs).								
ii) Working capital loans repayable on demand from banks / Loan repayable within 12 months			7 to 90 days	7.65% to 10%	160.5	-	141.9	-
The Bankers are - HDFC Bank Limited - Axis Bank Limited - Federal Bank Limited - Others								
iii) Loan from Sudarshan Toyo Colour Private Limited, India (Formerly known as Heubach Toyo Colour Private Limited)	November , 2033	November , 2033	Bullet payment in November, 2033	5% p.a	-	19.3	-	19.0
The bifurcation of total borrowings is as follows:					471.1	1,647.9	452.8	1,631.9
Non-current borrowings		Note 19			-	1,647.9	-	1,631.9
Current borrowings		Note 19			347.0	-	378.7	-
Current maturities of non-current borrowings		Note 19			124.1	-	74.1	-
					471.1	1,647.9	452.8	1,631.9

*Include the effects of related interest rate swaps.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

19 (d) Assets pledged as security

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Non Current		
Property, plant and equipment	1,009.4	951.2
Current		
Inventories	1,630.7	435.5
Trade receivables	883.3	813.4

20 TRADE PAYABLES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total outstanding dues of micro enterprises and small enterprises	93.1	57.2
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,440.9	1,336.5
	1,534.0	1,393.7
Trade payable to:		
(i) Related parties (refer Note 43)	68.2	0.2
(ii) Others	1,465.8	1,393.5
Total	1,534.0	1,393.7

Following is the ageing schedule for trade payables

As at 31st March, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled*	Not Due	Less than	1-2	2-3	More than	
			1 year	years	years	3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	3.1	84.8	5.2	-	-	-	93.1
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	371.1	798.8	215.4	46.7	2.5	6.4	1,440.9
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	374.2	883.6	220.6	46.7	2.5	6.4	1,534.0

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As at and for the year ended 31st March, 2026
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As at 31st March, 2025

Particulars	Unbilled*	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises (Undisputed)	2.2	53.4	1.6	-	-	-	57.2
Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	461.6	705.1	156.4	3.4	3.5	6.5	1,336.5
Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	463.8	758.5	158.0	3.4	3.5	6.5	1,393.7

*Unbilled represents accrual for expenses.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 60 to 90 days terms.
- For terms and conditions with related parties, refer note 43.

For the Group's credit risk management processes, refer note 44.

21 OTHER FINANCIAL LIABILITIES (AT AMORTIZED COST)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Security deposit [#]	7.2	4.1
	7.2	4.1
(b) Current:		
Unclaimed dividend (as and when due)*	6.7	7.2
Unpaid matured deposits including interest thereon	-	0.1
Payable for capital goods [^]	29.9	7.8
Employee dues	243.9	176.5
Commission payable to directors	1.4	16.2
Provision for CSR expenses	-	2.7
Other liabilities**	139.8	425.9
	421.7	636.4

[#]This mainly includes deposit received from customers and vendors.

^{*}Unclaimed dividend does not include amount due and outstanding, to be credited to the Investor Education and Protection Fund.

[^]Includes amount payable to MSME parties amounting to ₹0.7 Crores as at 31st March, 2026 (31st March, 2025: ₹0.4 Crores)

^{**}Includes amount payable towards miscellaneous customer deposits, payable to administrator, etc (refer note 45(h)).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

22 DERIVATIVE INSTRUMENTS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Current:		
Derivatives not designated as hedges (FVTPL)		
Foreign currency forward contracts	15.5	3.5
	15.5	3.5

Note: Refer note 49 for hedging activities and note 44 for foreign currency risk management.

23 PROVISIONS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Provision for employee benefits (refer note 38)		
Provision for pension	46.2	69.1
Provision for gratuity	45.2	24.2
Provision for compensated absences	22.8	20.4
	114.2	113.7
Other Provisions		
Provision for onerous contracts (refer note (i))	95.4	101.0
Provisions recognised on account of business combination (refer note 45)	437.2	352.8
Provision for litigations (refer note (ii))	83.7	73.6
Other provisions (refer note (iii))	9.6	9.8
	625.9	537.2
	740.1	650.9
(b) Current:		
Provision for employee benefits (refer note 38)		
Provision for pension	26.9	19.1
Provision for compensated absences	11.5	4.7
	38.4	23.8
Other Provisions		
Provision for onerous contracts (refer note (i))	43.2	82.8
Other provisions (refer note (iii))	10.5	8.2
	53.7	91.0
	92.1	114.8

(i) Provision for onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract. A provision has been made for contracts of the Group where the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits. The timing of cash outflows in respect of such provision is over the contract period.

(ii) Provision for litigations

Provision for claims against the one of the domestic subsidiary by Narmada Clean Tech on account of an ongoing litigation for effluent treatment charges which is being heard by the Arbitration Tribunal pursuant to directions of the Honourable Gujarat High Court.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
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The said subsidiary has paid under protest an amount of ₹79.9 Crores (31st March, 2025: ₹68.5 Crores) as per an interim order passed by the Honourable Gujarat High Court without expressing any final opinion on merits of the appeal. The said amount has been disclosed under ‘other non-current assets’ (refer note 9).

(iii) Other provisions

Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

Movement in provisions

Particulars	Provision for litigations	Provision for onerous contracts	Provisions recognised on account of business combination	Other provisions
As at 1 st April, 2025	73.6	183.8	352.8	18.0
Exchange differences	-	33.7	68.6	(0.2)
Additional provision recognised during the year	10.1	-	-	2.3
Utilised during the year	-	-	-	-
Unused amounts reversed	-	(84.9)	-	-
Unwinding of discount and changes in the discount rate	-	6.0	15.8	-
As at 31 st March, 2026	83.7	138.6	437.2	20.1
Breakup of provisions:				
Current	-	43.2	-	10.5
Non-current	83.7	95.4	437.2	9.6
Total	83.7	138.6	437.2	20.1

Particulars	Provision for litigations	Provision for onerous contracts	Provisions recognised on account of business combination	Other provisions
As at 1 st April, 2024	-	-	-	-
Additions on account of business combination [refer note 45 (e)]	73.6	183.8	352.7	18.0
Additional provision recognised during the year	-	-	-	-
Utilised during the year	-	-	-	-
Unused amounts reversed	-	-	-	-
Unwinding of discount and changes in the discount rate	-	-	0.1	-
As at 31 st March, 2025	73.6	183.8	352.8	18.0
Breakup of provisions:				
Current	-	82.8	-	8.2
Non-current	73.6	101.0	352.8	9.8
Total	73.6	183.8	352.8	18.0



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

24 OTHER LIABILITIES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current:		
Deferred government grant*	1.0	1.1
Other liabilities**	5.0	5.7
	6.0	6.8
(b) Current:		
Statutory dues#	84.7	50.8
Deferred government grant*	0.7	0.6
Contract liabilities (advances from customers)^	78.6	121.5
Other liabilities**	2.0	6.7
	166.0	179.6

*The Holding Company has availed import duty exemption under Export Promotion Capital Goods (“EPCG”) scheme, EPCG scheme is a scheme which allows an exporter to import of capital goods including spares for pre-production, production and post-production at zero customs duty, for exports. As per the scheme, the Group has undertaken export obligation amounting to 6 times of the amount saved on duty on the capital goods.

**Pertains to other sundry liabilities

#Includes payable with respect to Indirect taxes and other statutory payables.

^The Company has received ₹78.6 Crore as at 31st March, 2026, (₹121.5 Crore as at 31st March, 2025) as contract liabilities (advance from customers), these liabilities are derecognised once the supply of goods are made.

25 INCOME AND DEFERRED TAXES

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

Statement of Profit and Loss :

Profit and loss section	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current income tax :		
Current income tax charge	226.3	82.1
Adjustment in respect of current income tax of earlier period	(18.5)	3.5
Deferred tax :		
Relating to reversal of temporary differences	(92.0)	(46.6)
Income tax expense reported in the Statement of Profit and Loss	115.8	39.0
OCI section	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred tax related to items recognised in OCI:		
Tax (charge)/ reversals on net movement on effective portion of cash flow hedges	0.3	1.7
Tax (charge)/ reversals on re-measurement of defined benefit plans	(3.7)	(0.4)
Income tax (charged) / reversal to OCI	(3.4)	1.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for year ended 31 st March, 2026 and 31 st March, 2025	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Accounting Profit before exceptional items, share of profit of joint ventures, and tax	157.0	200.0
Applicable income tax rate of 25.168% (31 st March, 2025: 25.168%)	39.5	50.3
Deferred tax recognised / (de-recognized) on undistributed reserves of subsidiary	-	(12.5)
Deferred tax assets recognised on losses of subsidiaries	(16.4)	-
Deferred tax not recognised on loss making entities	192.3	2.8
Difference in rate of tax due to operations in different jurisdictions	(48.3)	(2.9)
Other disallowances (CSR, donations, etc.) net off income not eligible for tax	(23.7)	(1.8)
Adjustment in respect of reversal of income tax expense of earlier years	(18.5)	3.5
Others	(9.1)	(0.4)
Income tax expense reported in the Statement of Profit and Loss	115.8	39.0

B Major components of deferred tax as at 31st March, 2026 and 31st March, 2025:

Deferred tax liability (net)	Balance Sheet	
	As at 31 st March, 2026	As at 31 st March, 2025
Deferred tax relates to the following:		
Deferred tax liability :		
Accelerated depreciation for tax purposes	257.2	262.5
Undistributed reserves of subsidiary	3.4	3.4
Other temporary differences*	118.7	87.4
	379.3	353.3
Deferred tax assets :		
Allowance for expected credit loss	(31.8)	(27.1)
Carried forwarded tax loss	(65.1)	(19.1)
Provision for inventory including impact on unrealised profit on closing stock	(91.4)	(75.1)
Expenditure allowed on actual payment	(33.9)	(28.7)
Other temporary differences*	(32.6)	(14.8)
	(254.8)	(164.8)
Net deferred tax liabilities / (asset)	124.5	188.5

*It includes deferred tax on fair valuation adjustment of acquired entities.

Closing balances of deferred tax assets and liabilities as on 31st March, 2026 and 31st March, 2025

	Balance Sheet	
	As at 31 st March, 2026	As at 31 st March, 2025
Deferred tax assets	(170.6)	(59.0)
Deferred tax liabilities	295.1	247.5
Net deferred tax liabilities / (asset)	124.5	188.5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

C Major components of deferred tax expenses for the year ended 31st March, 2026 and 31st March, 2025:

Deferred tax (credit) / expenses	Statement of Profit and Loss	
	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(5.3)	10.9
Undistributed reserves of subsidiary	-	(12.5)
Other temporary differences*	31.3	(9.2)
Allowance for expected credit loss	(4.7)	(5.1)
Carried forwarded tax loss	(46.0)	(17.4)
Provision for inventory	(16.3)	2.9
Expenditure allowed on actual payment	(5.2)	(5.2)
Other temporary differences*	(42.4)	(12.3)
Deferred tax expense / (credit)	(88.6)	(47.9)

*It includes deferred tax on fair valuation adjustment of acquired entities and exchange differences.

Reconciliation of deferred tax liabilities (net)	Year ended 31 st March 2026	Year ended 31 st March 2025
Opening balance	188.5	81.9
Recognised in the Consolidated Statement of Profit and Loss	(92.0)	(46.6)
Recognised in Other Comprehensive Income	3.4	(1.3)
Acquired on account of business combination (Refer note 45)	-	157.5
Exchange differences	24.6	(3.0)
Closing balance	124.5	188.5

D INCOME TAX ASSETS / LIABILITIES (NET) (recoverable/ payable on account of open assessment of Income Tax)

	As at 31 st March, 2026	As at 31 st March, 2025
(a) Non-current tax assets (net):		
Net income tax assets	47.7	38.9
	47.7	38.9
(b) Current tax liabilities (net):		
Net income tax liabilities	118.4	87.4
	118.4	87.4

E UNRECOGNISED DEFERRED TAX ASSETS

Deferred tax assets is recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Group has tax losses of ₹1,045.5 Crores (March 31, 2025: ₹436.6) that are available for offsetting against future taxable profits of the companies in which the losses arose. Majority of these losses has no expiry period. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by ₹302.7 Crores (March 31, 2025: ₹98.8 Crores).

Temporary differences arose as a result of the translation of the financial statements of the Group's subsidiaries outside India. However, deferred tax liability has not been recognised as the liability will only crystallise in the event of disposal of the subsidiary, and no such disposal is expected in the foreseeable future.

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F The Holding Company and its Indian subsidiaries does not have transaction which is not recorded in the books of accounts and 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).

G Pillar Two rules

The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules). As per the provisions of Pillar Two legislation, the Group's Ultimate parent entity (UPE) has consolidated revenues exceeding the threshold prescribed under the OECD framework. Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions where the Group operates. Based on the current assessment, the Group does not expect a material financial impact from the application of the Pillar Two rules on its Consolidated Financial Statements. The evaluation of the potential exposure is based on the most recent country-by-country reporting, and financial statements for the constituent entities in the Group.

In accordance with Amendments to Ind AS 12, the Group has applied temporary mandatory relief from accounting for deferred tax that arises from implementing Pillar Two legislation.

26 REVENUE FROM OPERATIONS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from contracts with customers		
Sale of products	9,633.8	3,308.8
Sale of services	26.2	5.5
	9,660.0	3,314.3
Other operating revenues		
Government grants (export incentives)	19.5	21.2
Miscellaneous operating income [#]	107.7	10.1
	127.2	31.3
Total revenue from operations	9,787.2	3,345.6

[#]Miscellaneous operating income includes sale of by-products , sale of manufacturing scrap etc.
Below is the disclosure as required under Ind AS 115 - “Revenue from Contracts with Customers”.

(a) Disaggregation of revenue from contracts with customers

The Group generates revenue primarily from the sale of pigments and sale of engineering equipments. Other sources of revenue include income from export incentives, sale of manufacturing scrap and by-products etc.

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Major product and service lines		
Sale of pigments	9,373.9	3,086.0
Sale of engineering equipments	259.9	222.8
Sale of services	26.2	5.5
Total	9,660.0	3,314.3
Primary geographical market		
In India	2,284.5	1,489.0
Outside India	7,375.5	1,825.3
Total	9,660.0	3,314.3
Timing of revenue recognition		
Products transferred at point in time	9432.2	3,146.2
Products transferred over a period of time	227.8	168.1
Total	9,660.0	3,314.3

For movement of expected credit loss refer note 44A(b).



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(b) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue from operations	9,787.2	3,345.6
Less: Adjustments		
Government grants (export incentives)	19.5	21.2
Miscellaneous operating income	107.7	10.1
Total	9,660.0	3,314.3
Add: Sales returns	94.1	16.4
Add: Commission [^]	18.7	17.6
Add: Others (including rebate and adjustments of hedge) [^]	19.4	12.6
Revenue as per contracted price	9,792.2	3,360.9

[^]Commission and Rebate are paid to the customers who are acting on principal to principal basis.

(c) Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Trade receivables (refer note 12)	1,679.0	1,225.0
Contracts assets (refer note 9(b))	37.9	27.3
Contracts liabilities (advance from customers) (refer note 24(b))*	78.6	121.5

*The amount of such balances as of 1st April, 2024, was ₹39.8 Crores. Changes of contract liabilities are either receipt of fresh advances or revenue recognised as detail above

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Revenue recognised from amount included in contract liabilities at the beginning of the year	121.5	39.8
	121.5	39.8

27 OTHER INCOME

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Interest income on		
Bank deposits and other deposits	14.7	2.5
Others (on refunds of taxes and on delayed payments from customers)	3.6	1.7
Other Non-Operating Income		
Liabilities no longer required, written back	16.6	1.0
Net gain on sale of financial instruments	18.3	10.8
Net gain on fair valuation of financial instruments (FVTPL)	3.0	0.4
Gain on sale / disposal of property plant and equipments (net)	-	0.6
Refund of stamp duty	-	1.9
Miscellaneous income [*]	23.0	14.5
	79.2	33.4

*Miscellaneous income majorly includes rental income, commission and sundry recoveries.

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(All amounts are in ₹ Crores, unless otherwise stated)

28 COST OF RAW MATERIALS CONSUMED

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Inventory at the beginning of the year (refer note 10)	529.0	106.8
Add : Purchases (includes inventory acquired on account of business combination for year ended 31 st March 2025 (refer note 45)	4,823.5	3,776.6
	5,352.5	3,883.4
Less: Inventory at the end of the year (refer note 10)	595.5	529.0
Cost of raw materials consumed	4,757.0	3,354.4

29 PURCHASE OF STOCK IN TRADE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Purchase of Stock-in-trade	45.4	17.9
	45.4	17.9

30 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Inventory at the end of the year (refer note 10)		
Finished goods	1,372.9	1,499.7
Work-in-progress	351.5	394.1
	1,724.4	1,893.8
Inventory at the beginning of the year (refer note 10)		
Finished goods	1,499.7	215.9
Work-in-progress	394.1	79.3
	1,893.8	295.2
	169.4	(1,561.9)
Changes in inventory:		
Finished goods	126.8	(1,283.8)
Work-in-progress	42.6	(314.8)
	169.4	(1,598.6)

31 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Salaries, wages and bonus (including directors remuneration)	1,350.2	303.3
Contribution to provident and other funds (refer note 38)	232.4	30.6
Gratuity and Pension expense (refer note 38)	11.6	5.0
Staff welfare expenses	72.1	17.1
	1,666.3	356.0

*Includes contribution towards Employee State Insurance Scheme, Superannuation, National Pension Scheme and other contribution schemes.

Refer note 50(b) for implication of changes in the Labour Code.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
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Employee benefits expense includes integration costs / restructuring costs of ₹20.6 Crores for the year ended 31st March 2026 related to the entities acquired as part of acquisition of global pigment business operations of the Heubach Group.

Compliance with Section 197 of the Companies Act, 2013

The remuneration paid / payable to the directors of the domestic subsidiary (RIECO Industries Limited) for the financial year ended 31st March, 2026, is in excess of the limits prescribed under the Companies Act, 2013 and was approved by the shareholder of the domestic subsidiary through a special resolution in Extra-ordinary General Meeting held on 25th May, 2026.

Further, the remuneration paid / payable to the directors of the domestic subsidiary (RIECO Industries Limited) for the financial year ended 31st March, 2025 was in excess of the limits prescribed under the Companies Act, 2013 and was approved by the shareholder of the domestic subsidiary through a special resolution in Extra-ordinary General Meeting held on 29th May, 2025.

32 FINANCE COSTS

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Interest expenses on bank facilities	114.5	38.7
Interest expenses on lease liabilities (refer note 5)	18.5	3.6
Other borrowing costs*	10.1	5.9
	143.1	48.2
Unwinding of discount on provisions (refer note 23)	21.8	0.1
	164.9	48.3

*Includes charges for loan processing, unwinding of interest,etc.

33 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Depreciation on property, plant and equipment (refer note 3)	274.5	148.3
Amortisation on intangible assets (refer note 4)	22.4	9.6
Depreciation on right-of-use assets (refer note 5)	50.3	8.3
	347.2	166.2

34 OTHER EXPENSES

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Consumption of stores and spares	82.7	45.7
Consumption of packing material	114.6	37.1
Power and fuel	479.9	205.5
Water charges	109.4	23.2
Contract labour charges	182.9	87.0
Rent (refer note 5)	29.4	11.0
Repairs and maintenance		
- Plant and machinery	129.8	40.8
- Buildings	20.8	9.0
- Others	36.7	4.2
Insurance	73.0	12.2
Rates and taxes (excluding taxes on income)	32.7	4.3
Advertisement	11.1	5.6
Legal, professional and consultancy charges (includes auditors' remuneration)	467.6	85.8
Bad debts written off	0.1	1.2
Impairment (reversal) / losses on financial instruments	(5.5)	9.0

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Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Bank charges	9.4	2.3
Commission to selling agents	17.0	7.2
Freight and forwarding expenses	243.1	97.9
Directors' sitting fees	0.3	0.4
Foreign exchange (gain) / loss (net)*	(97.9)	17.3
Consumables related to IT hardware	98.8	20.6
Printing, stationery and communication expenses	53.6	7.3
Travelling and conveyance	43.3	19.2
Expenditure towards Corporate Social Responsibility	5.3	2.6
Directors' commission	1.9	1.2
Environmental and treatment cost	170.7	36.7
Loss on sale / disposal / retirement of assets	4.0	-
Warehouse charges	91.6	6.2
Laboratory expenses	46.4	4.8
Miscellaneous expenses**	106.5	29.6
	2,559.2	834.8

*Includes mark to market (gain) / loss on derivatives amounting to ₹15.0 Crores (Previous Year (₹5.2 Crores))

**Miscellaneous expenses mainly includes cost related to incidental equipment hire charges, security and admin services , cleaning services etc.

Other expenses includes integration costs / restructuring costs of ₹114.6 Crores for the year ended 31st March 2026 related to the entities acquired as part of acquisition of global pigment business operations of the Heubach Group.

35 CAPITALISATION OF EXPENDITURE

In accordance with Ind AS 16 and Ind AS 38, the Group has capitalised directly attributable expenses as Property, plant and equipment, capital work-in-progress (CWIP), Intangible assets and Intangible assets under development. Accordingly, expenses disclosed under the respective notes are net of amount capitalised by the Group. Expenses capitalized are as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Employee benefits expense	0.9	-
Other expenses^	0.5	0.8
	1.4	0.8

^Includes power & fuel and water charges

36 EARNINGS PER SHARE

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Profit for the year attributable to owners of the parent (A)	22.3	55.9
Equity shares outstanding at the beginning of the year	7,85,72,885	6,92,27,250
Add: Equity shares issued through preferential issue (allotment date:13 th January, 2025)	-	18,69,000
Add: Equity shares issued through qualified institutional placement (allotment date:29 th January, 2025)	-	74,76,635
Add: Equity shares issued against ESOP	39,051	-
Equity shares outstanding at the end of the year	7,86,11,936	7,85,72,885
Weighted average number of equity shares outstanding at the end of the year (B)	7,85,95,121	7,08,96,657
Add: Dilutive impact of employee stock options	70,216	88,963
Add: Dilutive impact of share warrants	88,544	611



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As at and for the year ended 31st March, 2026
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Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Weighted average number of equity shares adjusted for the effect of dilution (C)	7,87,53,881	7,09,86,230
Nominal value per equity share (in ₹)	2.0	2.0
Basic (in ₹) (A/B)	2.8	7.9
Diluted (in ₹) (A/C)	2.8	7.9

37 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI for each type of reserve in equity is shown below :

For the year ended 31st March, 2026

Particulars	Capital Reserve	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Total
Net movement on effective portion of cash flow hedge (net of tax)	-	6.7	-	-	6.7
Exchange gain / (loss) on translation of foreign operations*	-	-	50.7	-	50.7
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	23.0	23.0
	-	6.7	50.7	23.0	80.4

For the year ended 31st March, 2025

Particulars	Capital Reserve	Cash flow hedge reserve	Foreign currency translation reserve	Retained earnings	Total
Net movement on effective portion of cash flow hedge (net of tax)	-	14.1	-	-	14.1
Exchange gain / (loss) on translation of foreign operations*	-	-	(27.4)	-	(27.4)
Re-measurement gains / (losses) on defined benefit plans (net of tax)	-	-	-	4.9	4.9
Gain on bargain purchase (refer note 45)	1,196.3	-	-	-	1,196.3
	1,196.3	14.1	(27.4)	4.9	1,187.9

* The Holding Company has not recognised tax impact on exchange gains / losses on translation of foreign operations in other comprehensive income as the Holding Company has determined that those entities will not be disposed-off / profits will not be distributed in the foreseeable future.

38 EMPLOYEE BENEFIT OBLIGATIONS

A Defined Contribution Schemes

The Group deposits an amount determined at a fixed percentage of basic pay every month to the State administered Provident Fund, Employee State Insurance (ESI) and other funds for the benefit of the employees. Accordingly, the Group's contribution during the year that has been recognised in Consolidated Statement of Profit and Loss. The Group has no obligation to the scheme beyond its annual contributions.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Employer's contribution to Provident Fund and other funds	232.4	30.6
	232.4	30.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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B Defined Benefit Plans of the Group

I Gratuity

Funded Scheme :

The Group has a defined benefit gratuity plan for its employees and every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. An employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policies. The Group accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

Refer note 50(b) for implication of changes in the Labour Code and impact of change in the carrying amount of provision for gratuity and incremental impact on Consolidated Profit and Loss statement.

Risk exposure and asset-liability matching

Provision of a defined benefit scheme poses certain risks, as the Group take on uncertain long term obligations to make future benefit payments.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in Balance Sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current service cost	5.9	2.5
Net interest (income) / expense	1.9	0.6
Net expense	7.8	3.1

Changes in the present value of the defined benefit obligation are, as follows :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Defined benefit obligation as at the beginning of the year	77.8	32.0
Additions on account of business combination (refer note 45)	-	45.2
Interest cost	5.3	2.3
Current service cost	5.9	2.5
Past service cost (refer note 50)	30.1	-
Benefit payments from plan assets	(11.4)	(4.9)
Re-measurement (gain) / loss in other comprehensive income (OCI)		
Actuarial (gain) / loss - Experience	(2.9)	(0.1)
Actuarial (gain) / loss - Financial	(1.8)	0.9
Actuarial (gain) / loss - Demographic	-	(0.1)
Defined benefit obligation as at the end of the year	103.0	77.8

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Changes in the fair value of plan assets are as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Fair value of plan assets at the beginning of the year	53.6	21.2
Additions on account of business combination (refer note 45)	-	35.8
Expected returns on plan assets	3.4	1.7
Employer contributions	11.6	0.1
Benefits paid	(11.4)	(4.9)
Re-measurement gain / (loss) in other comprehensive income (OCI)	-	
Actuarial gain / (loss) - Experience	0.6	(0.3)
Fair value of plan assets at the end of year	57.8	53.6

As at 31st March, 2026 and 31st March, 2025 plan assets were 100% invested in insurer managed funds.

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
(Gain) / loss on defined benefit obligation - Experience	(2.9)	(0.1)
(Gain) / loss on defined benefit obligation - Financial	(1.8)	0.9
(Gain) / loss on defined benefit obligation - Demographic	-	(0.1)
(Gain) / loss on plan assets - Experience	0.6	0.3
Amount recognised in the statement of OCI	(4.1)	1.0

Net defined benefit liability / (asset) at the end of the year

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined Benefit Obligation	103.0	77.8
Fair value of plan assets	(57.8)	(53.6)
Closing net defined benefit liability	45.2	24.2

The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14).

Attrition:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Employee turnover		
age upto 30 years	18% to 25%	18%
age 31- 45 years	3% to 10%	3% to 10%
age above 45 years	2% to 5%	2% to 5.5%
Retirement Age*	58-80 years	58-80 years

*Wholetime Directors 80 years and others 58 years

Financial assumptions

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	6.8% to 7.3%	6.6% to 6.8%
Expected rate of return on plan assets	6.8%	6.8%
Expected rate of increment in compensation levels	7% to 9%	5% to 9%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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A quantitative sensitivity analysis for significant assumptions are as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2026		As at 31 st March, 2025	
	Increase by 100	Decrease by 100	Increase by 100	Decrease by 100
	basis points	basis points	basis points	basis points
Discount Rate	(6.2)	6.9	(3.7)	4.4
Expected rate of increment in compensation levels	7.0	(6.4)	4.4	(3.9)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely discount rate and salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous year and the points / percentage by which the assumptions are stressed are same to that in the previous year.

The assumptions for mortality and attrition do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

Risk Exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- (a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.
- (b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.
- (c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

The following is the maturity profile of undiscounted defined benefit obligation:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Within the next 12 months	17.3	13.0
Between 2 and 5 years	52.5	40.1
Beyond 5 years	108.7	64.2

Expected contribution by the group for the next year: ₹8.9 Crores (Previous year: ₹13.0 Crores)

Weighted average duration of the plan (based on discounted cash flows using mortality, withdrawal and interest rate) is between 6.3 years and 7.6 years (Previous Year : between 6.2 years and 7.5 years).



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Composition of Plan Assets

Major categories of Plan Assets are as under:*	As at 31 st March, 2026	As at 31 st March, 2025
	Funded	Funded
Government debt instruments	7.1	9.9
Other debt instruments	0.4	10.8
Insurer managed funds	2.5	2.2
Scheme of insurance- conventional product	10.3	9.2
Life Insurance Corporation of India (LIC)	19.9	18.8
Others	17.6	2.7
Total	57.8	53.6

*Investment in plan assets are unquoted. In respect of LIC, plan assets are invested by LIC as per their guidelines and no further details are available with the Group

II Pension

The Group provides for Pension, a defined benefit retirement plan covering eligible employees. The Group accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and amounts recognised in Balance Sheet for the plan.

Net employee benefit expense on account of pension recognised in employee benefit expenses :

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Current service cost	10.1	0.8
Curtailment of plan/ Restructuring (P&L Impact)	(11.4)	-
Net interest (income) / expense	5.1	1.1
Net expense	3.8	1.9

Changes in the present value of the defined benefit obligation are, as follows :

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined benefit obligation as at the beginning of the year	295.3	13.5
Additions on account of business combination (refer note 45)	-	300.1
Interest cost	8.5	1.3
Current service cost	10.1	0.8
Employee Contribution	4.3	0.3
Curtailment of plan / Restructuring (P&L Impact)	(11.4)	-
Benefit payments directly by employer	(32.4)	(14.7)
Re-measurement (gain) / loss in other comprehensive income (OCI)		
Actuarial (gain) / loss - Experience	(2.9)	2.7
Actuarial (gain) / loss - Financial	(0.4)	(8.7)
Actuarial (gain) / loss - Demographic	(2.2)	-
Curtailment of plan (OCI Impact)	(12.2)	-
Impact of foreign exchange differences	49.5	-
Defined benefit obligation as at the end of the year	306.2	295.3

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Changes in the fair value of plan assets are as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Fair value of plan assets at the beginning of the year	207.1	-
Additions on account of business combination (refer note 45)	-	218.6
Expected returns on plan assets	3.4	0.2
Employee contribution	3.1	0.2
Employer contributions	5.9	0.5
Benefits paid	(28.8)	(12.8)
Others	-	0.3
Re-measurement gain / (loss) in other comprehensive income (OCI)		
Actuarial gain / (loss) - Experience	5.5	0.1
Impact of foreign exchange differences	36.9	-
Fair value of plan assets at the end of year	233.1	207.1

Re-measurements for the period (Actuarial (gain) / loss)

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
(Gain) / loss on defined benefit obligation - Experience	(2.9)	2.7
(Gain) / loss on defined benefit obligation - Financial	(0.4)	(8.7)
(Gain) / loss on defined benefit obligation - Demographic	(2.2)	-
(Gain) / loss on plan asset - Experience	(5.5)	(0.1)
Curtailment of plan (OCI Impact)	(12.2)	-
Amount recognised in the statement of OCI	(23.2)	(6.1)

Net Defined Benefit Liability / (Asset)

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Defined Benefit Obligation	306.2	295.3
Fair value of plan assets	233.1	207.1
Closing net defined benefit liability	73.1	88.2

The principal assumptions used in determining pension obligations for the Group's plan are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality (2012-14)

Financial assumptions

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	1.3% to 28.5%	1.3% to 27.25%
Pension increase rate	0% to 23.5%	0% to 10%
Retirement Age	55 - 65 years	55-80 years

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2026		As at 31 st March, 2025	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate	(45.6)	48.7	(2.2)	2.7
Expected rate of increment in compensation levels	3.1	(3.0)	2.6	(2.2)



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Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year

The assumption for mortality and attrition do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

The following is the maturity profile of undiscounted defined benefit obligation:

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Within the next 12 months	36.5	17.5
Between 2 and 5 years	129.7	38.2
Beyond 5 years	145.9	35.0

III Leave Encashment / Compensated Absences / Sick Leave

The leave obligations cover the Group's liability for sick leave, privilege leave and casual leave.

The amount of the provision settled within 12 months is presented as current, since the Group does not have an unconditional right to defer the settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following table shows bifurcation of current and non-current provision for leave encashment.

Refer note 50(b) for implication of changes in the Labour Code on carrying amount of provision for leave related obligation.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Current leave obligations expected to be settled within the next 12 Months	11.5	4.8
Leave obligations expected to be settled beyond 12 months	22.8	20.4
	34.3	25.2

The Group provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of unutilised compensated absences and utilise it in the future periods or receive cash in lieu thereof as per Group's policy. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the Balance Sheet date carried out by qualified actuary on projected accrued credit method carried out for assessing the liability as on the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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The principal assumptions used in determining Leave obligation for the Group are shown below:

Demographic Assumptions

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Discount rate	6.8% to 7.3%	6.6% to 7.2%
Expected rate of increment in compensation levels	6.6% to 9%	5% to 8%
Employee turnover		
age upto 30 years	18% to 25%	5.5% to 18%
age 31 - 45 years	3% to 10%	4% to 10%
age above 45 years	2% to 5%	2%
Leave availment	2% to 5%	5%
Retirement age*	58-80 years	58-80 years

*Wholetime Directors 80 years and others 58 years

39 Capital commitments and contingent liabilities

(a) Capital and Other Commitments

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
i. Capital commitments		
Estimated value of contracts (purchase orders) remaining to be executed on capital account and not provided for (net of advances of ₹0.4 (31 st March, 2025: ₹3.6 Crores))	55.7	18.3
ii. Other commitments		

The Holding Company has availed import duty exemption under Export Promotion Capital Goods (“EPCG”) scheme, which allows an exporter to import of capital goods including spares for pre-production, production and post-production at zero Customs duty, for exports. As per the scheme, the Holding Company has undertaken export obligation amounting to 6 times of the amount saved on duty on the capital goods. The Holding Company has imported capital goods under the EPCG scheme to utilize the benefit of a zero or concessional customs duty rate. These benefits are subject to future export obligations, which amount to ₹10.1 Crores as at 31st March, 2026 (31st March, 2025: ₹10.1 Crores).

In the previous year ended March 31, 2025 Sudarshan Europe B.V. along with persons acting in concert (“Acquirers”) released open offer on 16th October, 2024 vide public announcement for the acquisition of up to 60,01,268 fully paid up equity shares of face value ₹10/- each of Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited) (“Target Company”), representing 26% of the voting share capital of Target Company from the public shareholders of the Target Company (“Open Offer”). Further, after completion of the said acquisition, on 18th March, 2025, Axis Capital Limited, acting as a Manager to the Open Offer, submitted the Draft Letter of Offer with SEBI as per the applicable provisions of SEBI SAST Regulations, 2011. Pending receipt of requisite approval from SEBI as at March 31, 2025, an amount of ₹361.5 Crores had been transferred by SEBV to an escrow account in connection with the said Open Offer and was disclosed as a financial commitment in the consolidated financial statements. SEBI issued its final observations on 22nd August, 2025 and the Letter of Offer dated 1st September, 2025 was dispatched to eligible shareholders on 3rd September, 2025. The tendering period for the Open Offer commenced on 11th September, 2025 and closed on 24th September, 2025. Pursuant to completion of the Open Offer formalities during the quarter ended 30th September, 2025, SEBV acquired 36,68,036 equity shares of the Target Company, representing 15.89% of its paid-up share capital, at an offer price of ₹602.03 per equity share, aggregating to a total consideration of ₹220.8 Crores (excluding transaction costs). Consequently, the Promoter and Promoter Group shareholding in Sudarshan Colorants India Limited increased to 70.3% of its paid-up share capital.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b) Contingent Liabilities

Claims against the Group not acknowledged as debts

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Excise duty / Service tax demands - matters under dispute	20.3	39.6
GST / VAT / CST demands - matters under dispute	189.4	108.9
Custom duty demands - matters under dispute	3.3	3.3
Direct Tax demands - matters under dispute	5.9	13.8
Electricity duty on Power Generation (Refer note iv)	36.1	32.4
Others*	7.9	2.5

*It includes other miscellaneous matters

The above contingent liabilities include Group's share of contingent liabilities of Joint ventures

The above amounts are net of provisions made on accounts of business combinations (refer note 45)

For contingent liabilities relating to Joint ventures (refer note 54)

- i

The Group's pending litigations comprise of claims against the Group pertaining to proceedings pending with Income Tax, Excise, Custom and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Consolidated Financial Statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its Consolidated Financial Statements.
- ii

It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.The Group has assessed that it is only possible, but not probable, that outflow of economic resources will be required in this regard.
- iii

The Group has received demand orders from the Goods and Services Tax (GST) Department pertaining to FY 2021–22 during the year 2025-26, aggregating to ₹70.8 Crores. These orders are appealable, and the Group believes it has a strong case on all the matters contested by the GST Department. Accordingly, based on legal advice, wherever applicable, and management's assessment, no provision is considered necessary in respect of these demands, as the Group does not expect any material impact on its financial position, operations, or other activities.
- iv

The Government of Maharashtra revised electricity duty payable on captive power generation (“CPP”) vide notification dated 13th April, 2015 and accordingly MSEDCL issued a Circular no 214 dated 23rd April, 2015, the revised rates for CPP was revised to 120 paise per unit from 30 paise per unit. The rates for CPP increased by 4 times, which was very high, therefore the Captive Power Producers Association filed writ petition with Bombay High Court which has been admitted by H.C. vide case No. WP/4963/2015 and WP/906/2017. The High Court passed interim stay order, subsequently during the last hearing held on 24th January, 2020, the bench passed the order to continue the interim stay granted previously.

The Group has obtained an opinion from a subject-matter expert (‘SME’) on the Electricity Duty contingency. The matter is sub-judice with the Bombay High Court and the SME has opined that the Company has a good case of success in the proceedings.
- v

During the year ended 31st March, 2025, the Group applied under the amnesty scheme for certain eligible Excise duty / Service tax related matters pertaining to FY 2015–16 to FY 2017–18. An amount of ₹0.3 Crores, which had been disclosed as a contingent liability in previous years, was covered under this application. During the current year, the Group has received approval under the scheme and, accordingly, settled the dues by making the required payment, thereby extinguishing the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts are in ₹ Crores, unless otherwise stated)

- vi

The Group has subsequently received favourable orders from the Commissioner of Income Tax (Appeals) in respect of cases pertaining to Assessment Years 2020–21, amounting to ₹2.1 Crores stating that AO shall rectify the order passed earlier.
- Further during the year the Group has also received the order is respect of cases pertaining to AY 2020-21 and AY 2021-22, amounting to ₹1.2 Crores. However, as at the reporting date, the statutory time limit for the tax authorities to file appeals before higher appellate forums has not yet expired. Accordingly, as a matter of prudence, the Group continues to disclose these amounts as contingent liabilities. Based on the current status of the cases and the legal advice obtained, management does not expect the outcome of these proceedings to have a materially adverse impact on the Company’s financial position or results of operations.
- vii

One of the acquired subsidiaries of the Group has received various invoices for group management charges from Heubach group GmbH amounting ₹18.5 Crores as on March 31, 2026 (March 31,2025:₹16.0 Crores). Heubach group GmbH is not able to provide supporting evidence or substantiate the rendering of services on the Group against the various invoices raised .In consideration of above points, management is of the view that as these services are not rendered to the Group, accordingly these invoices have been returned to the Heubach group GmbH and has not been accounted as expenditure during the year ended 31st March, 2026 and 31st March, 2025.

(c) OTHER LITIGATIONS

There are several other cases which has been determined as remote or has been provided in the books by the Group and hence not been disclosed above.

(d) GUARANTEES EXCLUDING FINANCIAL GUARANTEES

The Group has given corporate guarantees amounting to ₹7.1 Crores (Previous Year ₹7.1 Crores) on behalf of subsidiary company. The Group has reviewed the financial position along with consideration of other factors of the entity to whom the guarantees are issued and has determined that the exposure of revocation of liability is remote. Hence these financial guarantees are not measured at fair value as per Ind AS 109 - Financial Instruments. The Holding Company has issued guarantees to Maharashtra Pollution Control Board, Maharashtra State Electricity Distribution Company Limited, Custom Authorities and other authorities amounting to ₹10.3 Crores (Previous Year ₹6.5 Crores). The Group has given guarantees to customers as performance bank guarantee amounting to ₹17.8 Crores (March 31,2025 ₹21.10 Crores). The management has considered the probability of outflow of the same as remote.

40 OTHER STATUTORY INFORMATION AS REQUIRED BY NOTIFICATION ISSUED BY MINISTRY OF CORPORATE AFFAIRS DATED 24TH MARCH, 2021 ON AMENDMENTS ON SCHEDULE III

- (a)

There are no Loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- (b)

The Holding Company and its Indian subsidiaries does not hold any Benami property and no proceedings have been initiated or pending against the Holding Company or its Indian subsidiaries for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (c)

The Holding Company and its Indian subsidiaries have balance with the below-mentioned companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956:

Name of struck off company	Nature of transactions with struck-off company	Balance Outstanding		Relationship with the struck off company if any to be disclosed
		As at 31 st March, 2026	As at 31 st March, 2025	
P.D.Enterprise	Advance to suppliers	0.0	0.0	None
Impression Engineers	Advance to suppliers	0.0	0.0	None
Shubham Industries	Advance to suppliers	0.0	0.0	None
Enviro Safe Seals Pvt Ltd	Advance to suppliers	0.0	0.0	None
Extreme Automation Pvt Ltd	Advance to suppliers	0.0	0.0	None
Haldiram Snacks Pvt Ltd	Trade receivable	0.1	0.1	None
Prayag Polytech Private Limited	Trade receivables	4.8	4.8	None
Danke Electricals Limited	Trade payables	0.0	0.0	None
Bluestone Inorganics Pvt Ltd	Trade receivables	0.0	0.0	None

- (d)

The Holding Company and its Indian subsidiaries have not traded or invested in Crypto currency or Virtual Currency during the current or previous financial year.
- (e)

(A)

The Holding Company and its Indian subsidiaries have not advanced or loaned or invested funds, other than as disclosed below, to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i)

directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its Indian subsidiaries (Ultimate Beneficiaries) or

ii)

provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Year ended 31st March 2025

Name of party	Relationship	Nature of Transaction	Date	Amount	Name of ultimate beneficiaries	Relationship	Nature of Transaction	Date	Amount
Sudarshan Europe B.V.	Subsidiary	Investment in preference shares	25-02-2025	₹364.0 Crores (₹ 40 million)	Sudarshan Germany Horizons GmbH	Step down subsidiaries	Loan	03-03-2025	₹54.9 Crores (₹ 6 million)
					Sudarshan Langelsheim PLT GmbH	Step down subsidiaries	Loan	03-03-2025	₹13.7 Crores (₹1.5 million)

- (B)

The Holding Company and its Indian subsidiaries have not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company and its Indian subsidiaries shall:

i)

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

ii)

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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- (f) There are no charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (g) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction in number of Layers) Rules, 2017.

(h) COMPLIANCE WITH SECTION 143 (3) FOR MAINTENANCE OF BOOKS OF ACCOUNT OF THE COMPANIES ACT ,2013 (“ACT”)

MCA has amended Rule 3 of the Companies (Accounts) Rules, 2014 (the “Accounts Rules”) relating to the mode of keeping books of account and other books and papers in electronic mode through an amendment on 5th August, 2022. In compliance with the requirements of the amendment, the books of accounts and other relevant books and records are accessible in India at all times for the entities within the Group incorporated in India. Further, backup of books of account maintained in electronic form is kept in servers physically located in India on a daily basis.

The Holding Company, its subsidiaries and joint venture which are companies incorporated in India and whose financial statements have been audited under the Act have a process to take daily back-up of books of account maintained in electronic mode and along with the logs of the back-up of such books of account. However, the backup of certain books of account and other relevant books and records maintained in electronic mode has not been maintained on servers physically located in India on daily basis:

Entity Name	Requirements u/s 143(3) of the Act	
	Books of Account maintained on cloud/ servers physically located in India	Backup maintained in India on daily basis
Sudarshan Chemical Industries Limited	Yes	Yes
RIECO Industries Limited	Yes	Yes*
Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)	No	No
Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)	Yes	Yes
Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)	Yes	Yes
Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)	Yes	Yes**
Heubach Foundation	Yes	Yes
Sudarshan CSR Foundation	Yes	Yes

*Backup of books of account maintained in electronic form is kept in servers physically located in India on a daily basis except for the period from June 13, 2025 to February 18, 2026.

**The entity has a process to maintain daily backups on server physically located in India but backup logs are not available for verification.

(i) COMPLIANCE WITH SECTION 143 (3) OF THE COMPANIES ACT ,2013 FOR AUDIT TRAIL

The Holding Company, its subsidiaries and joint venture which are companies incorporated in India and whose financial statements have been audited under the Act have used accounting software for maintaining their 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 for below instances:

- (i) Holding Company has used accounting software where audit trail feature is not enabled for changes, if any, made using certain administrative access rights to the application.
- (ii) 1 subsidiary has used accounting software where audit trail feature is not enabled for changes, if any, made using certain administrative access rights to the application and underlying database.



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- (iii) In respect of 3 subsidiaries, no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes;
- (iv) 1 subsidiary has maintained records of property, plant and equipment and payroll manually.
- (v) 2 subsidiaries have used accounting software where the feature of recording audit trail (edit log) was not enabled at the application level of the accounting software for a few fields/tables pertaining to revenue, purchase and other processes;

Further, no instance of audit trail feature being tampered with was noted in respect of such accounting software where the audit trail has been enabled.

Additionally, during the course of our audit and considering SOC report, we did not come across any instance of audit trail feature being tampered with. Further, the audit trail of prior years has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

41 Change in Rounding Off Norms for Presentation in Financial Statements

The Consolidated Financial Statements are presented in ₹ and all values are rounded to the nearest Crores (₹00,00,000), except when otherwise indicated.

Until 31st March, 2025, the Group’s Consolidated Financial Statements were presented in Indian Rupees (₹00,000) with values rounded off to the nearest lakhs, except where otherwise indicated.

Certain notes and disclosures in the Consolidated Financial Statements have been presented as zero (“0.0”) where the absolute amount is below the revised rounding off threshold adopted by the Group.

- 42 In accordance with the requirements of Division II - Ind AS Schedule III to the Companies Act, 2013, analytical ratios have been disclosed only in standalone Financial Statements.

43 RELATED PARTY TRANSACTION (AS PER IND AS 24 ON RELATED PARTY DISCLOSURES SPECIFIED UNDER SECTION 133 OF THE COMPANIES ACT 2013)

A List of Related Parties and description of relationship

(a) Key Management Personnel (“KMP”)	
- Mr. P. R. Rathi	Chairman (ceased as a Chairman and Non-Executive and Non-Independent Director with effect from close of business hours on 29 th May, 2025)
- Mr. R. B. Rathi	Chairman and Managing Director (Appointed as a Chairman with effect from close of business hours on 29 th May, 2025)
- Mr. A. Vij	Wholetime Director
- Mr. N. T. Raisinghani	Non-Executive - Independent Director
- Mrs. S. A. Panse	Non-Executive - Independent Director (ceased with effect from 13 th August, 2025 upon completion of her tenure)
- Mrs. S. P. Navandar	Non-Executive - Independent Director
- Mrs. A. A. Wakhlu	Non-Executive - Independent Director
- Ms. B. Batra	Non-Executive - Independent Director
- Mr. A. Chandra	Non-Executive - Independent Director (appointed with effect from 1 st October, 2025)
- Mr. R. K. Mariwala	Non-Executive - Independent Director (appointed with effect from 1 st October, 2025)
- Mr. S. K. Asher	Non-Executive Non-Independent Director (appointed with effect from close of business hours on 12 th November, 2025)
- Mr. A. Mukhopadhyay	Non-Executive Non-Independent Director (appointed with effect from 1 st October, 2025)
- Mr. Nilkanth Natu	Chief Financial Officer
- Mr. Mandar Velankar	Company Secretary



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(b) Close member of Key Management Personnel

- Mrs. R. R. Rathi	Wife of Mr. R. B. Rathi
- Mr. R. P. Rathi	Son of Mr. P. R. Rathi*
- Mrs. Jayashree Mantri	Sister of Mr. P. R. Rathi *
- Smt. K. B. Rathi	Mother of Mr. R. B. Rathi
- Mr. A. B. Rathi	Brother of Mr. R. B. Rathi
- Mrs. Meena Maheshwari	Sister of Mr. R. B. Rathi
- Mrs. S. P. Rathi	Wife of Mr. P. R. Rathi *
- Mrs. V. R. Rathi	Wife of Mr. R. P. Rathi
- Mrs. R. R. Agarwal	Daughter of Mr. P. R. Rathi *
- Mr. Rishab Agarwal	Husband of Mrs. R.R. Agarwal*
- Ms. Smriti R. Rathi	Daughter of Mr. R. B. Rathi
- Ms. Tanvi R. Rathi	Daughter of Mr. R. B. Rathi

*ceased to be close member of KMP following the resignation of Mr. P. R. Rathi as a Chairman and Non-Executive and Non-Independent Director with effect from close of business hours on 29th May, 2025.

(c) Others : Joint ventures

- Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited) (w.e.f 3rd March, 2025)
- Hangzhou Baihe Heubach Pigments Co. Limited (w.e.f 3rd March, 2025)

(d) Others : Entities in which Key Management Personnel and / or their relatives exercise significant influence with whom the Group has entered into the transaction during the course of the period.

- | | |
|--|---|
| - Balkrishna Rathi Finance Private Limited | - Crawford Bayley & Co |
| - Sudarshan Chemical Industries Limited Employee Group Gratuity Scheme | - Pragati-Leadership Institute Private Limited |
| - Sudarshan Chemical Industries Limited Employee's Superannuation Scheme | - Breakthrough Management Group India Private Limited |
| - Rabro Speciality Chemicals Private Limited* | - Pigment Manufacturers Association of India |
| - Shri Jagannath Rathi Charity Trust | - Lexcelon Corporate Advisors Private Limited** |
| - Forbes Marshall Private Limited | |

*ceased as a Related Party effective close of business hours on 29th May, 2025

**Became Related Party effective 1st October, 2025

B Transactions with Related Parties

Nature of Transactions	For the year ended 31 st March 2026					For the year ended 31 st March 2025				
	Key Man-agement Personnel	Close Member of Key Man-agement Personnel	Joint Venture	Others	Total	Key Man-agement Personnel	Close Member of Key Man-agement Personnel	Joint Venture	Others	Total
a Salary (including reimbursement of expenses)* :	22.3	-	-	-	22.3	21.1	0.1	-	-	21.2
Mr. R.B.Rathi	16.1	-	-	-	16.1	16.9	-	-	-	16.9
Mr. A.Vij	3.9	-	-	-	3.9	2.4	-	-	-	2.4
Mr. Nilkanth J. Natu	1.4	-	-	-	1.4	1.1	-	-	-	1.1
Mr. Mandar Velankar	0.9	-	-	-	0.9	0.7	-	-	-	0.7
Others	-	-	-	-	-	-	0.1	-	-	0.1
b Pension* :	0.3	0.4	-	-	0.7	0.5	0.9	-	-	1.5
Mr. P. R. Rathi	0.3	-	-	-	0.3	0.5	-	-	-	0.5
Mr. N. J. Rathi	-	0.1	-	-	0.1	-	0.5	-	-	0.5
Mrs. K.B.Rathi	-	0.3	-	-	0.3	-	0.4	-	-	0.4
c Commission (Subject to Shareholders' approval) :	1.4	-	-	-	1.4	0.9	-	-	-	0.9

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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026					For the year ended 31 st March 2025				
	Key Man-agement Personnel	Close Member of Key Man-agement Personnel	Joint Venture	Others	Total	Key Man-agement Personnel	Close Member of Key Man-agement Personnel	Joint Venture	Others	Total
Mrs. Sudha Navandar	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mrs. Anu Wakhlu	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Ms. Bhumika Batra	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mr. N. Raisinghani	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Mr. Apurva Chandra	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Rajendra Mariwala	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Amitabha Mukhopadhyay	0.1	-	-	-	0.1	-	-	-	-	-
Mrs. S. A. Panse	0.1	-	-	-	0.1	0.2	-	-	-	0.2
Mr. S. K. Asher	0.1	-	-	-	0.1	-	-	-	-	-
Mr. P.R.Rathi	-	-	-	-	-	0.1	-	-	-	0.1
Mr. A. N. Rathi	-	-	-	-	-	0.1	-	-	-	0.1
						-	-	-	-	-
d Sitting fees :	0.3	-	-	-	0.3	0.4	-	-	-	0.4
Ms. Bhumika Batra	0.1	-	-	-	0.1	0.0	-	-	-	0.0
Mr. N. Raisinghani	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mrs. Sudha Navandar	0.1	-	-	-	0.1	0.0	-	-	-	0.0
Mrs. Anu Wakhlu	0.0	-	-	-	0.0	0.0	-	-	-	0.0
Mr. Amitabha Mukhopadhyay	0.0	-	-	-	0.0	-	-	-	-	-
Mr. Apurva Chandra	0.0	-	-	-	0.0	-	-	-	-	-
Mr. Rajendra Mariwala	0.0	-	-	-	0.0	-	-	-	-	-
Mr.S.K.Asher	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Mrs. S.A.Panse	0.0	-	-	-	0.0	0.1	-	-	-	0.1
Mr. P.R.Rathi	-	-	-	-	-	0.1	-	-	-	0.1
Mr. A. N. Rathi	-	-	-	-	-	0.0	-	-	-	0.0
Mr.D.N.Damania	-	-	-	-	-	0.0	-	-	-	0.0
Mr. S. Padmanabhan	-	-	-	-	-	0.0	-	-	-	0.0
Mrs. R. F. Forbes	-	-	-	-	-	0.0	-	-	-	0.0
										-
e Sale of Property Plant and Equipment :	-	-	-	-	-	0.4	-	-	-	0.4
Mr. P. R. Rathi		-	-	-	-	0.4	-	-	-	0.4
										-
f Sale of goods :	-	-	28.6	-	28.6	-	-	1.9	-	1.9
Sudarshan Toyo Colour Private Limited		-	28.4	-	28.4	-	-	1.9	-	1.9
Hangzhou Baihe Heubach Pigments Co., Ltd.			0.2		0.2	-	-	-	-	-
g Purchase of Goods / Services / Property Plant and Equipment :	-	-	291.7	-	291.7	-	-	0.1	1.7	1.8
Rabro Speciality Chemicals Pvt Ltd	-	-	-	-	-	-	-	-	1.7	1.7
Sudarshan Toyo Colour Private Limited	-	-	0.7	-	0.7	-	-	0.1	-	0.1
Forbes Marshall Private Limited	-	-	-	-	-	-	-	-	0.0	0.0
Hangzhou Baihe Heubach Pigments Co., Ltd.	-	-	291.0	-	291.0	-	-	-	-	-
h Dividend Received during the year	-	-	39.8	-	39.8	-	-	-	-	-
Sudarshan Toyo Colour Private Limited	-	-	2.1	-	2.1	-	-	-	-	-
Hangzhou Baihe Heubach Pigments Co., Ltd.	-	-	37.7	-	37.7	-	-	-	-	-
										-



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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026					For the year ended 31 st March 2025				
	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total
i Advance Received during the year	-	-	3.8	-	3.8	-	-	-	-	-
Sudarshan Toyo Colour Private Limited	-	-	3.8	-	3.8	-	-	-	-	-
j Advance paid during the year	-	-	2.0	-	2.0	-	-	-	-	-
Sudarshan Toyo Colour Private Limited	-	-	2.0	-	2.0	-	-	-	-	-
k Legal and Professional Fees Paid :	-	-	-	3.7	3.7	-	-	-	4.5	4.5
Crawford Bayley & Co.	-	-	-	2.0	2.0	-	-	-	3.5	3.5
Breakthrough Management Group	-	-	-	0.2	0.2	-	-	-	0.7	0.7
Pragati Leadership Institute Private Limited	-	-	-	0.4	0.4	-	-	-	0.3	0.3
Lexcelon Corporate Advisors Private Limited	-	-	-	1.1	1.1	-	-	-	-	-
l Rent received :	-	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0
Rabro Speciality Chemicals Pvt. Ltd.	-	-	-	0.0	0.0	-	-	-	0.0	0.0
Balkrishna Rath i Finance Private Limited	-	-	-	0.0	0.0	-	-	-	0.0	0.0
Sudarshan Toyo Colour Private Limited	-	-	0.0	-	0.0	-	-	0.0	-	0.0
Shri Jagannath Rath i Charity Trust	-	-	-	0.0	0.0	-	-	-	-	-
m Donation Paid :	-	-	-	2.4	2.4	-	-	-	-	-
Shri Jagannath Rath i Charity Trust	-	-	-	2.4	2.4	-	-	-	-	-
n CSR Donation Received :	-	-	-	-	-	0.0	-	-	-	0.0
Mr. P.R.Rathi	-	-	-	-	-	0.0	-	-	-	0.0
o Reimbursement :	-	-	-	0.2	0.2	-	-	-	0.4	0.4
Rabro Speciality Chemicals Pvt. Ltd.	-	-	-	0.1	0.1	-	-	-	0.3	0.3
Shri Jagannath Rath i Charity Trust	-	-	-	0.1	0.1	-	-	-	0.1	0.1
p Subscription paid :	-	-	-	0.0	0.0	-	-	-	0.1	0.1
Pigment Manufacturers Association	-	-	-	0.0	0.0	-	-	-	0.1	0.1
q Car Deposit Received :	-	-	-	-	-	0.2	-	-	-	0.2
Mr. P.R. Rath i	-	-	-	-	-	0.2	-	-	-	0.2
Mr.N.J. Natu	-	-	-	-	-	0.0	-	-	-	0.0
r Car Deposit Repayment :	-	-	-	-	-	0.5	-	-	-	0.5
Mr. P.R. Rath i	-	-	-	-	-	0.5	-	-	-	0.5
s Issuance of Share Warrants :	-	-	-	-	-	25.0	-	-	-	25.0
Mr. R.B. Rath i	-	-	-	-	-	25.0	-	-	-	25.0

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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Nature of Transactions	For the year ended 31 st March 2026					For the year ended 31 st March 2025				
	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total
t Finance costs :	-	-	1.5	-	1.5	-	-	0.1	-	0.1
Sudarshan Toyo Colour Private Limited	-	-	1.5	-	1.5	-	-	0.1	-	0.1
u Business consignment fees :	-	-	0.3	-	0.3	-	-	0.0	-	0.0
Sudarshan Toyo Colour Private Limited	-	-	0.3	-	0.3	-	-	0.0	-	0.0
v Trademark fees Received :	-	-	0.0	-	0.0	-	-	0.0	-	0.0
Sudarshan Toyo Colour Private Limited	-	-	0.0	-	0.0	-	-	0.0	-	0.0
w Sales Commission Received:	-	-	0.4	-	0.4	-	-	0.0	-	0.0
Sudarshan Toyo Colour Private Limited	-	-	0.4	-	0.4	-	-	0.0	-	0.0

*Pertains to short-term employee benefits other than gratuity and leave encashment since the same is computed for all employees of the Group as a whole.

Transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year end are unsecured with a short term duration unless otherwise stated and interest free except for loans and settlement occurs in cash. For the year ended 31st March, 2026, the Group has not recorded any impairment of receivables relating to amount owed by related parties other than those disclosed separately above (31st March, 2025 : INil). This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

C Balances due from / to related parties :

Nature of Transactions	As at 31 st March 2026					As at 31 st March 2025				
	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total
a Trade Receivables	-	-	10.1	-	10.1	-	-	9.4	-	9.4
Sudarshan Toyo Colour Private Limited	-	-	9.6	-	9.6	-	-	9.0	-	9.0
Hangzhou Baihe Heubach Pigments Co. Ltd.	-	-	0.5	-	0.5	-	-	0.4	-	0.4
b Trade Payables	-	-	68.2	-	68.2	-	-	0.2	-	0.2
Hangzhou Baihe Heubach Pigments Co. Ltd.	-	-	68.0	-	68.0	-	-	-	-	-
Sudarshan Toyo Colour Private Limited	-	-	0.2	-	0.2	-	-	0.2	-	0.2
c Other Receivables	-	-	-	1.4	1.4	-	-	-	3.0	3.0
Sudarshan Chemical Industries Limited Employee Group Gratuity Scheme	-	-	-	1.4	1.4	-	-	-	3.0	3.0
d Other Payables	-	-	25.5	-	25.5	-	-	11.9	0.0	11.9
Sudarshan Toyo Colour Private Limited	-	-	25.5	-	25.5	-	-	11.9	-	11.9
Pragati Leadership Institute Private Limited	-	-	-	-	-	-	-	-	0.0	0.0
e Commission Payable	1.4	-	-	-	1.4	0.9	-	-	-	0.9
Mrs. Sudha Navandar	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mrs. Anu Wakhlu	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Ms. Bhumika Batra	0.2	-	-	-	0.2	0.1	-	-	-	0.1
Mr. N. Raisinghani	0.2	-	-	-	0.2	0.2	-	-	-	0.2



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As at and for the year ended 31st March, 2026
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Nature of Transactions	As at 31 st March 2026					As at 31 st March 2025				
	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total	Key Man- agement Personnel	Close Member of Key Man- agement Personnel	Joint Venture	Others	Total
Mrs. S. A. Panse	0.1	-	-	-	0.1	0.2	-	-	-	0.2
Mr. Amitabha Mukhopadhyay	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Apurva Chandra	0.1	-	-	-	0.1	-	-	-	-	-
Mr. Rajendra Mariwala	0.1	-	-	-	0.1	-	-	-	-	-
Mr. S. K. Asher	0.1	-	-	-	0.1	-	-	-	-	-
Mr. P.R.Rathi	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. A. N. Rath	-	-	-	-	-	0.1	-	-	-	0.1
f Salary / Pension Payable*	-	-	-	-	-	0.0	0.0	-	-	0.1
Mr. N. J. Rath	-	-	-	-	-	-	0.0	-	-	0.0
Mr. P.R.Rathi	-	-	-	-	-	0.0	-	-	-	0.0
Mrs. K. B. Rath	-	-	-	-	-	-	0.0	-	-	0.0
g Car deposit payable	0.4	-	-	-	0.4	0.6	0.0	-	-	0.6
Mr. R.B. Rath	0.2	-	-	-	0.2	0.2	-	-	-	0.2
Mr. M.M. Velankar	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. A.Vij	0.1	-	-	-	0.1	0.1	-	-	-	0.1
Mr. P.R. Rath	-	-	-	-	-	0.2	-	-	-	0.2
Mr. N.J. Rath	-	-	-	-	-	-	0.0	-	-	0.0
h Borrowings	-	-	19.3	-	19.3	-	-	19.0	-	19.0
Sudarshan Toyo Colour Private Limited	-	-	19.3	-	19.3	-	-	19.0	-	19.0
i Advance paid to suppliers	-	-	-	-	-	-	-	-	2.0	2.0
Crawford Bayley & Co.	-	-	-	-	-	-	-	-	2.0	2.0
Others	-	-	-	-	-	-	-	-	0.0	0.0

*Does not include gratuity and leave encashment since the same is considered for all employees of the Group as a whole.
Note: Transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. All transactions were made on normal commercial terms and conditions and are at market rates.

44 RISK MANAGEMENT AND CAPITAL MANAGEMENT

A Financial instruments risk management objectives and policies

The Group’s principal financial liabilities other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group’s operations and to support its operations. The Group’s principal financial assets include investments, trade and other receivables, deposits, loans and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group’s senior management oversees the management of these risks. The Group’s senior management is supported by an Enterprise Risk Management (ERM) team that advises on financial risks and the appropriate financial risk governance framework for the Group. The ERM team provides assurance to the Group’s senior management that the Group’s financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group’s policies and risk objectives. The ERM process seeks to provide greater confidence to the decision maker and thus enhance achievement of objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, investments, other receivable, payables and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

Potential impact of risk	Management policy	Sensitivity to risk
i) Interest rate risk		
The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.	In order to manage its interest rate risk arising from variable interest rate borrowings, the Group uses Interest rate swaps to hedge its exposure to future market interest rates whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps reduction in interest rates would have led to approximately an additional ₹5.2 Crores and (2024-25: ₹5.2 Crores) gain in Consolidated Statement of Profit and Loss. A 25 bps increase in interest rates would have led to an equal but opposite effect.
ii) Foreign exchange risk		
The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the Group’s functional currency (₹). The risk also includes highly probable foreign currency cash flows.	The Group has exposure arising out of export, import, loans and other transactions. The Group hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Group’s Risk Management policy.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to financial statements, the Group has calculated the impact on the Statement of Profit and Loss. The Group’s exposure to foreign currency changes for all other currencies is not material. For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date would have led to an increase in additional loss of ₹20.3 Crores . (2024-25: loss of ₹12.0 Crores). A 2% decrease would have led to an increase in additional gain of ₹20.3 Crores. (2024-25: gain of ₹12.0 Crores).

The movement in Effective portion of cash flow hedge under other equity for derivatives designated as Cash Flow Hedges is as follows:

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Balance at beginning of the year	(12.7)	(25.1)
Changes in the fair value of effective portion of derivatives - gain / (loss)	(5.0)	(4.4)

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As at and for the year ended 31st March, 2026
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Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Net gain / (loss) reclassified to Statement of Profit and Loss on occurrence of hedged forecasted transactions	11.4	16.8
Balance at end of the year	(6.3)	(12.7)
Tax impact	1.7	1.4

The Group, basis their assessment, believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the current geopolitical scenario.

The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

How the risk arises	How group manages risks
The Group has a significant portion of its revenue in foreign currency (other than ₹). This exposure in foreign exchange risk affects the profitability and financial position of the group due to variation in the foreign exchange rates.	The risk management strategy is as follows: - To use the foreign exchange forward contracts to hedge the foreign currency risk associated with highly probable forecasted sales. - To use the non-derivative contracts (cash flow legs of foreign currency borrowing) to hedge the foreign currency risk associated with highly probable forecasted sales.
The Group has certain amount of its purchases in foreign currency (other than ₹) which results in exposure to fluctuation of exchange rate affecting the profitability and financial position of the Group.	The risk management strategy is to use the foreign exchange forward contracts to hedge the foreign currency risk associated with highly probable forecasted purchases.
The Group has taken loans denominated in EUR which have floating interest rate. This results in exposing the Group to fluctuations in cash flow due to floating interest rate risk.	The risk management strategy is to use the Interest Rate Swap (IRS) to hedge the interest rate risk associated with floating interest rate cash flow.

The Group uses derivatives (forward contract, interest rate swap) or non-derivative or a combination of both to hedge its exposure of forex / interest rate related risk. These instruments are either used to lock in a lower purchase price or / and a higher sales prices / fixed interest rate The gain or loss on hedging instrument are aligned and effectively an offset compared with hedged item.

The economic relationship between hedged item and hedged instrument is established to ensure that both are moving in the opposite direction because of the same hedged risk.

The credit risk associated with the hedge relationship is negligible due to the highly rated counterparties.

The Group's hedging policy only allows for effective hedge relationships. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between hedged item and hedging instrument. The Group enters into hedge



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relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If the critical terms of the hedged item do not match exactly with the critical terms of the hedging instrument, the Group uses the quantitative analysis to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds, on an absolute basis, the change in value of the hedged item that attributes to the hedged risk. This may arise if there is any change in the timing of the underlying hedged item or if the critical terms of the hedging instrument and the hedged item do not match exactly.

(b) Credit risk

Potential impact of risk	Management policy	Sensitivity to risk
A) Trade Receivables: Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.	Customer credit risk is managed subject to the Group's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis based on Expected Credit Loss (ECL) model is performed at each reporting date.	The Group considers the probability of default upon initial recognition and whether there have been significant increase in the credit risk on ongoing basis throughout each reporting period, to assess increase in the credit risk, the Group compares the rate of default on the date of reporting and initial recognition. The maximum amount to which the Group is exposed is ₹1679.0 Crores and ₹1225.0 Crores for 31 st March 2026 and 31 st March 2025 respectively. Against these receivables, a provision for expected loss allowance is recognised.
B) Deposits and financial instruments (other than trade receivables): Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.	The Group maintains exposure in cash and cash equivalents, term deposits with banks and mutual fund schemes. Investments of surplus funds are made with assigned credit limits with approved counterparties who meet requirements of ratings, financial strength, credit spreads, etc. Counterparty credit limits are set to minimize concentration risks and are reviewed periodically by the Board.	Long term credit ratings of these banking institutions are considered to be of investment grade. No impairment has been recorded in respect of fixed deposits that are with recognised commercial banks and not past due.

Reconciliation of provision for expected credit loss	
Balance as at 1 st April, 2024	13.7
Addition on account of business combination (refer note 45)	15.3
Provision (reversed) / recognised for expected credit loss	8.9
Balance as at 31 st March, 2025	37.9
Provision (reversed) / recognised for expected credit loss	6.9
Balance as at 31 st March, 2026	44.8

In addition to the historical pattern of credit loss, the Group has considered the likelihood of increased credit risk considering emerging situations due to the current geopolitical scenarios. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Group closely monitors its customers who are

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going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case. Basis this assessment, the allowance for doubtful trade receivables is considered adequate.

In addition, financial instruments that are subject to concentration of credit risk include loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(c) Liquidity risk

Potential impact of risk	Management policy	Sensitivity to risk
Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligation on time or at a reasonable price or there could be excessive concentrations of risks. The Group's treasury department is responsible for liquidity, funding as well as settlement management.	The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used to manage risk concentrations at both the relationship and industry levels.	The Group's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.
Excessive concentrations of risks arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.		The Group assessed the concentration of risk and concluded it to be low. The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Note	6 months or less	6 to 12 months	1 year to 5 years	More than 5 years	Total
As at 31 st March, 2026						
Borrowings (including accrued interest)	19	347.0	124.1	1,628.6	19.3	2,119.0
Committed Interest	-	44.0	40.8	162.6	1.8	249.2
Other financial liabilities	21	421.7	-	7.2	-	428.9
Lease liabilities	5	39.4	39.4	201.3	272.5	552.6
Trade payables	20	1,534.0	-	-	-	1,534.0
Derivative instruments	22	15.5	-	-	-	15.5
	Total	2,401.6	204.3	1,999.7	293.6	4,899.2
As at 31 st March, 2025						

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Particulars	Note	6 months or less	6 to 12 months	1 year to 5 years	More than 5 years	Total
Borrowings (including accrued interest)	19	436.6	16.2	1,631.9	-	2,084.7
Committed Interest	-	45.7	41.3	235.5	3.0	325.5
Other financial liabilities	21	636.4	-	4.1	-	640.5
Lease liabilities	5	4.2	40.8	215.4	32.5	292.9
Trade payables	20	1,393.7	-	-	-	1,393.7
Derivative instruments	22	3.5	-	-	-	3.5
	Total	2,520.1	98.3	2,086.9	35.5	4,740.8

B Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is debt divided by total equity. Net debt are non-current borrowings and current borrowings as reduced by cash and cash equivalents.

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Total Debt	2,119.0	2,084.7
Less: Cash and Cash equivalents	(932.9)	(1,104.3)
Net debt	1,186.1	980.4
Total Equity (Share Capital + Reserves including capital reserves)	3,450.2	3,392.4
Net debt - Equity ratio	0.34	0.29

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March 2025.

45 Business Combination

I) Acquisition made during the year ended 31st March, 2025

Sudarshan Europe B.V. ("SEBV"), a wholly owned subsidiary of the Holding Company had entered into a definitive agreement on 11th October, 2024 for the acquisition of global pigment business operations of the Heubach Group (hereinafter referred to as "Heubach Group") through a combination of an asset and share deal, subject to completion of customary conditions and receipt of requisite regulatory approvals. The said acquisition was completed on 3rd March, 2025 ("Closing Date") by SEBV for a preliminary purchase consideration of €151.9 million (approx. ₹1,389.9 Crores) which was subsequently finalised at € 139.6 million (approx. ₹1,277.0 Crores) during the 'measurement period' as per Ind AS 103: "Business Combinations" in line with the Purchase and Transfer Agreement.

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- (a) Assets and business operations of (i) Heubach Colorants Germany GmbH, (ii) Heubach GmbH (iii) Dr. Hans Heubach GmbH, and (iv) Heubach Group GmbH and participations held by Heubach Holding Switzerland AG, in downstream Group Companies in various countries.
- (b) 100% shareholding of Heubach Holding S.a.r.l., a Luxemburg based Heubach Group Company having investments in shareholding of companies based in India and USA.

Pursuant to the acquisition related agreements, the acquisition of assets, business operations and shares were interdependent and were executed together to acquire the entire business operations of the Heubach Group. Accordingly, the acquisition of the Heubach Group has been considered and accounted for as a single business combination transaction under Ind AS 103 - ‘Business combinations’.

This acquisition is a strategic move aimed at consolidating market expertise and expanding global reach in the pigment industry by merging Sudarshan’s operations and industry expertise with Heubach’s technological capabilities and process.

The Heubach Group manufactures and sells a wide range of organic pigments, inorganic pigments and pigment preparations. Pursuant to filing of insolvency, the insolvency administrator had initiated the sale process for Heubach Holding Germany GmbH, Heubach Colorants Germany GmbH, Heubach GmbH and Dr. Hans Heubach GmbH (“the German subsidiaries of Heubach Group”).

The said transaction has been accounted using the acquisition method in accordance with Ind AS 103 - ‘Business Combinations’. Accordingly, all the assets and liabilities have been measured and recognised provisionally at their fair values as on the acquisition date.

The acquisition was financed through a combination of funds raised by the Holding Company through an equity issue via QIP (refer note 16 (h)) and borrowings availed by SEBV (refer note 19 (c)).

The Group, in accordance with the provisions set forth in Part C of the IFRS Standards and the guidance issued by the Institute of Chartered Accountants of India (ICAI), has elected to designate 28th February, 2025, as the date of acquisition for convenience purpose. This designation is made in consideration of the absence of any material changes to the recorded amounts between 1st March, 2025, and 3rd March, 2025.

During the year ended 31st March 2026, the Group completed the purchase price allocation exercise within the measurement period. Accordingly, adjustments have been made to the provisional amounts recognised earlier on Closing Date.

a Purchase consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Purchase consideration	Provisional amounts as at Closing Date	Measurement period adjustments	Finalised amounts as at Closing Date
Fair value of purchase consideration	1,389.9	(112.9)	1,277.0
	1,389.9	(112.9)	1,277.0

b Acquisition - related costs

- i. For the year ended 31st March 2025, acquisition-related costs of ₹103.6 Crores that were not directly attributable to the issue of shares were included in ‘Exceptional items (expenses) / income’ in the Consolidated Statement of Profit and Loss (refer note 50(a)) and in operating cashflows in the Consolidated Statement of Cash Flow.



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- ii. For the year ended 31st March 2025, Issue costs amounting to ₹12.1 Crores incurred for QIP which has been partially used to finance the acquisition (and remaining for initial working capital requirements) have been netted against the issue proceeds. Refer note 16(h).

c Accounting policy choice for fair valuation of Non-Controlling Interest (NCI)

The Group has elected to measure the non-controlling interests in one of the components of the acquired Heubach Group (Heubach Colorants India Limited) at their acquisition date fair value using the Level 1 inputs. Considering Heubach Colorants India Limited is a listed entity in India, the Group has used market price method with 10 days volume weighted average market price as an input for fair valuation of non-controlling interests.

d Identifiable assets acquired and liabilities assumed as on the date of acquisition:

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

Description	Refer *	Provisional amounts as at Closing Date	Measurement period adjustments	Finalised amounts as at Closing Date
Identifiable assets acquired				
Property, plant and equipment	(i)	1,238.8	(171.0)	1,067.8
Capital work-in-progress	(i)	93.8	(19.1)	74.7
Other intangible assets - acquired	(ii)	87.0	(76.4)	10.6
Other intangible assets - identified in business combination	(ii)	23.6	63.5	87.1
Right-of-use assets		580.6	-	580.6
Investments accounted for using equity method	(iv)	207.3	(2.9)	204.4
Other investments		102.1	-	102.1
Trade receivables		525.4	-	525.4
Loans		3.7	-	3.7
Other financial assets		55.6	-	55.6
Deferred tax assets (net)		38.7	-	38.7
Inventories	(iii) (iv)	1,885.2	36.7	1,921.9
Cash and cash equivalents		492.3	-	492.3
Bank balance other than above		26.0	-	26.0
Income tax assets (net)		25.2	-	25.2
Other assets	(iii) (iv)	349.5	18.6	368.1
Total identifiable assets acquired (a)		5,734.8	(150.6)	5,584.2
Liabilities assumed				
Borrowings		26.3	-	26.3
Lease liabilities		255.8	-	255.8
Trade payables	(iv)	670.4	(4.8)	665.6
Provisions	(iii) (iv)	352.7	24.2	376.9
Contingent liabilities	(iii)	317.6	35.1	352.7
Deferred tax liabilities (net) - on fair value adjustments	(v)	226.3	(46.5)	179.8
Deferred tax liabilities (net) - acquired		16.4	-	16.4
Other financial liabilities	(iii) (iv)	461.0	1.9	462.9
Other liabilities		93.7	-	93.7
Current tax liabilities (net)		84.5	-	84.5
Total liabilities assumed (b)		2,504.7	9.9	2,514.6
Fair value of net identifiable assets acquired (c) = (a) - (b)		3,230.1	(160.5)	3,069.6

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(All amounts are in ₹ Crores, unless otherwise stated)

The above fair values of assets acquired and liabilities assumed are based on facts and circumstances that existed at the date of acquisition. These fair values of the assets acquired and liabilities assumed were determined using the income, market and cost approaches. In many cases, the determination of the fair values required estimates about discount rates, future expected cash flows and other future events that are judgmental and subject to change. The fair value measurements are primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in Ind AS 113 - Fair Value Measurements. Intangible assets consisting of technical know how and customer relationships have been valued using the relief from royalty (“RFR”) and the multi-period excess earnings method (“MPEEM”) method respectively, both of which are forms of the income approach. A cost or market approach has been applied, as appropriate, for property, plant and equipment, including land, and inventory. Investment in joint venture have been valued using income approach.

The Group believes that the information provides a reasonable basis for estimating the fair values of the acquired assets and assumed liabilities, but considering the size, complexity, and timing of the acquisition, the potential for measurement period adjustments exists based on the Group’s continued review of the matters related to the acquisition. The Group has completed the process of determining the fair values of all assets acquired and liabilities assumed and following measurement period adjustments have been incorporated.

*Measurement period adjustments

- (i) Measurement period adjustments related to revisions to key assumptions of the valuation of property, plant and equipment and Capital work-in-progress.
- (ii) Measurement period adjustment related to revisions in the valuation of intangible assets based on refinements to key assumptions, such as discount rates and growth rates.
- (iii) Measurement period adjustments as a result of new information about facts and circumstances that existed at the Closing Date on account of working capital adjustments
- (iv) Measurement period adjustments related to revisions of books of account on conclusion of audit in few entities that have been acquired as part of business combination.
- (v) Measurement period adjustment related to the deferred tax impacts of the above measurement period adjustments and other tax adjustments.

e Calculation of gain on bargain purchase:

Gain on bargain purchase arising on acquisition has been determined as follows:

Calculation of Capital reserve	Provisional amounts as at Closing Date	Measurement period adjustments	Finalised amounts as at Closing Date
Fair value of purchase consideration transferred (i)	1,389.9	(112.9)	1,277.0
Non-Controlling Interest in the acquired entity at acquisition date fair value (ii) [#]	596.3	-	596.3
Fair value of net identifiable assets acquired (iii)	3,230.1	(160.5)	3,069.6
Value of capital reserve [(iii) - (i) - (ii)]*	1,243.9	(47.6)	1,196.3

*Bargain purchase gain amounting to ₹1,196.3 Crores has been recognised in other comprehensive income in accordance with paragraph 34 of Ind AS 103

[#]Gross of foreign currency exchange differences

The acquisition has resulted in bargain purchase gain on account of distress sale of the pigment operations of the Heubach Group following the insolvency of the German subsidiaries of the Heubach Group.



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f Fair value measurement for significant items

Technological Know-how

Technological know-how are valued using the Relief from royalty (‘RFR’) method under Income approach. The fundamental principle underlying the RFR is to discount the hypothetical savings in royalty payable for using the trademark. The significant assumptions used include the estimated annual net cash flows (including appropriate revenue attributable to the asset, applicable tax rate), royalty rate, the discount rate, and the tax amortisation benefit, among other factors.

Property, plant and equipment

Property, plant and equipment, including land, are valued using the cost or market approach, as appropriate. For assets valued using the cost approach, the Depreciated Replacement Cost method has been used. The cost approach estimates value using the economic principle that a buyer will pay no more for an asset than the cost to obtain a new asset of equal utility. However, the asset being valued may be subject to age and obsolescence. The market approach, which estimates value considering prevailing market/ circular rates, has been specifically used to value land.

Inventory

Inventory has been valued using the replacement cost or market approach, as appropriate. The replacement cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility, has been used to determine the estimated replacement cost of raw materials and packing materials. The market approach has been used to determine the estimated selling price less costs to completion and sale for work in progress and finished goods.

Right-of-use assets and lease liabilities

The Group has measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market terms.

Contingent Liabilities

A provision of ₹352.7 Crores has been recognised on account of fair valuation of contingent liabilities of the acquired Heubach Group in accordance with Ind AS 103.

A provision of ₹263.6 Crores was recognised towards the potential decommissioning liability taking into consideration contractual agreement, local regulations, and estimated costs, etc. The potential undiscounted future outflow for this decommissioning is estimated to be ₹388.4 Crores which has been discounted over an estimated period of 8 years.

Remaining provision of ₹89.1 Crores includes provision on account of fair valuation of other contingent liabilities pertaining to claims and potential liabilities related to ongoing taxation matters and environmental liabilities of the acquired Heubach Group. These are expected to settle post conclusion of outcome of the claims / litigations.

g Purchase consideration

Particulars	Provisional amounts as at Closing Date	Measurement period adjustments [^]	Finalised amounts as at Closing Date
Outflow of cash required to acquire subsidiaries, net of cash acquired			
Cash consideration	1,389.9	(112.9)	1,277.0

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Less: Balances acquired	-	-	-
Cash	492.3	-	492.3
Purchase consideration	897.6	(112.9)	784.7

^ The said amount is receivable from administrator and forming part of Cash flow from operating activities in Consolidated Statement of Cash flows.

h Balance receivable / payable with administrator

The Heubach Group has been acquired from the insolvency administrator who has been duly appointed following the insolvency of the German subsidiaries of the Heubach Group. In accordance with the acquisition-related agreements, the acquirer is required to settle accounts receivable and payable arising on account of transactions as part of routine operations conducted between 1st June, 2024, and the acquisition date, directly with the administrator in cash.

II) There were no acquisitions during the year ended 31st March, 2026.



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46 Non-Controlling Interests

The Group holds 70.3% (year ended March 31, 2025: 54.4%) interest in Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited), a company involved in the manufacturing and distribution of pigments.

The Group has controlling rights over the decision making process. As a result, the Group holds control in Sudarshan Colorants India Limited and the interest in Sudarshan Colorants India Limited is accounted using the acquisition method in the Consolidated Financial Statements. The summarised financial information of the subsidiary, based on its audited financial statements and reconciliation with the carrying amount of investment in the consolidated financial statements are set out in note (b) below.

Consequent to entering into the Definitive Agreement on 11th October, 2024 for acquisition of the Global Pigment Business Operations of Heubach Group by Sudarshan Europe B.V. (“SEBV”), a wholly owned subsidiary of the Holding Company, the Holding Company along with SEBV had submitted a Public Announcement dated 16th October, 2024 in terms of Regulations 3(1), 4 and 5(1) read with Regulation 13(2)(e), Regulation 14(1) & (2) and Regulation 15(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI SAST Regulations, 2011”) for the attention of the public shareholders of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) (“Target Company”) for acquisition of up to 60,01,268 fully paid-up equity shares of face value ₹10 each, representing 26.0% of the voting share capital of the Target Company, from public shareholders by SEBV (“Acquirer”) along with the Holding Company, Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG) and Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemieeteiligungen AG), together acting as a Persons Acting in Concert (“PACs”) (“Open Offer”).

Subsequently, after completion of the said acquisition on 3rd March, 2025, SEBV along with PACs published the Detailed Public Statement on 10th March, 2025, followed by submission of the Draft Letter of Offer with SEBI on 18th March, 2025 through Axis Capital Limited, Manager to the Open Offer. SEBI issued its final observations on 22nd August, 2025, and the Letter of Offer dated 1st September, 2025 was dispatched to eligible shareholders on 3rd September, 2025. The tendering period for the Open Offer commenced on Thursday, 11th September, 2025, and closed on Wednesday, 24th September, 2025.

During the year ended 31st March, 2026, the Acquirer along with PACs successfully completed all formalities with respect to the Open Offer within the prescribed timelines. Pursuant to the Open Offer, SEBV acquired 36,68,036 equity shares of the Target Company representing 15.9% of its paid-up share capital at an offer price of ₹602.0 per equity share, aggregating to a total consideration of ₹ 220.8 Crores (excluding transaction cost). As a result, the Promoter and Promoter Group of Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Limited) now holds 70.3% of its paid-up share capital.

(a) Proportion of equity interest held by non-controlling interest

As at 31st March, 2026

Name of the Company	Principle place of business / Country of incorporation	% Holding	₹(Crores)
Sudarshan Colorants India Limited*	India	29.7%	403.8

As at 31st March, 2025

Name of the Company	Principle place of business / Country of incorporation	% Holding	₹(Crores)
Sudarshan Colorants India Limited*	India	45.6%	598.2



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*Refer note 45 for interest in partly owned subsidiary acquired as part of business combination

(b) Summarised financial information of Sudarshan Colorants India Limited

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1) Non-controlling interest in Sudarshan Colorants India Limited		
Total comprehensive income allocated to non-controlling interest	19.1	4.2
Accumulated balances of non-controlling interest	403.8	598.2
2) Summarised Balance Sheet of Sudarshan Colorants India Limited		
Non-current assets	216.8	207.5
Current assets	588.1	550.6
	804.9	758.1
Non-current liabilities	31.4	38.2
Current liabilities	203.4	196.6
	234.8	234.8
Total Equity	570.1	523.3
Equity attributable to owners of the parent	400.6	284.5
Equity attributable to Non-controlling interest	169.5	238.8
3) Dividends paid to non-controlling interest of the Group in Sudarshan Colorants India Limited	0.0	0.0
4) For current period: Summarised Statement of Profit and Loss of Sudarshan Colorants India Limited (from 1st April, 2025 to 31st March, 2026)		
For prior period: Summarised Statement of Profit and Loss of Sudarshan Colorants India Limited (from 4th March, 2025 to 31st March, 2025)		
Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Income	807.5	74.8
Expenses		
Cost of materials consumed	354.8	37.2
Purchase of stock-in-trade	135.9	10.6
Changes in inventories of finished goods, work-in-progress and stock-intrade	(16.6)	(8.5)
Employee benefits expense	71.1	6.4
Finance costs	2.5	0.2
Depreciation and amortisation expense	19.7	1.7
Other expenses	177.4	14.6
Total Expense	744.8	62.2
Profit before exceptional items	62.7	12.6
Exceptional items	(5.0)	0.0
Profit before tax	57.7	12.6
Tax expense	13.1	2.8
Profit for the year	44.6	9.8
Other Comprehensive Income	2.2	(0.4)
Total comprehensive income	46.8	9.4
Profit attributable to owners of the company	26.1	5.4
Profit attributable to non-controlling interest	18.5	4.4
Total comprehensive income attributable to owners of the company	27.7	5.2

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Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Total comprehensive income attributable to non-controlling interest	19.1	4.2
5) Summarised Cash Flow Statement of Sudarshan Colorants India Limited (from 01st April, 2025 to 31st March, 2026)		
Summarised Cash Flow Statement of Sudarshan Colorants India Limited (from 4th March, 2025 to 31st March, 2025)		
Cash flow from operating activities	34.2	26.1
Cash used in investing activities	(73.3)	(1.4)
Cash used in financing activities	(4.6)	(0.4)
Net increase / (decrease) in cash and cash equivalent	(43.7)	24.3

47 SHARE BASED PAYMENTS

During the financial year 2018-19, the Board of Directors of the Holding Company and its Shareholders’ approved an Employee Stock Option Plan (ESOP) and reserved 13,84,545 common shares for issuance thereunder. During the year ended 31st March, 2021, options totalling to 394,220 ordinary shares were granted to certain identified eligible employees of the Holding Company. Detailed description of share based payment arrangements is as below:

a	Date of shareholders’ approval	9 th August, 2018
b	Total number of options approved under ESOP	3,94,220
c	Vesting requirements	Out of the total options granted, 40% options vest after 4 th year, 20% options vest after 5 th year, 20% options vest after 6 th year and 20% options vest after 7 th year from the date of respective grant, subject to time-based and performance-based conditions of the ESOP scheme.
d	Exercise price or pricing formula	₹349.4
e	Maximum term of options granted	5 years from each vesting date
f	Date of grant	6 th April, 2020
g	Settlement mode	Equity share
h	Source of shares (primary, secondary or combination)	Primary

The weighted average fair value of the share option granted is ₹169.2 /-. Options were priced using a Black Scholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions and behaviour considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 10 years.

Inputs into the model were as follows:

a	Grant date share price	₹349.4
b	Exercise Price	₹349.4
c	Expected Volatility	45.64% – 47.51%
d	Expected life of share options	6.5 to 9.5 years
e	Dividend yield	1.90% - 2.20%
f	Risk free interest rate	6.45% to 6.68%

Reconciliation of outstanding share options is as follows:

	Number of options	Weighted average exercise price
Outstanding as at 1 st April, 2024	3,32,650.0	349.4
Granted during the year	-	-
Forfeited during the year	-	-

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	Number of options	Weighted average exercise price
Exercised during the year	-	-
Lapsed during the year	(1,91,596.0)	349.4
Outstanding as at 31 st March, 2025	1,41,054.0	349.4
Exercisable as at 31 st March, 2025	-	-
Outstanding as at 1st April, 2025	1,41,054.0	349.4
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	(49,891.0)	349.4
Lapsed during the year	-	-
Outstanding as at 31 st March, 2026	91,163.0	349.4
Exercisable as at 31 st March, 2026	-	-

1,05,319 options were vested during the year ended 31st March 2026. There are no vested during the year 31st March 2025.

There has been realisation of money by exercise of option during the year ended 31st March 2026 of ₹1.7 Crores (31st March 2025: ₹Nil) (Refer note 16(j)).

The options outstanding at 31st March, 2026 have an exercise price of ₹349.4 (31st March, 2025: ₹349.4) and a weighted average remaining contractual life of 4.2 years (31st March, 2025: 5.2 years).

Weighted average share price at the date of the exercise of share options exercised in 2025-26 is ₹1,146.0 and no shares were exercised during previous year 2024-25 hence weighted average share price is not disclosed.

Weighted average fair value of share options granted during the year is not disclosed as no share options were granted during the current and previous financial year.

48 Operating Segments

A Basis of Segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segments and assess their performance. The Group has two reportable segments as described below, which are the Group's strategic business units.

Pigment : The Pigments segment produces and sells a broad spectrum of organic, inorganic, effect pigments and dispersions primarily for paints, plastics, inks and cosmetics industries.

Others: Others comprises of project engineering and manufacturing business of grinding solutions, clean air solutions, power handling solutions etc.

B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries.

	Year ended 31 st March, 2026			Year ended 31 st March, 2025 (Refer note 45 (e))		
	Pigment	Others	Total	Pigment	Others	Total
Segment Revenue						
External Revenue	9,524.5	265.2	9,789.7	3,119.3	227.5	3,346.8



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Inter-segment Revenue	-	2.5	2.5	-	1.2	1.2
Total segment revenue	9,524.5	262.7	9,787.2	3,119.3	226.3	3,345.6
Segment Results						
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	581.8	9.4	591.2	397.1	(16.0)	381.1
Less : Inter-segment	-	1.3	1.3	-	-	-
Less : Depreciation and amortisation	343.6	3.6	347.2	160.1	6.1	166.2
Less : Finance costs	159.8	5.1	164.9	41.8	6.5	48.3
Add : Interest income	18.1	0.2	18.3	4.1	0.1	4.2
Add : Other income	58.6	2.3	60.9	28.7	0.5	29.2
Add : Share of profit of joint ventures, net of tax	29.3	-	29.3	2.9	-	2.9
Total Profit before exceptional items and tax	184.4	1.9	186.3	230.9	(28.0)	202.9
Add : Exceptional items (expense) / income	(29.2)	(0.5)	(29.7)	(103.6)	-	(103.6)
Profit before tax	155.2	1.4	156.6	127.3	(28.0)	99.3
Segment Assets and Segment Liabilities						
Segment Assets	9,543.7	179.6	9,723.3	9,515.4	177.5	9,692.9
Segment Liabilities	5,708.6	160.7	5,869.3	5,541.8	160.5	5,702.3
Segment Assets (-) Segment Liabilities	3,835.1	18.9	3,854.0	3,973.6	17.0	3,990.6
Other Details						
Capital Expenditure	269.2	1.2	270.4	92.5	2.1	94.6
Depreciation and Amortisation	343.6	3.6	347.2	160.1	6.1	166.2
Investment in Joint ventures (refer note 6)	231.9	-	231.9	207.3	-	207.3
	231.9	-	231.9	207.3	-	207.3

C Geographical Information

Particulars	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Segment Revenue by location of customers		
Within India	2,284.5	1,499.0
Outside India	7,502.7	1,846.6
	9,787.2	3,345.6
Non-current operating assets by location of assets*		
Within India	1,580.0	1,523.8
Outside India	1,722.0	1,519.9
	3,302.0	3,043.7

*Non-current operating assets means non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets of the Group.

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D There are no transactions with single external customer which amounts to 10% or more of the Group’s revenue.

49 HEDGING ACTIVITIES

Cash flow hedges

The Group enters into derivative instruments which comprise of interest rate swaps, cross currency swaps and also designates its foreign currency borrowings against highly probable forecasted export sales for hedge accounting to manage its foreign currency exposure.

These instruments are measured at fair values at each reporting period resulting in derivative financial assets and derivative financial liabilities. The gain / (loss) on maturity / termination of such derivative instruments is recorded in the statement of profit and loss along with the relevant hedged item.

The cash flow hedges of the highly probable forecasted export sales during the year ended 31st March, 2026 were assessed to be highly effective and a net unrealised gain / (loss) of ₹6.4 Crores (31st March, 2025: ₹12.4 Crores) is included in OCI. The amounts retained in OCI at 31st March, 2026 are expected to be realised in the Consolidated Statement of Profit and Loss till the year ended 31st March, 2028.

The following are the details of outstanding derivative and non derivative instruments (foreign currency loans) entered into by the Group which have been designated as cash flow hedges:

As at 31st March, 2026

Type of Cover	Amount outstanding in Foreign currency in Crores	Currency	Fair value gain / (loss)	
			in OCI (effective)	in P&L (ineffective)
Non-derivative contracts (Foreign Currency Loans)	1.1	₹	7.6	(0.4)
Derivative contracts - Interest Rate Swaps (IRS)	1.1	₹	(1.2)	-
			6.4	(0.4)

As at 31st March, 2025

Type of Cover	Amount outstanding in Foreign currency in Crores	Currency	Fair value gain / (loss)	
			in OCI (effective)	in P&L (ineffective)
Non-derivative contracts (Foreign Currency Loans)	1.1	₹	15.2	(1.4)
Derivative contracts - Interest Rate Swaps (IRS)	1.1	₹	(2.8)	-
			12.4	(1.4)

For qualitative details w.r.t hedging strategy followed by the Group (refer note 44(A)(a)).

Derivatives not designated as hedging instruments:

The Group has used foreign exchange forward contracts to manage its import payments, loan repayments, and realisation from export customers. These foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions i.e. the payments against import purchases, loan repayments, and realisation from export customers.



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50 EXCEPTIONAL ITEMS

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
Amounts incurred towards acquisition of Heubach Group - (refer note (a))	-	(103.6)
Statutory impact of Labour Codes - (refer note (b))	(32.0)	-
Gain on liquidation of Subsidiaries (refer note (c))	2.3	-
	(29.7)	(103.6)

- (a) During the previous year Sudarshan Europe B.V (“SEBV”) has completed the acquisition of Heubach Group (Refer note 45). Transaction and other incidental costs with respect to the acquisition incurred up to 31st March 2025 of (₹103.6 Crores) have been disclosed as “Exceptional items income / (expense)”.
- (b) On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Group has assessed and disclosed the incremental impact of these changes on the basis of legal opinion obtained and the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Group has presented such incremental impact as “Statutory impact of new Labour Codes” under “Exceptional Items” in the Consolidated Statement of Profit and Loss for the period ended March 31, 2026. The incremental impact consisting of gratuity of ₹30.1 Crores and long-term compensated absences of ₹1.9 Crore primarily arises due to change in wage definition. The Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.
- (c) During the year , 2 subsidiaries i.e. Heubach Colorants Scandinavia AB and Heubach Colorants Peru S.A.C. were liquidated. The resulting gain on liquidation of amounting to ₹1.7 Crores and ₹0.6 Crore respectively, is grouped under exceptional items.

51 FINANCIAL INSTRUMENTS - FAIR VALUES

Below is a comparison, by class, of the carrying amounts of the Group’s financial instruments as of 31st March, 2026

Particulars	Financial assets / liabilities at amortised Cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying Value
Financial assets				
Investments	0.0	334.5	-	334.5
Loans	2.5	-	-	2.5
Trade receivables	1,679.0	-	-	1,679.0
Cash and cash equivalents	932.9	-	-	932.9
Bank balances other than cash and cash equivalents	142.0	-	-	142.0
Derivatives - Foreign currency forward contracts	-	0.7	-	0.7
Interest rate swap contracts	-	-	0.2	0.2
Other financial assets	200.6	-	-	200.6
Total	2,957.0	335.2	0.2	3,292.4
Financial liabilities				

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Particulars	Financial assets / liabilities at amortised Cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying Value
Borrowings	2,119.0	-	-	2,119.0
Lease liabilities	354.2	-	-	354.2
Trade payables	1,534.0	-	-	1,534.0
Derivative - Foreign currency forward contracts	-	15.5	-	15.5
Other financial liabilities	428.9	-	-	428.9
Total	4,436.1	15.5	-	4,451.6

Note: The carrying amounts of financial assets and financial liabilities carried at amortised cost approximate their fair values.

Below is a comparison, by class, of the carrying amounts of the Group’s financial instruments as of 31st March, 2025

Particulars	Financial assets / liabilities at amortised cost	Financial assets / liabilities at fair value through profit and loss	Financial assets / liabilities at fair value through OCI	Total carrying value
Financial assets				
Investments	0.0	337.3	-	337.3
Trade receivables	1,225.0	-	-	1,225.0
Cash and cash equivalents	1,104.3	-	-	1,104.3
Bank balances other than cash and cash equivalents	406.9	-	-	406.9
Derivatives - Forward Contracts Receivable	-	9.4	-	9.4
Interest rate / currency swap contracts	-	-	1.4	1.4
Other financial assets	225.9	-	-	225.9
Total	2,964.2	346.7	1.4	3,312.3
Financial liabilities				
Borrowings	2,084.7	-	-	2,084.7
Lease liabilities	292.9	-	-	292.9
Trade payables	1,393.7	-	-	1,393.7
Derivative - Forward Contracts Payable	-	3.5	-	3.5
Interest rate / currency swap contracts	-	-	-	-
Other financial liabilities	640.5	-	-	640.5
Total	4,411.8	3.5	-	4,415.3

Note: The carrying amounts of financial assets and financial liabilities carried at amortised cost approximate their fair values.

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The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following method and assumptions were used to estimate the fair value:

- (i) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) The fair value of unquoted instruments, loans from banks, related parties and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- (iii) The Group enters into derivative financial instruments with financial institutions and banks with investment grade credit ratings. Foreign exchange Forward Contracts and Interest Rate Swap are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The model incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.
- (iv) The fair values of the Group’s interest-bearing borrowings and loans are determined by using Discounted Cash Flow method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk was assessed to be insignificant.

52 FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group’s assets and liabilities

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.; as prices) or indirectly (i.e.; derived from prices). This level of hierarchy include Group’s over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at 31st March, 2026 and 31st March, 2025.

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Quantitative disclosures fair value measurement hierarchy -

Reporting Date	Date of valuation	Fair value measurement using			
		Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Financial assets at FVTPL					
Foreign exchange forward contracts					
As at 31 st March, 2026	31 st March, 2026	0.7	-	0.7	-
As at 31 st March, 2025	31 st March, 2025	9.4	-	9.4	-
Investment in mutual funds					
As at 31 st March, 2026	31 st March, 2026	323.0	323.0	-	-
As at 31 st March, 2025	31 st March, 2025	328.2	257.3	70.9	-
Investment in others*					
As at 31 st March, 2026	31 st March, 2026	11.5	-	-	11.5
As at 31 st March, 2025	31 st March, 2025	9.1	-	-	9.1
Financial assets at FVTOCI					
Interest rate / Swap contracts					
As at 31 st March, 2026	31 st March, 2026	0.2	-	0.2	
As at 31 st March, 2025	31 st March, 2025	1.4	-	1.4	-
Total Financial assets					
As at 31 st March, 2026	31 st March, 2026	335.4	323.0	0.9	11.5
As at 31 st March, 2025	31 st March, 2025	348.1	257.3	81.7	9.1
Financial liabilities					
Financial liabilities at FVTPL					
Foreign exchange forward contracts					
As at 31 st March, 2026	31 st March, 2026	15.5	-	15.5	-
As at 31 st March, 2025	31 st March, 2025	3.5	-	3.5	-
Total Financial liabilities					
As at 31 st March, 2026	31 st March, 2026	15.5	-	15.5	-
As at 31 st March, 2025	31 st March, 2025	3.5	-	3.5	-

The table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

*Movement in the value is on account of change in fair value of investment.

Valuation technique used to determine fair value of fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy are as show below:

Type	Valuation Technique
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.



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Type	Valuation Technique
Interest rate/ Currency swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating - rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the respective group entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or on credit spreads derived from current credit default swap or bond prices.
Investment in others	The valuation model considers the present value of expected payments, discounted using a current risk adjusted discount rate. They are classified as Level 3 Fair values.
Investment in mutual funds	The fair values of the mutual funds are based on net asset value as at reporting date.

Also refer note 45 for valuation technique as result of business combination.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the Consolidated Financial Statements has been considered. The group has assessed whether its properties are exposed to physical risks, such as flooding and increasing wildfires, but believes that this is currently not the case. However, the Group believes it is, to some extent, impacted by transition risks, and, more specifically, increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as well as tenants' increasing demands for low-emission buildings. The Group therefore, takes into account necessary upgrades required to ensure future compliance with those requirements when measuring the fair value of investment properties, if any.

53 Hyperinflationary Economies

In the previous year, the Group has acquired subsidiaries operating in Argentina (Heubach Colorants Argentina S.A.U.) and Turkiye (Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.S.) (refer note 55), both of which are considered hyperinflationary economies based on the criteria set out in Ind AS 29. The consolidated financial statements for the year ended 31st March, 2026 and 31st March, 2025 includes results and financial position of subsidiaries in Argentina and Turkiye which does not have a significant impact on the consolidated financial statements as a result of the application of hyperinflation accounting.

54 INTEREST IN JOINT VENTURES

Particulars	As at 31 st March, 2026	As at 31 st March, 2025
1 Hangzhou Baihe Heubach Pigments Co. Ltd, China*		
The Group holds 49% interest in Hangzhou Baihe Heubach Pigments Co. Ltd, a joint venture involved in the manufacture of pigments. The Group's interest in Hangzhou Baihe Heubach Pigments Co. Ltd is accounted for using the equity method in the consolidated financial statements.	196.6	171.2
2 Sudarshan Toyo Colour Private Limited, India* (Formerly known as Heubach Toyo Colour Private Limited)		
The Group holds 50% interest in Sudarshan Toyo Colour Private Limited, a joint venture involved in the trading business of colour pigment. It is joint venture between Sudarshan Gujarat MFG Private Limited, India (Formerly known as Heubach Colour Private Limited) and Artience Co., Ltd., Japan (earlier known as Toyo Ink sc Holdings Co. Ltd., Japan) each having 50% interest. The Group's interest in Sudarshan Toyo Colour Private Limited is accounted for using the equity method in the consolidated financial statements.	35.3	36.1



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*Refer note 45 for interest in joint ventures acquired as part of business combination.

Particulars	As at 31 st March, 2026		As at 31 st March, 2025	
	Hangzhou Baihe Heubach Pigments Co. Ltd	Sudarshan Toyo Colour Private Limited	Hangzhou Baihe Heubach Pigments Co. Ltd	Sudarshan Toyo Colour Private Limited
Summarised balance sheet				
Current assets				
Trade receivables	244.5	7.4	162.5	8.6
Cash and cash equivalents	80.8	2.7	136.3	0.9
Bank balances other than above	-	21.7	-	10.6
Other assets	99.1	20.2	105.6	29.3
Total current assets	424.4	52.0	404.4	49.4
Total non-current assets	96.7	38.6	179.9	41.6
Current Liabilities				
Financial liabilities (excluding trade and other payables and provisions)	57.4	0.1	32.1	0.9
Other liabilities	86.3	11.5	117.3	9.7
Total current Liabilities	143.7	11.6	149.4	10.6
Total non-current liabilities	0.5	8.4	0.6	10.2
Equity	376.9	70.6	434.3	70.2
Reconciliation to carrying amounts				
Closing net assets	376.9	70.6	434.3	70.2
Group's share in %	49%	50%	49%	50%
Group's share in ₹	184.7	35.3	212.8	35.1
Other adjustment^	11.9	-	(41.6)	1.0
Group's net share in ₹	196.6	35.3	171.2	36.1
Carrying amount	196.6	35.3	171.2	36.1
For current period: Summarised Statement of Profit and Loss (from 1 st April, 2025 to 31 st March, 2026)				
For prior period: Summarised Statement of Profit and Loss (from 4 th March, 2025 to 31 st March, 2025)				
Revenue	597.5	31.8	50.6	3.4
Other income	2.5	4.7	1.1	0.4
Less:				-
Cost of goods sold	488.8	24.0	46.3	0.8
Depreciation and amortisation expense	-	1.1	-	0.1
Finance costs	0.7	0.9	(0.6)	(0.6)
Other expenses	44.7	4.4	0.2	0.5
Income tax expense	6.8	1.6	0.9	2.2
Profit	59.0	4.5	4.9	0.8
Total Comprehensive Income	59.0	4.5	4.9	0.8

^Includes changes on account of fair valuation of assets acquired in business combination and other adjustments including gain / (loss) on translation of foreign operations.

The Group does not have any share in the capital commitment and contingent liabilities in respect of joint ventures

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55 INTEREST IN OTHER ENTITIES

Statutory group information

A.The Group consists of the parent company, Sudarshan Chemical Industries Limited, incorporated in India and its subsidiaries and joint ventures as below:

Sr No	Name of the Entity	Principal activity	Type of interest	Principal place of business / country of incorporation	Ownership interest held by the Group As at 31 st March, 2026 As at 31 st March, 2025
1	RIECO Industries Limited	Project engineering and manufacturing business of grinding solutions, clean air solutions, power handling solutions etc.	Subsidiary	India	100% 100%
2	Sudarshan CSR Foundation	CSR activities of the Group	Subsidiary	India	100% 100%
3	Sudarshan Japan Limited	Trading arm of the Group	Subsidiary	Japan	100% 100%
4	Sudarshan Europe B.V.	Marketing and distribution of pigments	Subsidiary	The Netherlands	100% 100%
5	Sudarshan North America, Inc.	Trading arm of the Group	Subsidiary	The United states of America	100% 100%
6	Sudarshan Mexico S. de R.L. de CV.	Trading arm of the Group	Subsidiary	Mexico	100% 100%
7	Sudarshan (Shanghai) Trading Company Limited	Trading arm of the Group	Subsidiary	China	100% 100%
8	Sudarshan Brasil Ltda.*	Trading arm of the Group	Subsidiary	Brazil	100% 100%
9	Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemiebeteteiligungen AG)##	Investment company as holding company for investments of the Group	Subsidiary	Switzerland	100% 100%
10	Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)***	(a) Manufacturing and distribution of pigments, (b) acquisition and distribution of machinery and mechanical equipment, and (c) provision of services of employees and managing directors with in the Group	Subsidiary	Germany	100% 100%
11	Sudarshan Middle East General Trading L.L.C.#	General trading	Subsidiary	United Arab Emirates	100% 100%
12	Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)##	Investment company as holding company for investments of the Group	Subsidiary	Switzerland	100% 100%
13	Heubach Colorants Middle East FZE\$##	Commission Agent for procuring orders for sale of Pigments	Subsidiary	United Arab Emirates	100% 100%
14	Heubach Colorants Argentina S.A.U.##	Trading arm of the Group	Subsidiary	Argentina	100% 100%

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Sr No	Name of the Entity	Principal activity	Type of interest	Principal place of business / country of incorporation	Ownership interest held by the Group As at 31 st March, 2026	As at 31 st March, 2025
15	Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)##	Trading arm of the Group	Subsidiary	Belgium	100%	100%
16	Sudarshan Brasil MFG Ltda. (Formerly known as Heubach Colorants Brasil Ltda.)##	Trading arm of the Group	Subsidiary	Brazil	100%	100%
17	Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)##	Trading arm of the Group	Subsidiary	Canada	100%	100%
18	Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)##	Trading arm of the Group	Subsidiary	Switzerland	100%	100%
19	Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)##	Investment company as holding company for investments of the Group	Subsidiary	Switzerland	100%	100%
20	Sudarshan Chile Industria Química Limitada (Formerly known as Heubach Colorants Chile Industria Química Limitada)##	Manufacturing and trading of pigments	Subsidiary	Chile	100%	100%
21	Heubach Colorants Pigment Preparations (Tianjin) Ltd.##	Manufacturing of pigments	Subsidiary	China	100%	100%
22	Heubach Colorants (Shanghai) Ltd.##	Trading arm of the Group	Subsidiary	China	100%	100%
23	Sudarshan Colombia SLO S.A.S (Formerly known as Heubach Colorants Colombia S.A.S.)##	Trading arm of the Group	Subsidiary	Colombia	100%	100%
24	Heubach Colorants Iberica, S.L.U.##	Trading arm of the Group	Subsidiary	Spain	100%	100%
25	Sudarshan France SLO S.A.S (Formerly known as Heubach Colorants France SAS)##	Trading arm of the Group	Subsidiary	France	100%	100%
26	Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)##	Trading arm of the Group	Subsidiary	United Kingdom	100%	100%
27	P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)##	Manufacturing of pigments	Subsidiary	Indonesia	100%	100%



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Sr No	Name of the Entity	Principal activity	Type of interest	Principal place of business / country of incorporation	Ownership interest held by the Group As at 31 st March, 2026	As at 31 st March, 2025
28	P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)##	Trading arm of the Group	Subsidiary	Indonesia	100%	100%
29	Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##	Manufacturing of pigments	Subsidiary	India	70.3%^	54.4%
30	Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)##	Trading arm of the Group	Subsidiary	Italy	100%	100%
31	Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)##	Manufacturing of pigments, trading arm of the Group, and research centre	Subsidiary	Japan	100%	100%
32	Heubach Colorants Korea Ltd.##	Manufacturing of pigments, trading arm of the Group, and research centre	Subsidiary	Korea	100%	100%
33	Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)##	Trading arm of the Group, and research centre	Subsidiary	Malaysia	100%	100%
34	Heubach Colorants Peru S.A.C.\$\$\$ ##	Trading arm of the Group	Subsidiary	Peru	NA	100%
35	Heubach Colorants Scandinavia AB\$\$\$ ##	Trading arm of the Group	Subsidiary	Sweden	NA	100%
36	Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)##	Trading arm of the Group, and acts as the regional invoicing and export hub for the Group	Subsidiary	Singapore	100%	100%
37	Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)##	Manufacturing of pigments and trading arm of the Group	Subsidiary	Thailand	100%	100%
38	Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)##	Trading arm of the Group	Subsidiary	Turkey	100%	100%
39	Heubach Colorants Taiwan Co., Ltd.##	Trading arm of the Group	Subsidiary	Taiwan	100%	100%
40	Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)##	Manufacturing of pigments	Subsidiary	South Africa	100%	100%

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Sr No	Name of the Entity	Principal activity	Type of interest	Principal place of business / country of incorporation	Ownership interest held by the Group As at 31st March, 2026	As at 31 st March, 2025
41	Sudarshan Mexico MFG, S.A. de C.V. (Formerly known as Heubach Colorants México, S.A. de C.V.)##	Manufacturing of pigments	Subsidiary	Mexico	100%	100%
42	Sudarshan Mexico MFG Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)##	Manufacturing of pigments	Subsidiary	Mexico	100%	100%
43	Sudarshan Lux Holding S.à r.l (Formerly known as Heubach Holdings S.a r.l)##	Investment company as holding company for investments of the Group	Subsidiary	Luxembourg	100%	100%
44	Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)##	Trading arm of the Group	Subsidiary	The United states of America	100%	100%
45	Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)##	Investment company as holding company for investments of the Group	Subsidiary	The United states of America	100%	100%
46	Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)##	Manufacturing of pigments	Subsidiary	India	100%	100%
47	Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)##	Trading arm of the Group	Subsidiary	Japan	100%	100%
48	Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)##	Manufacturing of pigments	Subsidiary	India	100%	100%
49	Heubach Research Centre s.r.o##	Undertakes research & development activities and holds REACH registrations for the Group	Subsidiary	Czech Republic	100%	100%
50	Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)**	(a) Manufacturing of pigments, including related research and development, (b) distribution of machinery and mechanical equipment, (c) Investment company as holding company for investments of the Group	Subsidiary	Germany	100%	100%



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Sr No	Name of the Entity	Principal activity	Type of interest	Principal place of business / country of incorporation	Ownership interest held by the Group As at 31st March, 2026	As at 31 st March, 2025
51	Sudarshan Fairless Hills MFG Ltd., LP (Formerly known as Heubach Ltd.)##	Manufacturing and trading of pigments	Subsidiary	The United states of America	100%	100%
52	Inventories Frankfurt GmbH##	Holding and managing inventories and supplies	Subsidiary	Germany	100%	100%
53	VP4 Frankfurt GmbH##	Manufacturing of pigments	Subsidiary	Germany	100%	100%
54	Inventories Langelshelm GmbH##	Holding and managing inventories and supplies	Subsidiary	Germany	100%	100%
55	Sudarshan Langelshelm PLT GmbH (Formerly known as Blitz F24-523 GmbH)**	Manufacturing of pigments	Subsidiary	Germany	100%	100%
56	Sudarshan Langelshelm RE GmbH (Formerly known as Blitz F24-524 GmbH)**	Manufacturing of pigments	Subsidiary	Germany	100%	100%
57	Heubach Foundation##	CSR activities of the Group	Subsidiary	India	100%	100%
58	Heubach Europa EWIV##	Serves as a support legal entity for customs and trade purposes	Subsidiary	Germany	100%	100%
59	Hangzhou Baihe Heubach Pigments Co. Ltd.##	Manufacturing of pigments	Joint venture	China	49%	49%
60	Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)##	Manufacturing and trading of pigments	Joint venture	India	50%	50%

B. As of 31st March, 2026, there are no holdings of non-controlling interest in the material subsidiaries of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
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55 INTEREST IN OTHER ENTITIES

C) Additional information pursuant to Para 2 of Part III of Division II of Schedule III for preparation of general instructions for the preparation of Consolidated Financial Statements

For the year ended 31st March, 2026

Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Parent Company								
Sudarshan Chemical Industries Limited	66%	2,533.9	711%	290.3	23%	18.4	253%	308.6
Indian Subsidiaries								
RIECO Industries Limited	0%	11.1	1%	0.6	0%	(0.2)	0%	0.4
Sudarshan CSR Foundation	0%	0.1	(1%)	(0.3)	0%	-	0%	(0.3)
Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##	10%	400.6	64%	26.0	3%	2.8	24%	28.8
Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)##	13%	499.4	205%	83.8	0%	(0.4)	69%	83.5
Heubach Foundation##	0%	-	0%	(0.0)	0%	-	0%	(0.0)
Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)##	(17%)	(649.7)	(196%)	(79.8)	0%	0.2	(65%)	(79.6)
Foreign Subsidiaries								
Sudarshan Japan Limited	0%	0.3	1%	0.4	0%	-	0%	0.4
Sudarshan Europe B.V.	1%	22.7	(329%)	(134.3)	(124%)	(100.6)	(193%)	(234.9)
Sudarshan North America, Inc.	1%	48.0	26%	10.8	5%	4.4	12%	15.2
Sudarshan Mexico S. de R.L. de CV.	0%	18.1	10%	4.2	2%	1.7	5%	5.9
Sudarshan (Shanghai) Trading Company Limited	0%	0.1	1%	0.3	0%	-	0%	0.3
Sudarshan Brasil Ltda.*	0%	-	0%	-	0%	-	0%	-
Sudarshan Middle East General Trading L.L.C.#	1%	22.8	52%	21.2	2%	1.6	19%	22.8
Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemieeteiligungen AG)##	4%	158.5	(14%)	(5.7)	(32%)	(26.0)	(26%)	(31.7)



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As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)***	0%	(3.6)	(5%)	(1.9)	0%	(0.4)	(2%)	(2.3)
Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)##	30%	1,162.9	210%	85.5	(22%)	(18.1)	55%	67.4
Heubach Colorants Middle East FZE\$##	0%	(0.1)	(16%)	(6.4)	0%	0.3	(5%)	(6.1)
Heubach Colorants Argentina S.A.U.##	0%	(19.2)	(17%)	(7.0)	11%	8.6	1%	1.6
Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)##	1%	25.3	13%	5.2	4%	3.3	7%	8.5
Sudarshan Brasil MFG Ltda. (Formerly known as Heubach Colorants Brasil Ltda.)##	3%	108.5	5%	2.0	23%	18.5	17%	20.5
Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)##	0%	2.3	3%	1.1	2%	1.5	2%	2.6
Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)##	(2%)	(90.2)	135%	55.0	(54%)	(43.4)	10%	11.6
Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)##	0%	1.1	0%	(0.1)	0%	0.2	0%	0.1
Sudarshan Chile Industria Química Limitada)## (Formerly known as Heubach Colorants Chile Industria Química Limitada)##	0%	(7.2)	(9%)	(3.6)	(1%)	(0.7)	(4%)	(4.3)
Heubach Colorants Pigment Preparations (Tianjin) Ltd.##	2%	73.4	6%	2.4	14%	11.0	11%	13.4
Heubach Colorants (Shanghai) Ltd.##	1%	54.0	74%	30.2	8%	6.1	30%	36.3
Sudarshan Colombia SLO S.A.S (Formerly known as Heubach Colorants Colombia S.A.S.)##	0%	11.0	2%	1.0	3%	2.2	3%	3.2
Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)##	2%	76.8	21%	8.7	13%	10.7	16%	19.4
Heubach Colorants Iberica, S.L.U.##	1%	28.4	0%	(0.2)	5%	4.3	3%	4.1
Sudarshan France SLO S.A.S (Formerly known as Heubach Colorants France SAS)##	1%	19.9	5%	2.1	3%	2.8	4%	4.9
Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)##	0%	15.7	10%	3.9	2%	1.6	5%	5.5

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(All amounts are in ₹ Crores, unless otherwise stated)

Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)##	0%	11.8	8%	3.1	2%	1.3	4%	4.4
P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)##	0%	(0.4)	(4%)	(1.8)	0%	0.1	(1%)	(1.7)
Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)##	10%	378.1	88%	36.0	18%	14.6	42%	50.6
Heubach Colorants Korea Ltd.##	0%	7.6	9%	3.5	0%	0.3	3%	3.8
Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)##	0%	13.0	6%	2.4	3%	2.6	4%	5.0
Heubach Colorants Peru S.A.C. \$\$\$ ##%	0%	-	1%	0.3	0%	-	0%	0.3
Heubach Colorants Scandinavia AB\$\$\$##%	0%	-	(34%)	(14.0)	2%	1.3	(10%)	(12.7)
Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)##	1%	54.0	147%	59.9	20%	16.4	63%	76.3
Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)##	1%	22.5	4%	1.6	3%	2.6	3%	4.2
Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)##	1%	21.7	8%	3.1	(1%)	(1.0)	2%	2.1
Heubach Colorants Taiwan Co., Ltd.##	0%	3.3	3%	1.2	1%	0.9	2%	2.1
Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)##	1%	32.4	5%	2.1	6%	5.0	6%	7.1
Sudarshan Mexico MFG, S.A. de C.V. (Formerly known as Heubach Colorants México, S.A. de C.V.)##	6%	231.2	87%	35.5	39%	31.2	55%	66.7
Sudarshan Mexico MFG Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)##	1%	40.9	3%	1.1	10%	8.0	7%	9.1
Sudarshan Lux Holding S.à r.l (Formerly known as Heubach Holdings S.a r.l)##	6%	239.2	(1%)	(0.5)	(72%)	(58.2)	(48%)	(58.7)
Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)##	3%	120.3	34%	14.0	14%	11.4	21%	25.4
Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)##	5%	188.2	(3%)	(1.3)	(13%)	(10.9)	(10%)	(12.2)



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(All amounts are in ₹ Crores, unless otherwise stated)

Entity	Net Assets (Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)##	0%	10.8	2%	0.9	0%	0.4	1%	1.3
Heubach Research Centre s.r.o##	0%	(2.2)	4%	1.6	(1%)	(0.6)	1%	1.0
Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)**	0%	(4.0)	(1336%)	(545.0)	(177%)	(143.5)	(565%)	(688.5)
Inventories Frankfurt GmbH##	25%	946.4	64%	26.2	173%	139.9	136%	166.1
VP4 Frankfurt GmbH##	2%	61.8	63%	25.6	9%	6.9	27%	32.5
Inventories Langelsheim GmbH##	6%	226.6	65%	26.4	39%	31.6	48%	58.0
Sudarshan Langelsheim PLT GmbH (Formerly known as Blitz F24-523 GmbH)**	0%	1.0	(153%)	(62.6)	(2%)	(2.0)	(53%)	(64.6)
Sudarshan Fairless Hills MFG Ltd., LP (Formerly known as Heubach Ltd.)##	2%	65.3	(1%)	(0.6)	8%	6.5	5%	5.9
Sudarshan Langelsheim RE GmbH (Formerly known as Blitz F24-524 GmbH)**	0%	(0.2)	0%	(0.2)	0%	-	0%	(0.2)
Non-controlling interests								
Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##	10%	403.8	45%	18.5	1%	0.6	16%	19.1
Indian Joint ventures								
Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)##	1%	35.3	6%	2.3	0%	-	2%	2.3
Foreign Joint ventures								
Hangzhou Baihe Heubach Pigments Co. Ltd.##	5%	184.7	71%	28.9	0%	-	24%	28.9
Eliminations including effects of consolidation and business combination	(103%)	(3,964.0)	(56%)	(22.8)	130%	105.2	68%	82.4
Total	100%	3,854.0	100%	40.8	100%	81.0	100%	121.8

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For the year ended 31st March, 2025

Entity	Net Assets Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Parent Company								
Sudarshan Chemical Industries Limited	56.6%	2,258.9	233.8%	141.0	1.0%	11.3	12.2%	152.3
Indian Subsidiaries								
RIECO Industries Limited	0.3%	10.6	(36.0%)	(21.7)	0.0%	-	(1.7%)	(21.7)
Sudarshan CSR Foundation	0.0%	0.3	0.3%	0.2	0.0%	-	0.0%	0.2
Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##	7.1%	284.5	8.8%	5.3	(0.0%)	(0.2)	0.4%	5.1
Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)##	10.4%	415.7	21.4%	12.9	0.0%	-	1.0%	12.9
Heubach Foundation##	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited)##	(14.3%)	(570.0)	(10.4%)	(6.3)	0.0%	-	(0.5%)	(6.3)
Foreign Subsidiaries								
Sudarshan Japan Limited	(0.0%)	(0.1)	0.3%	0.2	0.0%	-	0.0%	0.2
Sudarshan Europe B.V.	0.0%	0.5	(109.6%)	(66.1)	(0.2%)	(2.3)	(5.5%)	(68.4)
Sudarshan North America, Inc.	0.8%	32.7	4.0%	2.4	0.1%	0.7	0.2%	3.1
Sudarshan Mexico S. de R. L. de CV.	0.3%	12.2	5.3%	3.2	0.0%	0.2	0.3%	3.4
Sudarshan (Shanghai) Trading Company Limited	(0.0%)	(0.2)	0.2%	0.1	0.0%	-	0.0%	0.1
Sudarshan Brasil Ltda.*	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Sudarshan Middle East General Trading L.L.C.#	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Sudarshan Switzerland HLD2 AG (Formerly known as Heubach EBITO Chemiebeteteiligungen AG)##	3.2%	126.1	(0.7%)	(0.4)	0.8%	9.6	0.7%	9.2
Sudarshan Europe Management GmbH (Formerly known as Blitz F24-526 GmbH)***	(0.0%)	(1.4)	(2.8%)	(1.7)	0.0%	-	(0.1%)	(1.7)



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Entity	Net Assets Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Sudarshan Switzerland HLD1 AG (Formerly known as Heubach Holding Switzerland AG)##	23.9%	955.4	9.6%	5.8	0.2%	2.8	0.7%	8.6
Heubach Colorants Middle East FZE\$ ##	0.2%	6.0	0.2%	0.1	(0.0%)	(0.1)	0.0%	-
Heubach Colorants Argentina S.A.U.##	(1.1%)	(43.1)	(2.5%)	(1.5)	0.1%	1.1	(0.0%)	(0.4)
Sudarshan Belgium SLO SRL (Formerly known as Heubach Colorants Belgium SRL)##	0.4%	16.8	1.0%	0.6	0.0%	0.2	0.1%	0.8
Sudarshan Brasil MFG Ltda.								
(Formerly known as Heubach Colorants Brasil Ltda.)##	2.2%	88.0	3.2%	1.9	(0.0%)	(0.1)	0.1%	1.8
Sudarshan Canada SLO Inc. (Formerly known as Heubach Colorants Canada Inc.)##	0.3%	10.0	0.7%	0.4	(0.0%)	(0.1)	0.0%	0.3
Sudarshan Switzerland SLO AG (Formerly known as Heubach Colorants Switzerland AG)##	(6.0%)	(239.0)	0.3%	0.2	0.0%	0.4	0.0%	0.6
Sudarshan Switzerland Consulting AG (Formerly known as Heubach Colorants Consulting Switzerland AG)##	0.0%	0.9	0.0%	-	0.0%	-	0.0%	-
Sudarshan Chile Industria Química Limitada (Formerly known as Heubach Colorants Chile Industria Química Limitada)##	(0.1%)	(2.8)	(0.5%)	(0.3)	0.0%	0.1	(0.0%)	(0.2)
Heubach Colorants Pigment Preparations (Tianjin) Ltd.##	1.6%	64.8	0.3%	0.2	(0.1%)	(1.1)	(0.1%)	(0.9)
Heubach Colorants (Shanghai) Ltd.##	0.4%	17.7	(4.0%)	(2.4)	(0.0%)	(0.3)	(0.2%)	(2.7)
Sudarshan Colombia SLO S.A.S (Formerly known as Heubach Colorants Colombia S.A.S.)##	0.2%	7.8	0.0%	-	(0.0%)	(0.3)	(0.0%)	(0.3)
Sudarshan Italy SLO S.r.l. (Formerly known as Heubach Colorants Italy S.r.l.)##	1.4%	57.3	0.8%	0.5	0.1%	0.7	0.1%	1.2
Heubach Colorants Iberica, S.L.U.##	0.6%	24.3	1.0%	0.6	0.0%	0.3	0.1%	0.9
Sudarshan France SLO S.A.S (Formerly known as Heubach Colorants France SAS)##	0.4%	15.0	0.5%	0.3	0.0%	0.2	0.0%	0.5
Sudarshan UK SLO Ltd. (Formerly known as Heubach Colorants UK Ltd.)##	0.3%	10.2	2.0%	1.2	0.0%	-	0.1%	1.2

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Entity	Net Assets Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
P.T. Sudarshan Indonesia SLO (Formerly known as P.T. Heubach Colorants Indonesia)##	0.2%	7.4	1.0%	0.6	(0.0%)	(0.2)	0.0%	0.4
P.T. Sudarshan Indonesia MFG (Formerly known as P.T. Heubach Colorants Coatings Indonesia)##	0.0%	1.3	0.3%	0.2	0.0%	-	0.0%	0.2
Sudarshan Japan MFG K.K. (Formerly known as Heubach Colorants Japan K.K.)##	8.7%	348.2	8.6%	5.2	(0.7%)	(7.8)	(0.2%)	(2.6)
Heubach Colorants Korea Ltd.##	0.1%	3.8	0.3%	0.2	(0.0%)	(0.1)	0.0%	0.1
Sudarshan Malaysia SLO Sdn. Bhd. (Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)##	0.3%	10.5	1.0%	0.6	(0.0%)	(0.1)	0.0%	0.5
Heubach Colorants Peru S.A.C##	(0.0%)	(0.3)	0.0%	-	0.0%	-	0.0%	-
Heubach Colorants Scandinavia AB##	0.3%	13.1	(0.7%)	(0.4)	0.0%	0.4	0.0%	-
Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte. Ltd.)##	1.9%	77.1	14.6%	8.8	(0.1%)	(1.3)	0.6%	7.5
Sudarshan MFG (Thailand) Ltd. (Formerly known as Heubach Colorants (Thailand) Limited.)##	0.5%	18.4	0.2%	0.1	(0.0%)	(0.4)	(0.0%)	(0.3)
Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.Ş. (Formerly known as Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)##	0.5%	19.6	0.5%	0.3	(0.1%)	(1.3)	(0.1%)	(1.0)
Heubach Colorants Taiwan Co., Ltd.##	0.2%	6.1	0.3%	0.2	(0.0%)	(0.2)	0.0%	-
Sudarshan Southern Africa MFG (Pty) Ltd. (Formerly known as Heubach Colorants Southern Africa (Pty) Ltd)##	0.6%	25.3	1.0%	0.6	(0.0%)	(0.3)	0.0%	0.3
Sudarshan Mexico MFG, S.A. de C.V. (Formerly known as Heubach Colorants México, S.A. de C.V.)##	4.1%	164.4	3.8%	2.3	(0.1%)	(0.7)	0.1%	1.6
Sudarshan Mexico MFG Productos Químicos, S.A. de C.V. (Formerly known as Heubach Colorants México Productos Químicos, S.A. de C.V.)##	0.8%	31.8	0.2%	0.1	(0.0%)	(0.2)	(0.0%)	(0.1)



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Entity	Net Assets Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Sudarshan Lux Holding S.à r.l (Formerly known as Heubach Holdings S.a r.l)##	6.0%	239.3	0.7%	0.4	10.7%	127.4	10.2%	127.8
Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA LLC)##	2.4%	94.9	8.8%	5.3	(0.2%)	(2.1)	0.3%	3.2
Sudarshan USA HLD1 LLC (Formerly known as Heubach Holding USA LLC)##	5.0%	200.4	(0.5%)	(0.3)	0.2%	2.1	0.1%	1.8
Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan K.K.)##	0.2%	9.5	0.2%	0.1	(0.0%)	(0.2)	(0.0%)	(0.1)
Heubach Research Centre s.r.o##	(0.1%)	(3.3)	(0.2%)	(0.1)	0.0%	-	(0.0%)	(0.1)
Sudarshan Germany Horizons GmbH (Formerly known as Blitz F24-522 GmbH)**	(1.2%)	(46.5)	(53.7%)	(32.4)	(0.7%)	(8.7)	(3.3%)	(41.1)
Inventories Frankfurt GmbH##	19.6%	780.3	13.3%	8.0	0.8%	9.1	1.4%	17.1
VP4 Frankfurt GmbH##	0.7%	29.3	6.8%	4.1	0.0%	0.3	0.4%	4.4
Inventories Langelsheim GmbH##	4.2%	168.6	5.5%	3.3	0.2%	1.9	0.4%	5.2
Sudarshan Langelsheim PLT GmbH (Formerly known as Blitz F24-523 GmbH)**	(0.3%)	(11.9)	(20.4%)	(12.3)	0.0%	0.2	(1.0%)	(12.1)
Sudarshan Fairless Hills MFG Ltd., LP (Formerly known as Heubach Ltd.)##	1.5%	59.4	(3.3%)	(2.0)	(0.1%)	(1.3)	(0.3%)	(3.3)
Sudarshan Langelsheim RE GmbH (Formerly known as Blitz F24-524 GmbH)**	0.0%	0.1	(0.3%)	(0.2)	0.0%	-	(0.0%)	(0.2)
Non-controlling interests								
Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)##	15.0%	598.2	7.3%	4.4	(0.0%)	(0.2)	0.3%	4.2
Indian Joint ventures								
Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited)##	0.9%	35.2	0.8%	0.5	0.0%	-	0.0%	0.5
Foreign Joint ventures								

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

Entity	Net Assets Total Assets - Total Liabilities)		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of total Consolidated net assets	Amount	As % of total Consolidated Profit or Loss	Amount	As % of total Consolidated OCI	Amount	As % of total Consolidated TCI	Amount
Hangzhou Baihe Heubach Pigments Co. Ltd.##	4.2%	168.7	4.0%	2.4	0.0%	-	0.2%	2.4
Eliminations including effects of consolidation and business combination	(65.6%)	(2,617.4)	(27.2%)	(16.4)	88.3%	1,048.3	82.7%	1,031.9
Total	100.0%	3,990.6	100.0%	60.3	100.0%	1,187.7	100.0%	1,248.0

*Incorporated on 12th August 2024. The said step-down subsidiary is yet to commence business operations and there has been no transactions since incorporation and hence same has not been consolidated as on the reporting period end.

**Acquired on 20th December 2024

***Acquired on 14th January 2025

#Incorporated on 13th February 2025

##Acquired on 3rd March 2025 pursuant to the acquisition of Heubach Group of Germany

\$Under liquidation

\$\$Liquidated on 29th December 2025

\$\$\$Liquidated on 6th March 2026

%The resulting gain on liquidation of Heubach Colorants Scandinavia AB and Heubach Colorants Peru S.A.C. during the year amounting to ₹1.7 Crores and ₹0.6 Crores respectively, is grouped under exceptional items.

*Sudarshan Europe B.V. acquired equity shares representing 15.9% of total shareholding on 3rd October 2025 after completion of the Open offer process.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended 31st March, 2026
(All amounts are in ₹ Crores, unless otherwise stated)

56 During the year 2019, Sudarshan Colorants India Limited (“SCIL”), a subsidiary of the Holding Company (acquired as part of the Heuach Group acquisition w.e.f. 3rd March, 2025), on the basis of an independent valuation, obtained approval from its Board of Directors for the transfer of certain furniture and fixtures and other assets located at the Airoli Office to Clariant India Private Limited (“CIPL”), a related party at ₹25.8 Crores. Due to various reasons, the transfer of these assets could not be concluded till 2021. The current management noticed that certain identified assets belonging to SCIL were unauthorisedly transferred to CIPL without due approval from their Board of Directors. Upon becoming aware of the matter, their Board of Directors engaged external independent agencies to conduct a fact-finding exercise relating to the transaction. SCIL continued to engage in negotiations to recover the assets and mitigate any potential adverse impact arising from the transaction.

On October 29, 2025, an agreement was signed between the SCIL and CIPL to transfer the aforesaid identified assets from CIPL to the SCIL and transfer of the said assets from CIPL to the SCIL is completed

57 The Group has evaluated the likely impact of prevailing uncertainties relating to imposition or enhancement of reciprocal tariffs and believes that there is no material impact on the financial statements of the Group for the year ended 31st March, 2026. However, the Group will continue to monitor the situation from the perspective of potential impact on the operations of the Group.

58 Events after the reporting period ended 31st March, 2026

The board of directors of Holding Company have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 18 for details.

59 Standards notified but not yet effective

The new and amended standards that are notified by the Ministry of Corporate Affairs (MCA), but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group will adopt these new and amended standards, when they become effective.

(a) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants and Ind AS 10 Events after the Reporting Period

Ind AS 10 has been amended to remove the previous treatment under which a lender’s post reporting date waiver—granted before the financial statements were approved for issue - of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event (Refer note 2.4).

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as an adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.

60 Additional Regulatory Information / disclosures as required by General Instructions to Division II of Schedule III to the Companies Act, 2013 are furnished to the extent applicable to the Group.

As per our report of even date attached For S R B C & CO LLP Chartered Accountants ICAI Firm Registration Number: 324982E/E300003	For and on behalf of the Board of Directors of Sudarshan Chemical Industries Limited S. P. Navandar Independent Director & Audit Committee Chairperson DIN No.:02804964		
per Huzefa Ginwala Partner Membership No.:111757	R.B. Rathi Chairman & Managing Director DIN No.:00018628	Nilkanth Natu Chief Financial Officer ICAI Membership No.:108532	Mandar Velankar Company Secretary ICSI Membership No.:ACS 14469
Place: Pune Date : 25 th May, 2026	Place: Pune Date : 25 th May, 2026		

**Registered Office**

7th Floor, Eleven West Panchshil, Survey No. 25, Near
PAN Card Club Road, Baner, Pune – 411 069,
Maharashtra, India

E-mail id.: shares@sudarshan.com

Website: www.sudarshan.com

CIN: L24119PN1951PLC008409