Chemplast Sanmar Limited

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Tel + 91 44 2812 8500
E-mail: csl@sanmargroup.com
www.chemplastsanmar.com
CIN L24230TN1985PLC011637

14th July, 2026

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Symbol – CHEMPLASTS

Dear Sir/Madam,

Sub: Annual Report 2025-26

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the Financial Year 2025-26 which is being dispatched today, through electronic mode, to the Shareholders who have registered their e-mail addresses with the Depositories/Registrar and Share Transfer Agent of the Company.

The Annual Report 2025-26 is also available on the Company's website www.chemplastsanmar.com

This is for your information and records.

Thanking You,

Yours faithfully,
For CHEMPLAST SANMAR LIMITED

PADMANABHAN SRINIVASAN
Digitally signed by PADMANABHAN SRINIVASAN
Date: 2026.07.14 16:01:41 +05'30'

P SRINIVASAN
Company Secretary and Compliance Officer
Memb No. ACS 10129

RESILIENT **TODAY**
RESURGENT **TOMORROW**

SANMAR
CHEMPLAST SANMAR LIMITED

CHEMPLAST SANMAR LIMITED
ANNUAL REPORT 2025-26

Resilient Today Resurgent Tomorrow

Resilience is not just the ability of an individual, or organisation, to adapt and recover when faced with adversity. It is a mindset that enables progress despite uncertainty, navigating challenges without losing sight of the vision and core values that shape decisions and actions.

At Chemplast Sanmar, this resilience has been built over six decades, honed by the experience of navigating the cyclicality of the chemicals business, and through deep technical expertise, operational agility, disciplined capital allocation, and a clear understanding of evolving market realities. These strengths enabled the Company to navigate a demanding 2025-26, marked by compressed Suspension PVC spreads, an oversupplied caustic soda market, inventory corrections in the agrochemical sector, and geopolitical uncertainties affecting feedstock supply chains.

Amid these challenges, Chemplast Sanmar remained focused on executing its long-term strategy. The year reaffirmed the strength of its speciality-led growth platforms. The Cuddalore Paste PVC facility operated at full capacity through the year, reflecting sustained demand for differentiated products. The CMCD business strengthened its pipeline, advanced new molecules, and deepened engagement with global innovators. The R32 project moved from investment decision to near commissioning, opening a new avenue for future growth.

Together, these developments reflect a business that is not merely enduring a difficult cycle but preparing for opportunities beyond it. As strategic investments mature and speciality businesses gather momentum, Chemplast Sanmar stands resilient today and ready for a stronger, more resurgent tomorrow.

For more investor-related information, please visit
https://www.chemplastsanmar.com/quarterly-financial-results.php

Or scan this QR code

Investor Information

Market Capitalisation as of March 31, 2026	₹ 4,177.41 Crores
CIN	L24230TN1985PLC011637
BSE Code	543336
NSE Symbol	CHEMPLASTS
AGM Date	August 7, 2026
AGM Venue	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)

Disclaimer: This document contains statements about expected future events and financials of Chemplast Sanmar Limited (The Company), which are 'forward-looking.' By their nature, 'forward-looking statements' require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other 'forward-looking statements' may not prove to be accurate. Readers are cautioned not to place undue reliance on 'forward-looking statements' as several factors could cause actual future results and events to differ materially from those expressed in the 'forward-looking statements.' Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Contents

About the Company

Built on Resilience Positioned for Growth

Chemplast Sanmar Limited (also referred to as 'Chemplast Sanmar', 'Chemplast', or 'the Company') is a leading speciality chemicals company and India's largest producer of Speciality Paste PVC. Part of The Sanmar Group, the Company draws on over six decades of expertise in manufacturing chemicals, combining technical excellence with deep market insight and a customer-centric approach to deliver advanced speciality chemicals and custom synthesis solutions for global pharmaceutical, agrochemical, and industrial applications.

1 India's Speciality Paste PVC Champion

The only Indian manufacturer with proprietary technology and dedicated capacity to serve the growing domestic Speciality Paste PVC market

2 Large Suspension PVC play

India's second-largest Suspension PVC producer and South India's foremost PVC manufacturer (through CCVL)

3 Delivering Excellence in Custom Chemical Manufacturing

Trusted partner to global innovators seeking reliable, ethical, and high-quality custom manufacturing solutions

4 Shaping India's Chloromethanes Landscape

Among India's pioneering Chloromethanes producers

60+ Years

of Engineering Excellence, Process Innovation, and Project Execution through The Sanmar Group

4

State-of-the-Art Facilities with Deep Backward Integration*

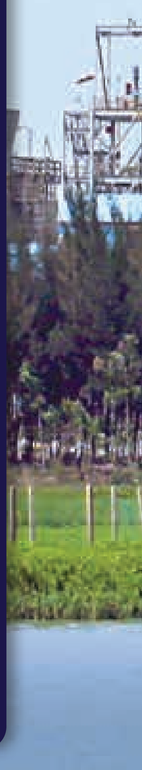
9 Countries

Export Presence

30+ Years

of Refrigerant Gas Manufacturing Expertise Supporting Entry into the R32 Market

For significant portion of its operations



Vision

Combining integrity with excellence to ensure prosperity to all stakeholders on a continuous basis

Sanmar Standards

- Enhance Stakeholder Value
- Follow Fair Business Practices
- Foster Sanmar Culture

Guiding Principles

- **Shareholders:** Increase shareholder value by focussing on optimal usage of resources
- **Customers:** Pursue professional excellence to meet and exceed customer expectations
- **Employees:** Enhance skills, and provide opportunities for growth and a safe work environment
- **Society:** Uphold good corporate citizenship and act as a responsible community member
- **Work Ethics:** Maintain intellectual honesty in all actions and continuously monitor the Company's ethical standards

Credibility

- CRISIL ratings for both Chemplast Sanmar Limited and Chemplast Cuddalore Vinyls Limited for their banking facilities are CRISIL A / Negative for Long term and CRISIL A1 for Short term, respectively
- The Company received the 'Sustainability Award for Carbon Reduction,' one of only two winners among 19 entries, presented by a leading global innovator and key customer of its Custom Manufactured Chemicals Division (CMCD)

Certifications

- Manufacturing facilities at Berigai, Cuddalore, Karaikal, and Mettur hold ISO certifications in environmental, quality, occupational health, and safety management systems
- Several plants have earned the prestigious Sword of Honour and Five Star Rating from the British Safety Council for outstanding safety practices
- Chemplast and its subsidiary, CCVL, rank among the few Indian chemical companies authorised to use the Responsible Care® logo, reflecting the Company's commitment to responsible chemical management

Product Portfolio

Diverse in Chemistry Strong in Purpose

Chemplast operates a highly diversified portfolio organised into five focused product domains, allowing it to serve a wide range of industries. While retaining strong capabilities in both speciality and commodity chemistry, the Company's strategy prioritises high-value, high-barrier segments that deliver sustainable margins and a competitive advantage.

Speciality Chemicals

The Speciality Chemicals portfolio sits at the centre of Chemplast Sanmar's value proposition. The portfolio builds on deep technical know-how, integrated operations, and ongoing capacity enhancements to reinforce the Company's market leadership.

Speciality Paste PVC

As one of only two manufacturers of Speciality Paste PVC resin in India, Chemplast Sanmar commands a dominant position in the domestic market. Backward integration across a significant part of its value chain enhances operational flexibility, reduces dependence on external suppliers, and increases supply chain resilience.

1,07,000 MTPA

Installed Production Capacity

Key End Uses

- Footwear
- Automotive & Furniture Upholstery
- Artificial Leather Products
- Mats

Custom Manufactured Chemicals

The Custom Manufactured Chemicals Division (CMCD) manufactures starting materials, advanced intermediates, and active ingredients for leading global originators and innovators. Its differentiated 'One Product, One Customer' model protects customer IP while delivering end-to-end capabilities – process research, development, scale-up, analytical studies, plant engineering, and commercial manufacturing.

4,500 MTPA

Installed Production Capacity

Key End Uses

- Pharmaceuticals
- Agrochemicals
- Fine Chemicals

Value-added Chemicals

This portfolio enhances value creation through downstream integration and efficient use of manufacturing streams. Serving varied industrial applications, the portfolio supports diversification, operational synergies, and sustainable value generation.

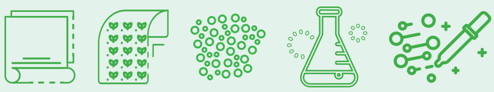
Caustic Soda

Produced alongside chlorine as part of the Company's integrated chlor-alkali operations, caustic soda is a key industrial chemical that serves multiple manufacturing industries. It is also a key feedstock for numerous downstream processes.

1,19,000 MTPA

Installed Production Capacity

Key End Uses



- Paper
- Textiles
- Alumina
- Organic Chemicals
- Inorganic Chemicals

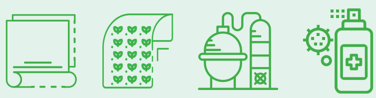
Hydrogen Peroxide

Produced as a value-added derivative of the chlor-alkali process, hydrogen peroxide enhances Chemplast Sanmar's downstream integration while serving diverse industrial and environmental applications. The Company is the largest manufacturer of hydrogen peroxide in South India.

34,000 MTPA

Installed Production Capacity

Key End Uses



- Paper
- Textiles
- Effluent Treatment
- Disinfectants

Chloromethanes

The Chloromethanes portfolio comprises Methyl Chloride, Methylene Dichloride, Chloroform, and Carbon Tetrachloride. Manufactured through downstream integration, these products support diverse applications across pharmaceutical, agrochemical, and refrigerant value chains.

35,000 MTPA

Installed Production Capacity

Key End Uses

- Pharmaceuticals
- Agrochemicals
- Refrigerants (HFOs)

Suspension PVC (S-PVC)

Operated through its wholly owned subsidiary Chemplast Cuddalore Vinyls Limited (CCVL), the Suspension PVC (S-PVC) division is India's second-largest S-PVC manufacturer and the largest in South India. A captive VCM import terminal ensures efficient sourcing of a key raw material, positioning the business to benefit from increasing demand driven by infrastructure development, urbanisation, and housing growth.

3,31,000 MTPA

Installed Production Capacity

Key End Uses

- Irrigation
- Urban Infrastructure
- Real Estate and Construction

Journey

Milestones of Resilience Markers of Progress

2009

Established the greenfield Suspension PVC facility at Cuddalore.

2007

Commissioned the Marine Terminal and EDC Plant at Karaikal.

2003

Acquired the Karaikal Caustic Soda facility from Kothari Petrochemicals.

1997

Expanded PVC resin manufacturing capacity to 60,000 MTPA.

1967

Commenced PVC resin production at the Mettur facility.

1962

Established Chemicals and Plastics India Limited.

2013

Expanded the Speciality Paste PVC capacity at Mettur to 66,000 MTPA and the Suspension PVC capacity at Cuddalore to 3,00,000 MTPA.

2019

- Commissioned the Hydrogen Peroxide plant at Mettur.
- Demerged the Suspension PVC business at Cuddalore.
- Completed the merger with Sanmar Speciality Chemicals Limited.

2021

Made CCVL a wholly owned subsidiary and listed on Indian stock exchanges following the Company's IPO.

2022

Increased Suspension PVC capacity to 3,31,000 MTPA through strategic debottlenecking initiatives.

2023

Commissioned Phase I of the new multipurpose block within the Custom Manufactured Chemicals Division.

2024

- Commissioned the new Speciality Paste PVC facility at Cuddalore, adding 41,000 MTPA of capacity.
- Commissioned Phase II of the multipurpose block within the Custom Manufactured Chemicals Division.

2026

- Successfully ramped up the Paste PVC plant in Cuddalore to full operating capacity, consistently delivering 100% utilisation.
- Commenced commercial production of R32 refrigerant gas in May 2026, at the 2 KTPA swing plant in Mettur.
- Multipurpose Block 3 Phase 3, CMCD is targeted to begin commercial production by end of May 2026.

Presence

Local Roots
Global Growth

Chemplast strategically distributes its products across India to serve both domestic and export markets.

With strong backward integration and engineering expertise, the Company ensures supply security, operational reliability, and cost-efficient capacity expansion.

Its proximity to key ports and logistics hubs enhances its competitive advantage and enables consistent, reliable service to customers and international partners.

Mettur
Tamil Nadu

Total installed capacity till March 31, 2026

Speciality Paste PVC resin:
66 KTPA (kilo tonnes per annum)

Chloromethanes:
35 KTPA

Hydrogen Peroxide:
34 KTPA

Refrigerant Gas:
1.7 KTPA (Converted to 2 KT R32 Swing Plant in May 2026)

Caustic Soda:
119 KTPA
(Combined capacity of Mettur and Karaikal)

Key End Uses

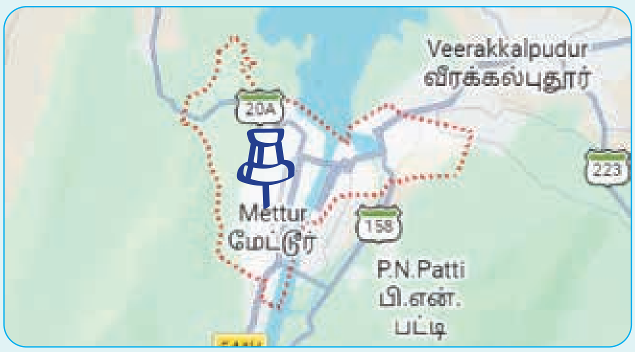
- Integrates four distinct chemical production plants, ensuring robust backward supply chain connectivity
- Desalination and ZLD together meet process water needs, minimising reliance on local freshwater
- Benefits from its proximity to the Vedaranyam captive salt pans, which guarantees a reliable, continuous supply of essential salt feedstock

48.5 MW

Captive Power Plant

Key Developments

Commercial production of R32 refrigerant gas commenced at the newly converted 2 KTPA swing plant in May 2026



Karaikal

Puducherry

Total installed capacity till March 31, 2026

Caustic Soda:
119 KTPA (Combined capacity of Mettur and Karaikal)

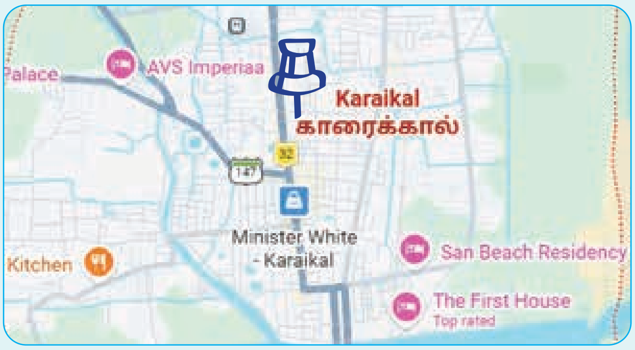
EDC (for captive use):
84 KTPA

Key End Uses

- Produces Ethylene Dichloride (EDC) internally, acting as a vital raw material source for Speciality Paste PVC production
- Uses a ZLD framework alongside a desalination unit to minimise reliance on external freshwater sources
- Operates a captive marine terminal featuring a 1.3 km trestle platform to streamline the import of raw materials and export of finished goods
- Maintains a 4 KT double-walled insulated cryogenic storage tank for the secure, temperature-controlled management of ethylene
- Leverages proximity to the Vedaranyam salt pans to secure a consistent supply of crucial salt feedstock

12 MW
Captive Power Plant

4 KT
Double-walled Insulated Cryogenic Ethylene Storage Tank



Disclaimer: Illustrative map only; not to scale or for reference.
The Company does not assume responsibility for accuracy or use.

Berigai
Tamil Nadu

Total installed capacity till March 31, 2026

Custom Manufactured Chemicals Division (CMCD):
4,500 MTPA

Key End Uses

- Facilitates the production of active ingredients, advanced intermediates, and starting materials
- Equipped with process research, engineering, and development platforms, including capabilities for liquid purification, hydrogenation, and cyanation, to support projects from laboratory through pilot scale
- Operates as a fully automated facility using advanced distributed control systems
- Maintains a dedicated pilot plant outfitted with hydrogenators, as well as GLR, SSR, and Hastelloy reactors
- Successfully integrated Phase 1 and Phase 2 of the multipurpose block (MPB-3) into operations in September 2023 and December 2024, respectively

Key Developments

- Advanced construction of Multipurpose Block 3 Phase 3, with commercial production commencing in end May 2026
- Multipurpose Block 4 (MPB-4) is targeted to be completed by early 2026-27
- Strengthened the product pipeline, with a growing portfolio of commercialised products and a robust pipeline of molecules advancing across various stages of development

Cuddalore
Tamil Nadu

Total installed capacity till March 31, 2026

Suspension PVC:
331 KTPA (through Chemplast Cuddalore Vinyls Limited, a wholly owned subsidiary)

Speciality Paste PVC resin:
41 KTPA

Key Features

- Functions as a shore-integrated plant equipped with a captive marine terminal to seamlessly handle bulk raw materials
- Maintains twin 7,500 MT refrigerated storage tanks that safely hold Vinyl Chloride Monomer (VCM) for the manufacturing pipeline
- Desalination and ZLD together meet process water needs, minimising reliance on local freshwater

7,500 **MT Each**

Refrigerated Storage Tanks for Storing VCM

41 **KTPA**

New Speciality Paste PVC Facility Commissioned in 2023-24

Key Developments

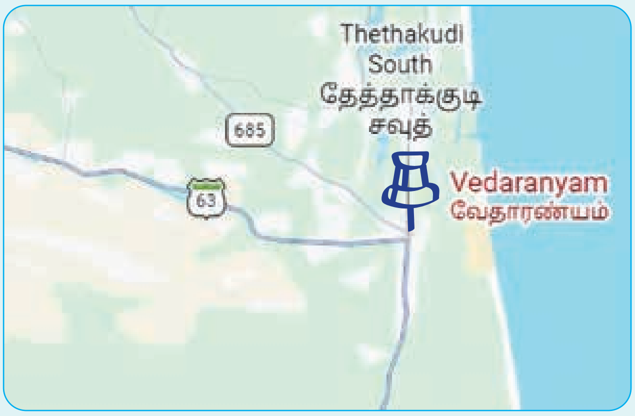
Successfully ramped up new 41 KTPA Speciality Paste PVC facility, operating it at 100% capacity utilisation throughout the year

Vedaranyam
Tamil Nadu

Total installed capacity till March 31, 2026

Industrial Salt:
400 KTPA

- Supplies industrial salt from captive salt pans to meet the feedstock requirements of the chlorine and caustic soda facilities at Karaikal and Mettur
- Uses advanced brine treatment processes to improve operational efficiency and minimise sludge generation
- Operates a dedicated washing unit to reduce magnesium and calcium impurities in the final industrial salt product
- Promotes ecological conservation and community engagement through its collaboration with the Bombay Natural History Society (BNHS) on bird conservation and awareness initiatives



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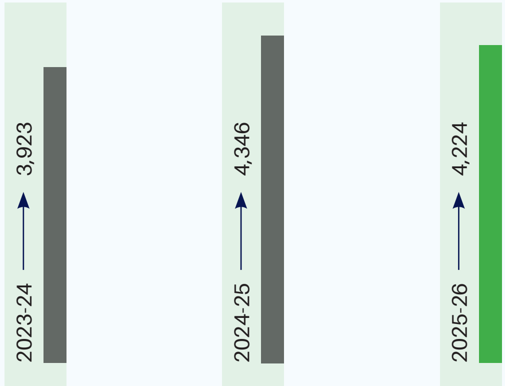
Financial Performance

Resilient Performance Renewed Momentum

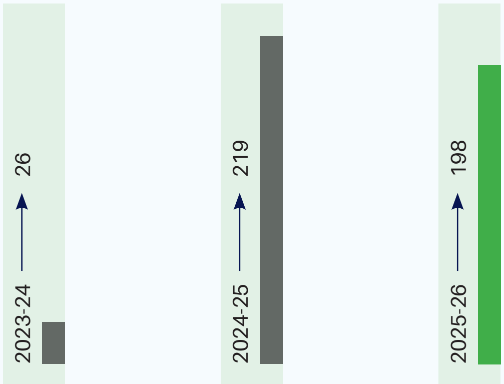
In a year marked by challenging market conditions, Chemplast Sanmar stayed resilient, backed by its strong speciality portfolio and prudent financial management. Continued focus on operational efficiency, disciplined capital allocation, and strong liquidity further reinforced the Company's foundation, positioning it well for future growth.

Consolidated Performance

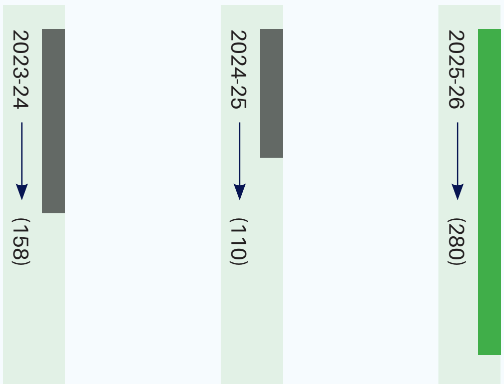
Revenue (₹ Crores)



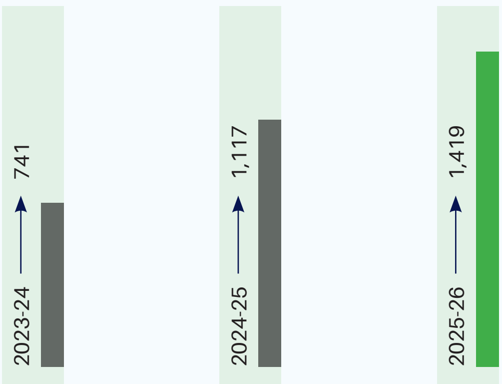
EBITDA (₹ Crores)



PAT (₹ Crores)



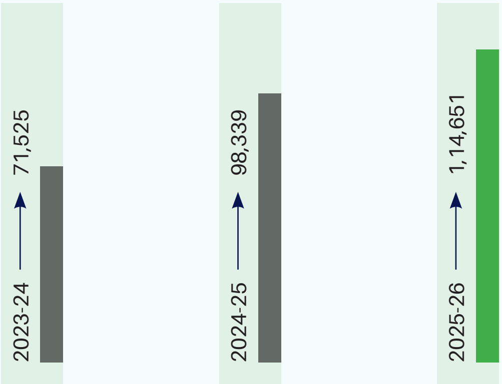
Net Debt (₹ Crores)



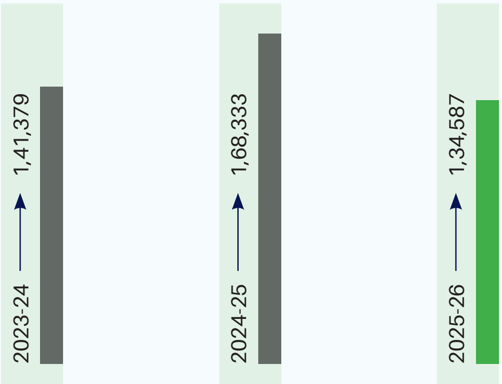
Product Performance by Group

Sales Volume (MTPA)

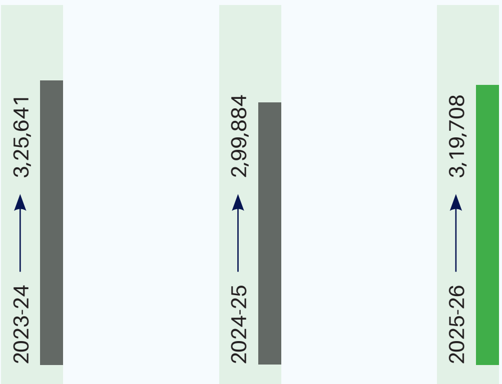
Speciality Chemicals



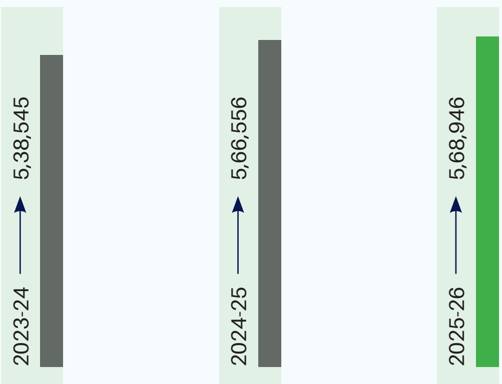
Value-added Chemicals



Suspension PVC

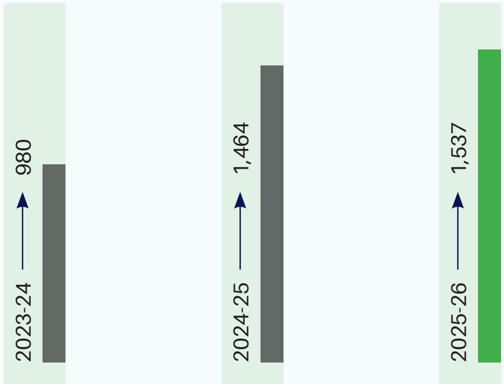


Overall Sales Volume

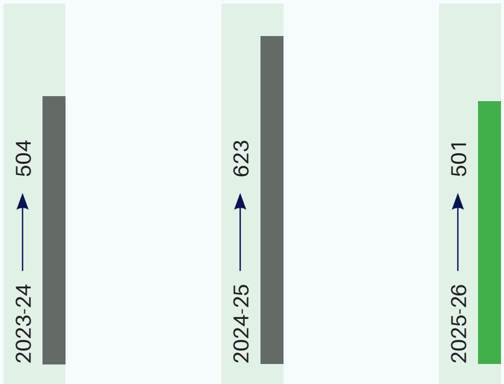


Revenue (₹ Crores)

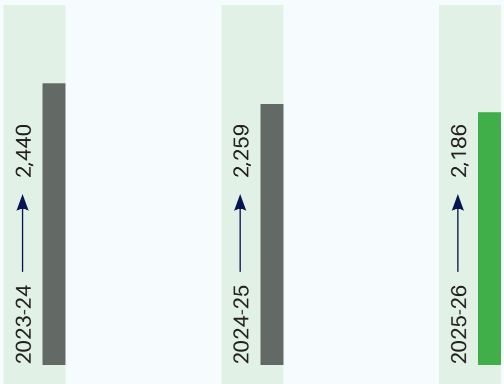
Speciality Chemicals



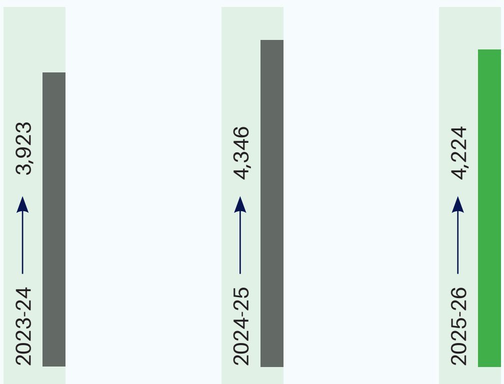
Value-added Chemicals



Suspension PVC



Total Revenue



Message from the Chairman

Vijay Sankar

> In a challenging year, Chemplast Sanmar's response was to remain resilient, stay the course, and take decisive steps towards resurgence, building on its foundation laid over six decades.

Dear Shareholders,

The year 2025-26 demanded that Chemplast Sanmar prove the force and validity of its strategy against a challenging global and domestic backdrop. The progress achieved during the year demonstrates the strength of that strategy. The Company entered the year with a clear focus: Resilient Today, Resurgent Tomorrow. Our resilience rests on more than 60 years of experience in chemistry—institutional knowledge, technical self-reliance, and management discipline that has enabled us to navigate multiple industry cycles.

Our resurgence will be driven by three speciality growth engines, each positioned to shape the next phase of our growth.

Macroeconomic Aspects

The external environment tested our institutional character on several fronts at once. The ongoing conflict in the Middle East disrupted global supply chains, leading to naphtha and ethylene shortages that spiked the price of our feedstock, VCM. Simultaneously, Chinese carbide-based PVC continued to enter the Indian market at depressed prices, impacting domestic producers. A prolonged inventory correction in the agrochemical sector slowed the pace of new molecule ramp-ups globally.

Regulatory processes offered little relief. Essential Quality Control Orders (QCOs) were rescinded, and the Anti-Dumping Duty (ADD) expected on Suspension PVC was declined by the Ministry of Finance. Nevertheless, a positive structural shift occurred when the Chinese government announced the withdrawal of its export tax rebate on PVC, signalling a step toward correcting the global supply imbalance.

Strategic Developments

Our commodity businesses felt these headwinds most acutely. In response to the structural shifts underway in global commodity markets, the Board has constituted a committee comprised of three independent directors. This committee is tasked with examining strategic priorities, evaluating potential reorganisations, and assessing M&A opportunities to create long-term value for our stakeholders.

A strong technology moat differentiates the Company within the Paste PVC industry. As the only domestic player combining established technological capabilities with continued investments in process innovation, Chemplast is well positioned to strengthen its competitive advantage and capitalise on emerging market opportunities.

Our capital and management priorities remain explicit: we are a speciality chemicals company first, while our commodity businesses will be operated with strict discipline and efficiency.

Our future trajectory is firmly anchored in Speciality Paste PVC, Custom Manufactured

> We are focused on three areas: Speciality Paste PVC, Custom Manufactured Chemicals, and R32 Refrigerant Gas. We will continue to invest in these areas as a strategy for growth and towards building a dominant position.

Chemicals (CMC), and R32 Refrigerant Gas. We will continue to direct our investments into these areas to build and maintain dominant market positions.

A Culture of Sustainability

Our commitment to sustainability and safety is inseparable from our commitment to performance. Through a year of supply-chain and weather disruptions, our discipline in handling complex chemistries held firm. Operational excellence and safety continue to receive external recognition, with several facilities awarded the British Safety Council's 'Five Star' rating and most earning the Sword of Honour, among the highest global safety accolades. The coastal plants at Karaikal and Cuddalore operate entirely on desalinated seawater, eliminating dependence on groundwater, while zero liquid discharge systems are implemented across all sites. The green power initiative now covers approximately 35%–40% of total power requirements.

Building the Next Phase

As we close 2025-26, I thank all our shareholders for their continued trust.

Our future growth trajectory is firmly centred in our Speciality businesses: Speciality Paste PVC, Custom Manufactured Chemicals, and Refrigerant Gas (R32). These segments represent areas of distinct competitive strength and long-term value creation for the Company. Through an uncertain year, each made steady progress despite a challenging external environment, reinforcing its strategic importance within the Company's portfolio. Collectively, they are building the foundation for Chemplast Sanmar's next phase of growth, supported by ongoing capacity expansion, capability enhancement, and deepening customer relationships.

Vijay Sankar
Chairman

Message from the Managing Director

S Ganeshkumar

> Holding the line through a difficult year while advancing the foundations of the next chapter – that is what 2025-26 required, and what Chemplast delivered.

Dear Shareholders,

I take on the role of Managing Director of Chemplast Sanmar at a moment of transition, one in which the external environment, for all its ongoing challenges, is beginning to stabilise in key markets. I am grateful to my predecessor, Ramkumar Shankar, who, over his 13-year tenure, built the strategic architecture that defines this Company's future. I am conscious of the responsibility to execute that vision with rigour and discipline.

Navigating Complexity

Each of our major businesses faced a different set of market conditions during 2025-26.

In Speciality Paste PVC, domestic demand remained robust, supported by consumption in the automotive, footwear, and upholstery sectors. However, realisations were impacted by imports from the European Union and Japan. To protect our market share, we maintained aggressive production schedules and successfully sustained 100% capacity utilisation at our newly expanded Cuddalore Paste PVC plant for the full financial year.

In **Custom Manufactured Chemicals** (**CMC**), the global agrochemical inventory correction delayed new molecule ramp-ups. We utilised this period to invest heavily in business development, adding senior resources in Europe and Japan to diversify our customer base. Our pipeline remains highly robust: we now carry 17 commercialised products, with over 45 molecules at various stages of development.

In **Suspension PVC**, the conditions remained challenging, with supply disruptions leading to acute shortages of naphtha and ethylene and higher feedstock costs. At the same time, steady inflows of carbide-based PVC from China weighed on product prices. While the withdrawal of China's export rebate created a brief margin recovery window, this was offset by geopolitical input cost pressures and the removal of customs duties on PVC resins. In response, working capital was tightly managed and plant efficiencies optimised.

In **Value-Added Chemicals** (**VAC**), chloromethanes and caustic soda prices remained range-bound amid excess domestic capacity. Volumes were also temporarily impacted by scheduled maintenance at the Mettur facility.

Operational Highlights

We achieved critical milestones that directly enable our resurgence. In May 2026, we successfully commenced commercial production of R32 refrigerant gas at our 2 KTPA swing plant in Mettur. This marks the initiation of a highly profitable revenue stream that, at its targeted full capacity of 14,000 TPA, will lead to significant addition to the topline.

Enabling a Fair Playing Field

We remain actively engaged with policy and regulatory authorities to advocate for balanced trade practices. During the year, the DGTR issued its final findings in the Anti-Dumping Duty (ADD) investigation into Paste PVC imports from the EU and Japan. We are now awaiting a formal notification by the Ministry of Finance. Concurrently, we are compiling industry data to file a new ADD application for

> The resurgence is underway, visible, and measurable, with Paste PVC margins improving, CMCD ramp-up resuming, and R32 revenue commencing.

S-PVC imports from China and we continue to make the case to the government for the reinstatement of QCOs to ensure a level playing field for domestic manufacturers.

Executing our ESG Mandate

Sustainability initiatives delivered tangible operational benefits this year, with the Green Power Purchase Agreement under the Group Captive scheme contributing over 35% of total energy needs from renewables. This initiative has structurally reduced our carbon footprint while delivering cost savings of approximately ₹ 50 to ₹ 60 Crores. We successfully completed electrolyser modernisations and critical membrane-change activities at Mettur, further optimising our electricity consumption. This is supported by robust systems across all manufacturing facilities such as certifications under ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management) and ISO 45001:2018 (Occupational Health and Safety) enabling consistent adherence to high standards of quality, safety, and operational discipline.

Momentum towards Resurgence

Our operational priorities for the upcoming year are defined and in motion:

- **Accelerate CMCD Conversion:** Convert our extensive molecule pipeline into contracted revenue using the newly commissioned phases of our Multipurpose Blocks, targeting the ₹ 1,000 Crores revenue milestone by 2027-28.
- **Scale R32 Production:** Execute the R32 ramp-up on a phased schedule towards our 14 KTPA target.
- **Drive Efficiency:** Aggressively manage operational costs through continued green power integration and manufacturing excellence.

The factors that weighed on 2025-26 are showing clear signs of resolution. I am honoured to lead our exceptional teams as we convert these strategic assets into measurable growth, and I thank our partners and shareholders for their continued support.

S Ganeshkumar

Managing Director

Message from the Business Head, CMCD

Krishna Kumar Rangachari, Ph.D.

> Custom chemistry for global innovators is developed through process mastery, a strong quality framework, and trusted relationships, and is subsequently scaled. This is the approach followed at Chemplast Sanmar, consistently.

Dear Shareholders,

The Custom Manufactured Chemicals Division (CMCD) sits at the intersection of underlying trends. First, the global food security imperatives that drive investment in crop protection chemistry. Second, the active diversification of global agrochemical supply chains. And third, the willingness of global innovators to form long-term manufacturing partnerships with Indian operators with demonstrated technical competence and ethical reliability.

Our investments over the past several years have positioned us well to benefit from these trends.
Our legacy as a manufacturing partner for complex chemistry, rooted in The Sanmar Group's heritage of operating joint ventures with global leaders, heightens our credibility with innovators. Our investments into infrastructure at Berigai in Tamil Nadu, where our plant is located, process development capabilities, and culture of confidentiality and quality form the operational foundation of this business.

India's Global Standing

Global food security remains a structural demand driver for crop protection chemistry. As the agricultural sector seeks to optimise land use, the role of agrochemicals in supporting crop yields stays central. Yet, the number of players able to manufacture complex molecules to the standards of global innovators is limited. This exclusivity is primarily driven by the substantial capital required for multi-step synthetic chemistry, the advanced technical expertise needed to meet strict global environmental and quality compliances, and the lengthy, expensive nature of international regulatory registrations.

India's position in this landscape has been strengthened, and our Berigai facility is part of this shift.

Large agrochemical companies are actively qualifying Indian Custom Development and Manufacturing Organisation (CDMO) alternatives. Inventory corrections and restructuring across several agrochemical groups delayed molecule outsourcing during the year. However, these pressures have added urgency to the decision to diversify, and we remain closely engaged with this shift.

Executing the Growth Agenda

We worked through the volume delays caused by the global agrochemical slowdown and price competition from generic active ingredients by pursuing geographic and sector diversification. Senior business development personnel were hired in Europe, while we intensified client engagement in Japan to expand market share in non-agrochemical sectors, including pharmaceuticals and fine chemicals.

Our capacity expansion advanced steadily: construction of the Main Production Block-3 (MPB-3) Phase 3 reached the pilot commissioning stage with commercial production commencing in May 2026. Civil works for the upcoming MPB-4 also progressed, with completion targeted for the first quarter of 2026-27.

The Chemplast Edge

What distinguishes Chemplast Sanmar in the CDMO space is the rare combination of technical depth, manufacturing flexibility, and an ethical culture. Our multipurpose reactor infrastructure at Berigai enables manufacturing of a wide range of molecules from insecticides to fungicides to pharmaceutical intermediates, without the heavy capital outlay required for dedicated plant infrastructure. Our process development team engages from the initial stages of scale-up planning with the innovator, building molecule-specific process knowledge that delivers consistent, specification-compliant output at commercial scale. Additionally, our quality and confidentiality systems meet the rigorous audit and compliance standards of our global innovator clients.

Research & Development

Process development is the core technical capability that makes Custom Manufacturing partnerships possible. Our R&D function at Berigai develops reproducible processes from pilot scale to commercial manufacturing – the technical bridge between an innovator's laboratory formulation and plant-scale supply for global markets. We continue to strengthen this capability through investment in talent and analytical infrastructure.

The CMCD business depends on specialised process understanding, handling protocols, and analytical precision. It is the scientists, engineers, and operators at Berigai who provide this operational advantage. In 2025-26, we continued to invest in talent, including bringing senior business development professionals on board to accelerate customer acquisition and pipeline conversion.

Positioning for Future Growth

Our priorities for CMCD are clear: advance MPB-4 to completion, convert the 45+ molecule pipeline into contracted commercial volumes, and grow the pharmaceutical and fine chemicals component of the pipeline.

Krishna Kumar Rangachari, Ph.D.
Business Head, CMCD

Message from the Chief Financial Officer

A R Balaji

> While macroeconomic conditions continued to present challenges, our focus remained on the factors within our control, maintaining financial discipline, optimising costs, and executing our strategic agenda with consistency.

Dear Shareholders,

This past year was a period of significant transition for Chemplast Sanmar, with performance shaped by macroeconomic headwinds and a structural reset in our commodity-linked segments. The operating environment remained challenging throughout, characterised by volatile input costs, fluctuating global demand, and pricing pressures across key product segments. Despite these conditions, the Company held to operational discipline, cost optimisation, and the strengthening of its long-term strategic positioning.

On a consolidated basis, Chemplast Sanmar recorded revenues of ₹ 4,224 Crores and an EBITDA of ₹ 198 Crores for 2025-26. The net loss for the period was ₹ 280 Crores. Consolidated net debt stood at ₹ 1,419 Crores as of March 31, 2026.

Following a detailed evaluation of the carrying value of our investments in Chemplast Cuddalore Vinyls Limited (CCVL) under Ind AS 36, the Company recorded a non-cash impairment provision of ₹ 898 Crores. This adjustment aligns book value with current economic realities and has no impact on operating cash flows or liquidity. Separately, CCVL recorded a ₹ 150 Crore charge as an exceptional item for onerous contracts and inventory write-downs, which we expect to reverse in the current financial year.

Segmental Developments

The Speciality Chemicals segment was a steady contributor to the top line, generating ~₹ 1,537 Crores in revenue this year. The new Paste PVC facility at Cuddalore maintained 100% capacity utilisation. In the Custom Manufactured Chemicals Division (CMCD), dispatch schedules were maintained, with timing variations reflecting the overall inventory correction cycle in the global agrochemical market.

Suspension PVC reported full-year revenues of ~₹ 2,186 Crores. Performance reflected the compression of the VCM-PVC spread, driven by the continued entry of carbide-based PVC from China and heightened feedstock costs caused by geopolitical supply-chain disruptions. China's withdrawal of its export tax rebate offered brief margin support but ongoing volatility and the rescinding of regular customs duties weighed on realisations.

The Value-Added Chemicals segment recorded a revenue of ~₹ 501 Crores. Caustic soda and chloromethane margins remained range-bound because of domestic oversupply and the addition of new industry capacities. Production volumes were adjusted to accommodate scheduled membrane change activities and technical rectifications at Mettur.

Capex, Expansion, and Realisation

The core capex cycle is complete. The Cuddalore Paste PVC expansion, which added 41,000 TPA of capacity, is now contributing fully to revenue. The CMCD investment

> The Cuddalore Paste PVC expansion, which added 41,000 TPA of capacity, is now contributing fully to revenue.

programme is in its final phases, with the commercial production of MPB-3 Phase 3 commencing in May 2026 and MPB-4 civil works targeted for completion in early 2026-27.

The R32 refrigerant gas programme is being executed in phases. Commercial production at the 2 KTPA swing plant at Mettur has commenced as of May 2026. Development of the subsequent 10 KTPA facility – an estimated capital expenditure of ₹ 250 Crores – is progressing. From here, our primary capital requirements will centre on maintenance and targeted efficiency upgrades rather than large-scale greenfield expansion.

Our power cost reduction initiatives are also advancing in parallel. The renewable power purchase agreement (PPA) with JSW, covering over 35% of our power requirements, is expected to deliver annual savings of ₹ 50 to ₹ 60 Crores. Paired with the completed electrolyser modernisation at Mettur, this improves the Company's baseline cost structure independent of market pricing cycles.

Looking Ahead

We enter 2026-27 with revised fundamentals and clear operational targets. We expect the notification of the Paste PVC anti-dumping duty. The CMCD pipeline commercialisation is advancing as the agrochemical cycle normalises. R32 revenue generation has begun, and power cost savings are already enhancing our operating margins. The financial strategy remains focused on disciplined capital allocation – prioritising the speciality portfolio while maintaining strict efficiency across commodity segments.

A.R. Balaji
Chief Financial Officer

Key Strategies and Growth Drivers

Leveraging Resilience Unlocking Growth

Chemplast Sanmar's strategic priorities aim to strengthen competitiveness, enhance resilience, and position the Company to leverage emerging growth opportunities across its portfolio. Through prudent capital allocation, operational excellence, deeper integration initiatives, and portfolio diversification, the Company is building a scalable and future-ready platform for profitable growth.

Core Strategies

Strategic Priority	What We Are Doing	What It Enables
Expanding Capacities	Maintained 100% capacity utilisation at the Cuddalore Paste PVC facility throughout 2025-26. Within the CMCD division, Chemplast advanced construction of MPB-3 Phase 3 with commercial production commencing in the end of May 2026. Civil works for MPB-4 in the CMCD division are ongoing and targeted for completion in early 2026-27. Commercially commissioned the 2 KTPA R32 swing plant at Mettur in May 2026. Advanced CMCD expansion projects, with cumulative capital investments of approximately ₹1,000 Crores nearing completion.	Strengthens readiness for demand recovery and future growth. Positions the Company to fully leverage recently commissioned capacities, accelerate commercialisation of new molecules, and establish a scalable platform for expanding its speciality chemicals portfolio.
Driving Operational Efficiency	Sustained manufacturing discipline across all facilities despite market challenges and operational disruptions. Successfully managed weather-related feedstock constraints at Karaikal and resolved technical issues at Mettur. Undertook rigorous reviews of fixed costs and operating expenses, while initiating monetisation of non-core assets.	Improves asset utilisation, productivity, and operational execution. Strengthens liquidity, optimises resource allocation, and elevates performance across market cycles.
Diversifying the Portfolio	Commercialised new molecules within CMCD. Commissioned the R32 facility at Mettur in May 2026 and strengthened business development capabilities through strategic talent recruitment. Continued engagement with global innovators seeking supply-chain diversification under the 'China Plus One' strategy.	Reduces reliance on PVC market cycles while increasing the contribution of speciality and value-added products. Creates new revenue streams, reinforces customer relationships, and improves business mix resilience.

Building High Entry Barrier Capabilities	Expanded specialised manufacturing infrastructure within CMCD, process development capabilities, and deepened engagement with global innovators requiring complex chemistries and customised manufacturing solutions. Continued to leverage integrated operations, technical expertise, and long-standing customer relationships to deliver differentiated offerings.	Reinforces competitive differentiation through specialised capabilities that are difficult to replicate. Supports long-term customer retention, expands participation in high-value segments, and strengthens the Company's position as a preferred manufacturing partner.

Key Growth Drivers

Speciality Paste PVC

- Increasing import substitution opportunity in a market that has historically relied on overseas supply
- Limited capacity additions and high technical barriers that support favourable industry dynamics
- Rising demand across footwear, artificial leather, automotive interiors, and related end-use segments
- Long-standing customer relationships supported by product quality and technical expertise

Value-Added Chemicals

- Expanding applications for chloromethanes across pharmaceutical, agrochemical, and refrigerant applications
- Sustained demand for caustic soda and chlorine from core industrial sectors
- Increasing adoption of hydrogen peroxide in environmentally conscious industrial applications
- Continued growth in water treatment, pollution control, and disinfection-related end markets

Custom Manufactured Chemicals

- Increasing global outsourcing of agrochemical and speciality chemical manufacturing to India
- Ongoing supply-chain diversification under the 'China Plus One' strategy, creating new customer opportunities
- Rising participation of Indian manufacturers in global pharmaceutical and API value chains
- Growing demand for specialised process development and custom manufacturing capabilities

Suspension PVC

- Persistent domestic demand-supply imbalance supporting long-term growth. However, new capacities have been announced by large players
- Significant import substitution opportunity as domestic consumption continues to exceed local production
- Rising infrastructure investments and urbanisation driving structural demand growth
- Increasing penetration across irrigation, construction, and water management applications

ESG Separator

Purpose
Beyond Performance

Environment

6,290 GJ
Green Energy Sourced

2,679 MT
Hazardous Waste Recovered and Recycled

₹ **33.08** Crores
Environmental Expenditure

Social

450
No. of Employees Upskilled

Governance

7
Board Committees

29
No. of Training Programmes Conducted for KMPs

Environment

Sustainable Operations Enduring Impact

As a manufacturing-led organisation, Chemplast Sanmar continually strives to optimise resource utilisation, strengthen environmental performance, and minimise operational impact across its facilities. Through targeted investments in technology, process enhancements, and robust monitoring systems, the Company advances its environmental agenda across its key focus areas: energy efficiency, emissions reduction, water stewardship, and waste management. These measures strengthen operational resilience and support the Company's long-term sustainability objectives.

1,19,350 tCO_2e

Reduction in GHG Emissions compared to FY 2024-25

1,61,214 GJ

Green Fuel Used (Hydrogen + Briquettes + Sawdust)

6,01,417 kL

Total Amount of Effluent Recycled and Reused

43.2 MT

Used Oil Disposed for Recycling

Energy and Emission Management 1

For Chemplast, energy efficiency and emission reduction are key operational priorities. The Company follows a structured approach by identifying energy conservation opportunities, improving process efficiency, and increasing the use of cleaner fuels wherever feasible. Usage of the bio briquettes and saw dust increases biogenic carbon share, reducing fossil emissions.

Energy-saving measures implemented across facilities include the installation of Variable Frequency Drives (VFDs), energy-efficient lighting systems, and ongoing optimisation of operating parameters. Regular internal assessments and reviews help identify further opportunities to improve energy performance and lower greenhouse gas emissions.

Key initiatives include:

- Continued use of bio-briquettes alongside coal at the Mettur facility
- Operation of a captive hydrogen-fuelled incinerator at Mettur facility
- Use of compressed sawdust as an alternative fuel source at the Cuddalore facility
- Ongoing identification and implementation of energy conservation opportunities across manufacturing operations

Waste Management 2

Chemplast follows a compliant waste management hierarchy focused on responsible handling, resource recovery, recycling, and waste to energy. It prioritises waste minimisation and reducing landfill disposal.

Its approach emphasises maximising resource recovery through source segregation, material recycling, process optimisation, and responsible disposal practices. The Company continues to collaborate with authorised recyclers and co-processors to increase opportunities for waste recovery and reuse to reduce environmental impact.

To strengthen governance and accountability, waste management partners are regularly evaluated for compliance and effective resource handling practices.

5S Framework

Sort | Set in Order | Shine | Standardise | Sustain

Water Conservation 3

Water is critical to Chemplast's operations and is sourced strategically, prioritising marine and surface water, with groundwater used only as a last resort. The Company drives water efficiency through conservation and maximised recycling, ensuring minimal impact on local water availability. This approach supports responsible stewardship of shared resources while safeguarding community needs. Chemplast also supplies treated potable water to neighbouring communities.

Desalination Plants

To reduce dependence on freshwater resources, Chemplast Sanmar has established desalination facilities at Karaikal and Cuddalore. By enabling the direct use of seawater from the Bay of Bengal, these facilities significantly reduce reliance on groundwater and external water supplies while reinforcing long-term water security for operations.

Rainwater Harvesting and Water Reuse

The Company continues to strengthen water conservation efforts through rainwater harvesting, recharge and closed-loop water management systems. These initiatives support water recycling and reuse, helping reduce freshwater consumption across operations.

Effluent Management

Chemplast maintains its commitment to Zero Liquid Discharge (ZLD) across all manufacturing facilities through robust wastewater treatment and recovery systems. Effluent generated during operations undergoes multiple stages of treatment, such as pre-treatment, biological processing, and advanced tertiary treatment systems before being recovered for reuse.

Recovered water is used across utilities and operational processes, reducing freshwater demand and enhancing water efficiency. Continuous improvements to treatment infrastructure and operating practices help maximise recovery rates while ensuring compliance with applicable environmental standards.

In addition, treated water from sewage treatment plants is used for maintaining green belts developed around manufacturing locations.

Sustainable Supply Chain 4

Chemplast recognises that sustainability extends beyond its own operations and into the broader value chain. The Company therefore works closely with suppliers and business partners to promote responsible sourcing, ethical conduct, environmental stewardship, and workplace safety.

Through regular awareness programmes, Chemplast seeks to strengthen alignment on key principles related to business integrity, human rights, environmental protection, and occupational health and safety.

Strategically located manufacturing facilities in South India, supported by marine terminal infrastructure at Cuddalore and Karaikal, further enhance supply chain efficiency by optimising logistics, reducing transportation complexity, and improving operational responsiveness. This integrated infrastructure contributes to both cost efficiency and environmental performance.

Social

Empowered People Stronger Communities

Chemplast Sanmar recognises that its people are central to its long-term success. The Company is committed to fostering a workplace that promotes safety, continuous learning, inclusion, and well-being, enabling employees to contribute and grow with the organisation. Beyond its workforce, Chemplast is equally committed to creating a positive impact in the communities surrounding its operations. Through social initiatives and responsible business practices, the Company aims to support inclusive development and enhance the well-being of its stakeholders.

1,399

Team Strength as of March 31, 2026

ISO 9001:2015

ISO 45001

ISO 9001 and 45001 Certified

Cultivating a Future-Ready Workforce 1

In an evolving industrial landscape, a skilled, engaged and adaptable workforce is essential to sustaining long-term business performance. Chemplast continues to invest in talent development, employee engagement, and capability building to prepare its workforce for future challenges and opportunities.

The Company strives to create an environment where employees can grow professionally while contributing to shared organisational goals. Through collaborative work practices, engagement programmes and learning opportunities, Chemplast promotes a culture of accountability, innovation, and performance across all levels of the organisation.

211

No. of New Hires

Learning as a Catalyst for Growth 2

Continuous learning remains a cornerstone of Chemplast's people strategy. The Company invests in programmes that strengthen technical expertise, functional capabilities, leadership skills, and behavioural competencies, helping employees remain effective in a rapidly changing business environment.

Training interventions are regularly conducted across locations, covering areas such as safety, emergency preparedness, environmental management, technical competencies, and professional behavioural development. The effectiveness of these programmes is evaluated through structured feedback and performance evaluation mechanisms, ensuring that learning initiatives remain relevant and impactful.

59,089

Training Hours

By fostering a culture of continuous improvement and lifelong learning, and by nurturing talent across the organisation, Chemplast seeks to enhance workforce readiness while supporting individual career progression.

Safety at the Core of Operations 3

The health and safety of our people, contractors, and business partners remain fundamental to Chemplast's operating philosophy. The Company maintains a robust Process Safety Management framework designed to minimise risk, strengthen preparedness, and embed safe working practices across all facilities.

Key elements of this framework include Hazard Identification and Risk Assessment, Hazard and Operability Studies, emergency preparedness planning, and regular mock drills.

Safety awareness programmes are conducted for employees, contractors, and transport personnel to reinforce safe operating practices and emergency response procedures. Through proactive risk management, continuous monitoring, and a strong culture of safety, Chemplast remains focused on maintaining a safe and secure working environment.

Investing in Employee Health and Well-being 4

Chemplast adopts a holistic approach to employee well-being, recognising that healthy and engaged employees are essential to organisational performance and long-term success.

The Company operates in-house medical facilities staffed by qualified healthcare professionals, ensuring easy access to medical support across locations. Preventive healthcare measures, including pre-employment and periodic medical examinations, form an integral part of the Company's approach to safeguarding employee health.

By promoting physical well-being and encouraging a healthy work environment, Chemplast seeks to help employees thrive both personally and professionally.

Fostering an Inclusive and Respectful Workplace 5

Chemplast is committed to building a workplace founded on dignity, fairness, and mutual respect. The Company values diverse perspectives and believes that an inclusive environment strengthens collaboration, innovation, and organisational effectiveness.

Policies and governance frameworks, including the Code of Conduct, reinforce commitments to equal opportunity and ethical behaviour. By creating an environment where individuals feel valued and empowered to contribute confidently, Chemplast continues to promote a workplace that supports both personal and professional growth.

Strengthening Trust through Open Communication 6

Open and transparent communication is essential to fostering accountability, trust and a culture of integrity. Chemplast has established structured mechanisms that enable employees to raise concerns, share feedback, and seek resolution in a fair, timely, and confidential manner.

Employees can engage directly with Human Resources teams or plant leadership through established communication channels. In addition, the Company's Whistleblower Policy provides a secure mechanism for reporting concerns relating to misconduct, unethical practices, or policy violations without fear of retaliation.

These frameworks reinforce Chemplast's commitment to transparency, integrity, and responsible corporate conduct.

Creating Meaningful Community Impact

Chemplast believes that long-term value creation extends beyond business performance to include the well-being and development of the communities in which it operates. Through its CSR initiatives, the Company supports programmes focused on education, healthcare, community development, environmental stewardship, and livelihood enhancement.

Guided by a commitment to inclusive growth, Chemplast works closely with local stakeholders to identify priority needs and deliver interventions that create meaningful outcomes. Through these efforts, the Company seeks to contribute positively to social development while strengthening long-term community relationships.

₹ 106.11 Lakhs

CSR Expenditure

CSR Activities Conducted in 2025-26

The Company's CSR initiatives during 2025-26 were guided by identified community needs implemented in consultation with local stakeholders. The Company's CSR programmes aim to strengthen community infrastructure, improve access to basic services, and promote better living conditions in rural and surrounding areas.

Rural Development

Rural development initiatives accounted for 55% of the total CSR expenditure across all plant locations. These centred on basic infrastructure and improving quality of life through interventions such as road development, drinking water facilities, community infrastructure, sanitation, and public utility support.

Renovation of Community Hall at Mudalimedu, Karaikal

To support community infrastructure and create a functional shared space for residents, Chemplast undertook the renovation of Mudalimedu's Community Hall. The existing facility required repairs and lacked several basic amenities, limiting its regular usability.

The project included structural repairs, updates to electrical and lighting systems, and the addition of sanitation facilities to support community gatherings, training programmes, and social events.

The renovated hall now serves as a multipurpose community facility, providing access to social and developmental activities for more than 400 residents of Mudalimedu.

Gravel Road Laying Work at Anukarapalli Road

An existing 1.5 km mud stretch of Anukarapalli Road had deteriorated significantly. It was difficult to traverse, particularly during rainfall, and was affecting mobility and transport. To improve connectivity and ease of access for local residents and farmers, Chemplast undertook gravel road development works and reinforced the roadway along this stretch. Improved road connectivity has enhanced access for local communities while facilitating the movement of agricultural produce and essential services.

The initiative benefits approximately 250 residents.

Education

Education initiatives represented 20% of the Company's total CSR expenditure during the year. Projects focused on improving learning environments in Government schools and supporting educational programmes. Interventions included infrastructure improvements, provision of basic amenities, and the creation of spaces intended to support learning and student attendance.

The initiative benefits 20 students, two teachers, and the surrounding community.

Panchayat Union Primary School, Mettur

To create a safer and more conducive learning environment, a 21-metre compound wall was constructed at the Panchayat Union Primary School in Mettur. This helped minimise unrestricted access and external disturbances, providing students and teachers with a protected space for learning.

The initiative covers 22 students, two teachers at the school, as well as community members accessing healthcare services at the SHC.

Panchayat Union Primary School Panangadu, Mettur

A 91-metre compound wall was constructed around the Panchayat Union Primary School and the adjoining Sub Health Centre in Panangadu to strengthen the security of this shared public campus. The intervention safeguards both educational and healthcare infrastructure, prevents unauthorised access, and supports the uninterrupted delivery of essential services.

More than 70 students and teachers utilise the upgraded school infrastructure.

Primary School at Vadakkuvanjore, Karaikal

To create a safe, clean, and child-friendly learning environment, renovation and repair of school infrastructure, upgradation of sanitation facilities, and general refurbishment works were carried out at the Primary School in Vadakkuvanjore, Karaikal.

The intervention significantly enhanced the overall learning environment by improving safety, cleanliness, and infrastructure facilities within the school. More than 70 students and teachers benefited from the improved school infrastructure.

Renovation of ICDS Centre at Anna Nagar, Berigai

Chemplast completed renovation of the ICDS Centre at Anna Nagar, Berigai, to strengthen its infrastructure and operational environment.

The project included the construction of a compound wall and gate, roof repairs, drainage and flooring improvements, painting, electrical and plumbing upgrades, and kitchen infrastructure modifications. These improvements have strengthened the centre's ability to deliver essential childcare, nutrition, and maternal health services.

The project benefits around 20 Anganwadi children, as well as antenatal and postnatal women who use the centre's services.

Healthcare

Healthcare initiatives accounted for 17% of the total CSR spend in 2025-26. Programmes focused on medical infrastructure, improving access to healthcare services, and preventive healthcare initiatives.

Approximately 2,000 community members access healthcare services through these centres every month, benefiting from the updated medical infrastructure.

Strengthening Primary Healthcare Services, Mettur

To enhance healthcare delivery and improve access to essential medical services, Chemplast supported the Primary Health Centre and Sub Health Centres in Santhaithanapatti, Panagadu, and Thangamapuripattinam.

The facilities were equipped with medical devices including defibrillators, ECG machines, oxygen concentrators, and neonatal equipment. These additions have strengthened diagnostic and treatment capabilities, enabling healthcare professionals to deliver more effective and timely care.

Governance

Sound Governance Enduring Trust

Strong governance is fundamental to Chemplast Sanmar's ability to create sustainable value, navigate complexity, and maintain stakeholder confidence. The Company remains committed to upholding the highest standards of transparency, accountability, ethical conduct, and regulatory compliance across all areas of its operations.

1

Executive Director

7

Non-Executive Directors

Governance Based on Accountability and Oversight 1

Chemplast Sanmar's governance framework is anchored in transparency, accountability, and responsible decision-making, supported by robust policies, processes, and internal controls. Led by an experienced Board of Directors with diverse expertise, the Company ensures effective strategic oversight, prudent risk management, regulatory compliance, and ethical business conduct.

Through regular engagement with management, the Board oversees key business priorities while safeguarding the interests of shareholders and other stakeholders. Clearly defined roles and responsibilities enable disciplined execution, and the Company continually strengthens its governance practices to remain aligned with evolving regulations, industry expectations, and its long-term strategy, reinforcing sustainable value creation.

Governance Priorities

Ethical Conduct
Promoting integrity and responsible business practices

Board Oversight
Providing strategic guidance and effective supervision

Risk Management
Strengthening organisational resilience and preparedness

Regulatory Compliance
Ensuring adherence to applicable laws, regulations and governance standards

Our Value System

- The Right Way
- Long-term Perspective
- Prioritising Health, Safety and Environment
- Stakeholder Commitment
- Process-driven Approach
- Focus on Core Competency
- Data-driven Decision-making
- Sustainable Growth

Policies

- Supplier Code of Conduct
- Business Responsibility and Sustainability Policy
- Risk Management Policy
- Archival Policy and Policy on Preservation of Records
- Code of Conduct for Board and Senior Management
- Code of Prevention of Insider Trading and Fair Disclosure Policy
- Corporate Social Responsibility Policy
- Dividend Distribution Policy
- Familiarisation Programme for Independent Directors
- Nomination and Remuneration Policy and Board Evaluation Policy
- Policy on Material Subsidiaries
- Policy on Materiality of Events
- Related Party Transaction policy
- Vigil Mechanism or Whistle Blower Policy

Board Committees

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Committee of Directors
- Committee of Independent Directors

For more information about the corporate policies, please scan this QR code.

Strengthening Resilience through Risk Governance

Effective risk management remains integral to Chemplast's strategic and operational framework. The Company follows a structured approach to identifying, assessing, monitoring, and mitigating risks that could impact business performance, reputation, or long-term sustainability.

In alignment with the requirements of the Companies Act, 2013 and applicable SEBI regulations, the Company's risk management framework extends across business units and group entities. Risks are evaluated across key domains, including operational, financial, regulatory, environmental, strategic, and cyber-related areas.

Regular risk assessments, management reviews, and internal audits support the timely identification of emerging risks and the implementation of appropriate mitigation measures. These insights are incorporated into business planning and decision-making processes to strengthen organisational resilience.

Board of Directors

Experienced Leadership Future-focused Direction

Mr Vijay Sankar

Chairman & Non-Executive Director

A Chartered Accountant (CA) and an MBA from the Kellogg School of Management, Mr Vijay Sankar brings extensive expertise in managing diverse businesses. He serves on the Boards of several esteemed Companies, including Larsen & Toubro Limited*, TVS Motor Company Limited, Kaveri Retreats & Resorts Limited, and Transport Corporation of India Limited. Currently, he is the Senior Vice President of the Federation of Indian Chambers of Commerce and Industry.* w.e.f. May 27, 2026.

Mr S Ganeshkumar

Managing Director

Mr S Ganeshkumar is a seasoned business leader with more than three decades of experience in general management across diverse industries. He has undertaken specialised programmes in advanced management and mergers & acquisitions at AIMA-Harvard Business School, Cornell University, and NUS Singapore. Throughout his career, he has built extensive expertise across sectors including lifestyle, engineering, crop protection, bio-solutions, fertilisers, and life sciences. He has held leadership positions overseeing operations, sales, marketing, and profit-and-loss management at prominent Indian and multinational organisations. Ganeshkumar has broad industry experience to steer the Company's growth, with a strong emphasis on business transformation, operational excellence, and stakeholder engagement. In addition, he serves as Co-Chair of the Indo-Egypt Business Council.

Mr Sanjay Vijay Bhandarkar

Independent Director

Mr Sanjay Vijay Bhandarkar, former Managing Director of Rothschild India, holds a Postgraduate Diploma in Management from XLRI, Jamshedpur. He serves on the Boards of several leading companies, including Tata Consultancy Services, Tata Power, Tata Projects, HDFC AMC, NIIF Limited and Newage Power.

Mr Vikram Taranath Hosangady

Independent Director

A qualified CA and Cost Accountant, Mr Vikram Taranath Hosangady, brings over 27 years of experience as a strategic advisor to leading Indian and global corporations. He held key leadership roles at KPMG (India and Global) from 2005 to 2022. Currently, he serves on the Boards of MRF Limited, Rane (Madras) Limited, Bajaj Electricals Limited and Indef Manufacturing Limited.

Mr Aditya Jain

Independent Director

Mr Aditya Jain holds a Master of Business Administration (MBA) degree from Brunel University. He is the Chairman and Editorial Director of International Market Assessment India (IMA). He also serves on the Board of Samhi Hotels Limited as a Non-Executive Independent Director and holds Board positions in a few other Companies.

Mr Prasad Raghava Menon

Independent Director

Mr Prasad Raghava Menon is a seasoned industry leader with extensive experience. He served as CEO of Tata Power and Tata Chemicals and as Chairman of Tata Vistara. An alumnus of IIT Kharagpur, he currently acts as an Independent Director at Data Patterns India Limited and Neuland Laboratories Limited.

Mr V S Radhakrishnan

Non-Executive Director

Mr V S Radhakrishnan is a postgraduate in Commerce and holds an MBA from Madras University. He is also a Certified Associate of the Indian Institute of Bankers. He has completed Executive Education in 'Effective Execution of Organisational Strategy' from The Wharton School, Pennsylvania, and 'Authentic Leader Development' from Harvard Business School, Boston, USA. He has over 30 years of experience in State Bank of India ('SBI') across commercial/wholesale, retail banking, treasury, trade finance, rural credit and international banking. He retired as Deputy Managing Director of Commercial Clients group of SBI in January 2023. He also served as Independent Director on the Boards of Tata Capital Limited, Tata Capital Financial Services Limited, and Manappuram Home Finance Limited.

Currently, Mr V S Radhakrishnan is on the Board of Tube Investments of India Limited and also on the Board of a few other public and private Companies.

Dr (Mrs) Lakshmi Vijayakumar

Independent Director

A distinguished medical practitioner, Dr (Mrs) Lakshmi Vijayakumar holds a Postgraduate Diploma in Psychological Medicine from the University of Madras. She is an Honorary Associate Professor at the University of Melbourne and the founder of SNEHA, a Chennai-based NGO dedicated to mental health and suicide prevention.

Awards and Accolades

Recognised Excellence Reinforced Credibility

Received the ICC-Epsilon Carbon Certificate of Merit for being the Best Compliant Company under the Process Safety Code.

Honoured at the Indian Chemical Council's Responsible Care® Annual Awards for excellence in safety and Responsible operations.

Recognised as the Best Nicer Globe User Company in Transportation Safety among Responsible Care® certified companies.

Our logistics service provider's driver was honoured as the Best Driver in India among all Nicer Globe user companies.

Corporate Information

Board of Directors

Mr Vijay Sankar
Chairman & Non-Executive Director

Mr S Ganeshkumar
Managing Director (w.e.f. April 1, 2026)

Mr Ramkumar Shankar
Managing Director (Up to March 31, 2026)

Mr Sanjay Vijay Bhandarkar
Independent Director

Mr Vikram Taranath Hosangady
Independent Director

Mr Aditya Jain
Independent Director

Mr Sumit Maheshwari
Non-Executive Director (Up to April 9, 2026)

Mr Prasad Raghava Menon
Independent Director

Mr V S Radhakrishnan
Non-Executive Director (w.e.f. May 25, 2026)

Dr (Mrs) Lakshmi Vijayakumar
Independent Director

Chief Financial Officer

Mr A R Balaji (w.e.f. April 1, 2026)

Mr N Muralidharan (Up to March 31, 2026)

Company Secretary and Compliance Officer

Mr P Srinivasan (w.e.f. April 1, 2026)

Mr M Raman (Up to March 31, 2026)

Statutory Auditors

BSR & Co., LLP Chartered Accountants

Cost Auditors

N Sivashankaran & Co Cost Accountants

Secretarial Auditors

B Ravi & Associates
Company Secretaries

Internal Auditors

RGN Price & Co.,
Chartered Accountants

Bankers

DBS Bank India Limited
Indian Overseas Bank
CTBC Bank & Co Limited
ICICI Bank Limited
Yes Bank Limited
IndusInd Bank
State Bank of India
IDBI Bank Limited

Registered Office

9, Cathedral Road,
Chennai - 600 086, Tamil Nadu

Website

www.chemplastsanmar.com

Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Building, Tower-B, Plot Nos. 31 and 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032,
Rangareddi, Telangana, India

Corporate Identification Number

L24230TN1985PLC011637

DIRECTORS' REPORT

The Board of Directors present the Company's Forty Second Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2026.

Financial Summary – Standalone and Consolidated

₹ Crores

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from Operations and Other income	2185	2409	4252	4393
Profit before interest, depreciation and taxes	**123**	**123**	**226**	**266**
Depreciation	156	148	213	199
Interest	107	87	235	236
Profit / (Loss) before tax and exceptional Items	**(141)**	**(112)**	**(222)**	**(169)**
Exceptional items	898	-	150	-
Profit / (Loss) before tax and after exceptional Items	**(1039)**	**(112)**	**(372)**	**(169)**
Tax Expenses	35	46	93	59
Profit / (Loss) after tax and after exceptional Items	**(1003)**	**(66)**	**(280)**	**(110)**
Total Other Comprehensive Income for the year	0.18	422	0.39	478
Total Comprehensive Income/ (Loss) for the year	(1003)	356	(280)	368
Basic and Diluted Earnings/(Loss) per share (equity shares, par value ₹ 5/- each)	(63.46)	(4.15)	(17.70)	(6.92)

Financial Performance – Standalone

On a standalone basis, the revenue from operations and other income decreased to ₹ 2,185 Crores for 2025-26 from ₹ 2,409 Crores in 2024-25. Loss before Tax (after exceptional items) for 2025-26 was ₹ 1,039 Crores against ₹ 112 Crores loss in 2024-25.

With respect to exceptional item of ₹ 898 Crores, the business of Chemplast Cuddalore Vinyls Limited (CCVL) the wholly owned subsidiary, has been facing severe headwinds from 2023-24 when the demand of Suspension PVC resin in the global markets of US, Europe and China went down due to variety of reasons. This has led to increase of imports from US and China at low prices into the Indian market. Representations were made by the Industry to the Government of India for imposition of Anti-Dumping duties. Also, during the year the Quality Control Order (QCO) was withdrawn in Quarter 3 which removed the quality thresholds for the overseas suppliers. Further, this has been impacted by the war situation in Middle East beginning February, 2026 leading to sharp increase in VCM Feed stock prices and reduction of the selling prices of resin due to the high imports. During the last 3 years the Company has incurred losses each year. Based on the current financial position as well as taking into account future outlook and financial position, valuation of CCVL was done which warranted an impairment provision of ₹898 Crores viz-a-vis the book value of the investments of ₹ 1555.68 Crores.

Financial Performance – Consolidated

On a consolidated basis, the revenue from operations and other income stood at ₹ 4252 Crores for 2025-26 against ₹ 4393 Crores for 2024-25. Loss Before Tax (after exceptional items) for 2025-26 was ₹ 372 Crores against ₹ 169 Crores in 2024-25.

Dividend and Transfer to Reserves

In view of the loss incurred for the 2025-26, the Directors have decided not to recommend any dividend for the 2025-26. The Directors also do not recommend any transfer to reserves.

Share Capital

The Company's paid-up equity share capital stood at ₹ 79.06 Crores as on March 31, 2026, consisting of 15,81,09,574 equity shares of ₹5/- each. There is no change in the share capital of the Company.

Borrowings

The total borrowings, including interest accrued, on a consolidated basis stood at ₹ 1951.84 Crores as on March 31, 2026 as against ₹ 1840.60 Crores as on March 31, 2025.

Statement of Company's Affairs

Chemplast Sanmar Limited(CSL) is a leading Speciality Chemicals manufacturer in India with focus on Speciality Paste PVC resin and custom manufacturing of starting materials and intermediates for pharmaceutical, agro-chemical and fine chemicals sectors. CSL is the largest manufacturer of Speciality Paste PVC resin in India. In addition, CSL is also the fourth largest manufacturer of Caustic Soda and the largest manufacturer of Hydrogen Peroxide in South India and the oldest manufacturer of Chloromethanes in India.

I. Speciality Chemicals

PVC Paste Resin

(FY = Financial Year and Q=Quarter)

The Paste PVC Business delivered a reasonable and resilient performance during the year under review, despite an operating environment marked by delays in the receipt of expected Government support measures and predatory pricing by EU suppliers. Against this backdrop, the business demonstrated technical strength, commercial adaptability, and strategic clarity, laying a strong foundation for sustainable growth and long-term competitiveness.

The year was characterised by uncertainty arising from delays in the implementation of trade-related support envisaged from the Government of India. Notwithstanding this external headwind, the Paste PVC Business performed reasonably well, maintaining price discipline and market relevance, while ensuring continuity of supplies to key customers.

The business sustained in the competitive environment over imports, reflecting customer confidence in product quality, service reliability, and technical support.

Product & Technology Development

A key highlight of the year was the successful development and commercial acceptance of new Paste PVC grades, particularly in application segments where domestic products were historically perceived to be inadequate. These developments were significant on multiple counts:

- The newly developed grades were accepted by the market without compromise, demonstrating parity with established international benchmarks.
- The success of these grades validated Company's deep technical bandwidth, application understanding, and process control capabilities.
- The outcomes strengthened the Company's position with policy-making authorities, providing tangible evidence that Company possesses the skills and infrastructure to continuously expand the domestic grade basket, thereby supporting import substitution objectives.

In parallel, the business embarked on the development of emulsion-based grades, identifying these as a critical growth vector for the future. During the year, key equipments required for emulsion PVC development were ordered, signalling a clear commitment to capability building and product diversification. Significant preparatory work has been completed towards an expansion roadmap for gaining more market share in the next few years.

Manufacturing Excellence and Capacity Utilisation

The Cuddalore Paste PVC facility achieved major turnaround milestone during the year. After overcoming initial challenges the unit delivered consistent product quality, meeting customer expectations across applications.

Notably, the unit achieved 100% capacity loading in its very first full year of commercial operation, an exceptional accomplishment that underscores rapid stabilisation of operations, strong internal technical and operations teams and robust market pull and customer acceptance.

Building on this success, the business has initiated debottlenecking of the Cuddalore unit, targeting an additional 6 KT of capacity through a low-investment, which materially enhances capital efficiency.

At Mettur, the Furnace Revamp Project was kicked off during the year. This initiative is expected to improve VCM productivity and operational reliability in the coming year, further strengthening backward integration and cost competitiveness.

Trade Remedies

The drop in demand in the traditional markets of global producers of our products, due to geo-political developments and economic slowdown post COVID, is resulting in such producers seeking alternative markets. India, being one of the few large markets which are still growing, is attracting the attention of such producers, resulting in an increase in dumping and the consequent injury to Indian producers.

Your company has been one of those impacted by such dumping, and we have taken this up with the Government.

Feedstock Supplies

The US - Iran war in the short term has disrupted the supply chain w.r.t feedstock supplies though the full economic impact is yet to be felt by the world. Our view on the long term though remains positive backed by the growing domestic economy resulting in increased investment in infrastructure.

Outlook

The outlook for the Paste PVC Business is distinctly positive, with

- Proven capability to develop and commercialise advanced grades,
- Fully stabilised and scalable manufacturing assets,

- Ongoing debottlenecking and productivity improvement initiatives,
- A focused leadership team committed to growth,

The business is well-positioned to deliver a combination of near-term profitability improvement and long-term future-proofing.

In summary, despite external uncertainties, the Paste PVC Business demonstrated resilience, technical leadership, and strategic intent during the year. The initiatives undertaken and results achieved reaffirm the Board's confidence that the business is on a strong trajectory, with the coming year offering significant promise across profitability, scale, and strategic relevance.

Refrigerant Gas (R32)

With HydroChloroFluoro Carbons (HCFC) phase out entering its final phase, as expected the HydroFluoroCarbons (HFC) demand is growing faster in both OEM and service segments. Our R32 HFC investment that was announced during 2025-26, is coming as planned, and expected to start production during 2026-27. Subsequent to the close of financial year, commercial production of R32 Refrigerant Gas from our Swing Plant at Mettur, has commenced.

Custom Manufactured Chemicals (CMCD)

The Custom Manufactured Chemicals business manufactures advanced intermediates for global innovators and originators in the Pharmaceutical and Agrochemical markets. The Company markets unique chemistry and process capabilities to its customers based on which customers approach the Company with projects for products that they wish to outsource. Therefore, unlike other chemical Companies, the Company does not have a catalogue of products to sell. The Company is well renowned in the industry for its ability to handle various chemistries and chemicals. The Company offers a world-class research and development capability combined with a broad range of chemical technologies at production scale.

In addition, the Company is also well known for its Environmental and Safety stewardship. In fact, customers use this as the first criterion for screening before they decide to work with a supplier. The Company is also unique in having, internally, access to many basic starting materials important for this business – such as Caustic, Chlorine, Hydrogen & Chloromethanes as also the ability to handle gases like Ethylene.

The Company has long-standing partnerships and relationships with global innovator Companies in the Agro Chemical and Pharmaceutical space. The Company focusses on engaging with its customers at an early stage of the life cycle of a product to ensure this. Global Innovator companies are increasing their outsourcing pie constantly. This, together with the China+1 strategy of the innovators, is resulting in increased enquiries for Indian players including Chemplast Sanmar Limited.

Due to its efforts over the years in building relationships and partnerships, the Company has a strong pipeline of products under various stages of development. The Company has already committed to invest to set up a world class facility to accommodate the new product pipelines, which the Company has been commissioning on an ongoing basis. Apart from this, the Company has also commissioned investments in R&D capabilities and Pilot facilities

During the year, in spite of ongoing weak global demand and inventory rationalisation in speciality chemicals, Company saw ongoing demand for the new molecules which were commercialised during last year. The Company's R&D, Scale-up, Manufacturing and Sales team have been actively working with various innovators on developing new molecules and new chemistries. In addition, the business teams have also been actively pursuing new opportunities in other end markets. We anticipate these initiatives to contribute to the growth of the CMCD business in the coming years.

II. Value added Chemicals

Chloromethanes

During 2025-26, the new capacities that came on stream increased production rates for Chloromethanes, especially in South India, thereby increasing the supply in the market which resulted in price pressure. Additionally, during the second half of FY 2025-26, the US tariffs and later the conflict between the US-Israel and Iran, added to the uncertainties in the market conditions across value chains.

Methylene dichloride demand was stable during the year from both Pharma and Polyurethane foam segments. Though the demand from the major segments was stable, the excess availability had an impact on the domestic prices for major part of the year.

Despite steady demand for Chloroform from key sectors like Unsaturated Polyester Resin (UPR), Adhesives, the excess availability of material in the domestic market kept the prices supressed. Demand from the HCFC segment declined due to reduction in production quota of HCFC-22 in line with Montreal Protocol. Prices of Chloroform continued to remain low following intense competition from the domestic players.

The market demand for Carbon tetrachloride (CTC) during the first half of FY 2025-26 remained stable; however, due to the imposition of US tariffs, the movement of finished goods of synthetic pyrethroid producers were impacted, which resulted in slowdown of CTC consumption, leading to an adverse impact on the prices through the second half of the year. Going forward, the synthetic pyrethroids segment demand is expected to have major influence on prices for CTC in the Indian market.

Caustic Soda

Caustic Soda witnessed a steady demand during the year, driven largely by the Alumina, Paper & Pulp and Textile sectors. Prices by and large remained stable to sluggish for most quarters of 2025-26. This was mainly due to imposition of tariffs announced by the US which led to uncertainty. Some of the regional players in North-East Asia had cut back their production due to poor net back from Chlorine derivatives. Indian players were able to take advantage of this and were able to export to South-East Asia, in addition to the Middle East and Africa. By Mar'26, prices surged due to the US-Iran conflict and have added to the uncertainties in demand across value chains at least for few quarters during 2026-27.

While the prices in North-East Asia gradually declined from $421 /dmt in April'25 to $336 /dmt in Feb'26; it surged to $459 /dmt in Mar'26 due to disruptions arising out of US-Iran conflict. 2026-27 has started with geopolitical uncertainties, which is expected to disrupt supply chain globally thereby keeping the markets highly volatile.

In the segment of value added chemicals, in view of the large capacity being created, these products face significant imbalance in the demand supply situation and consequently we anticipate tremendous pressure on the pricing of these products.

Hydrogen Peroxide

The Hydrogen Peroxide market competition was fierce during the second half of the year due to improved availability from all players and steady imports at lower prices, keeping the pressure on the producers for profitability. In March'26, prices surged dramatically due to shortage of natural gas supply (key source for Hydrogen) arising out of the US-Iran conflict. Inflow of imports was steady from Bangladesh which continue to affect price, especially in East & South markets.

The demand from Paper and Pulp, Textile segments were stable to strong through the year. The increased availability from new capacity coupled with low priced imports from Bangladesh would continue to remain a challenge for the industry during 2026-27.

Performance of Subsidiary:

Chemplast Cuddalore Vinyls Limited (CCVL)

The Company's wholly owned subsidiary, CCVL, incurred a Loss before tax of ₹ 233 Crores for 2025-26 against ₹ 56 Crores for 2024-25. This year includes an exceptional item of ₹ 150 Crores. The Loss after tax for 2025-26 is ₹ 175 Crores, as against loss of ₹ 44 Crores in 2024-25.

CCVL is the second largest manufacturer in India of Suspension PVC resin. The domestic demand for Suspension PVC in 2025-26, at 4.3 Million mt, was marginally lower by 1 % year-on-year. Import in India continued to be high of 2.81 Million mt in the year, lower by around 0.1 Million mt compared to the previous year.

Sales volume of Suspension PVC Resin for the year was 319 KT, up by 7% year-on-year from 299 KT of 2024-25.

The industry continues to face unabated dumping from countries including the U.S., Japan, Taiwan, South Korea, and predominantly China, which accounts for roughly 52% to 54% of all S-PVC imports into India.

The regulatory environment proved highly volatile during the year, resulting in a perfect storm of challenges, particularly in the third quarter of 2025-26. Despite the domestic industry establishing a clear, evidence-backed case of injury through a comprehensive two-year investigation, the Ministry of Finance ultimately rejected the recommended Anti-Dumping Duty (ADD) on S-PVC. Furthermore, the Quality Control Order (QCO), which would have mandated strict public health and safety standards for imports, was unexpectedly rescinded in November.

The domestic industry also approached the Government of India for protection against the continued onslaught from Chinese imports with measures like a Minimum Import Price (generic) and Anti-Subsidy duty (targeted against China).

Agreements - Green Energy (Wind and Solar)

In February 2025, the Company and its wholly owned subsidiary (WOS) Chemplast Cuddalore Vinyls Limited (CCVL) had entered into Power Purchase Agreement with JSW Green Energy Nine Limited (SPV) and a Share Subscription and Shareholders' Agreement with JSW Neo Energy Limited and JSW Green Energy Nine Limited. These Agreements, entered into under Group Captive Power Scheme, would enable the Company and CCVL to source environment friendly Green Energy (Wind and Solar) for captive consumption on a long-term basis and would help in reducing the energy costs of the Company and CCVL significantly in the years to come. Execution of the projects by the SPV likely to commence shortly.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis Report for the year under review, is presented in a separate section as **Exhibit A**, forming part of the Annual Report.

Corporate Governance Report

The report on corporate governance along with a certificate from the Practicing Company Secretary as required under the Listing Regulations is annexed to this Report as **Exhibit B**.

The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) read with Schedule II of Part B of the Listing Regulations which is annexed to the report on corporate governance.

The Board and senior management personnel have affirmed that they have complied with the Code of Conduct of the Company. A declaration from Mr S Ganeshkumar, Managing Director, as required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to this effect is annexed to the report on corporate governance.

Business Responsibility and Sustainability Report

In terms of Regulation 34 (2) (f) of the Listing Regulations, Business Responsibility and Sustainability Report is presented in a separate section, forming part of this Report as **Exhibit C**.

Safety and Environment

The Company is systematically working towards creating a "Zero Harm Culture" by implementing various standards like ISO 45001, Responsible Care® Codes, Process Safety Management and Behaviour Based Safety practices.

A. Responsible Care® Codes: It is a voluntary initiative, which goes beyond legislative and regulatory compliance and commits Companies towards continual improvement in Safety, Health and Environment. This consists of 7 codes.

Responsible Care® Codes	
1	**Process Safety Code:** Helps in establishing risk-based awareness of the safety impacts due to technology, facilities and personnel.
2	**Employee Health and Safety Code:** Enables achieving Zero accidents and Zero injuries or harm to human health and the environment.
3	**Pollution Prevention Code:** Achieves ongoing reductions in the amount of all contaminants, and pollutants released to the air, water and land.
4	**Emergency Response Code:** Guide companies to prepare a set of detailed emergency plans, based on potential risks a facility might face.
5	**Distribution Code:** To prevent or mitigate the consequences of incidents during distribution activities to the General public, Environment, Employees customer etc.
6	**Product Safety and Stewardship Code:** To understand, manage and communicate the health and environmental impacts of chemical products.
7	**Security Code:** To reduce the potential for theft and subsequent misuse, the intentional release of chemicals or sabotage of chemical processes causing a release in fixed facilities.

B. SANSAFE - Transforming Safety Culture:

The Company engaged the reputed agency DSS+ (formerly DuPont Sustainable Solutions) to implement Risk-Based Process Safety Management (RBPSM) and Behavior-Based Safety Management (BBSM) with the objective of transforming the safety culture to the highest level and realising the vision of Zero Harm.

The engagement journey was successfully completed by December 31, 2025 following which the organisation has taken full ownership of the initiative. The transformation of safety culture, along with the implementation of process safety elements, is progressing effectively through in-house resources. This progress is being sustained through a strong and visible drive from senior management, ensuring continuous reinforcement, refinement, and integration of safety practices across all levels of the organisation.

C. Safety Performance:

The Company continues to focus on leading indicators such as hazard reporting and elimination, near miss reporting, employee's suggestions to improve process safety and workplace safety. Software has been implemented to aid the above.

D. Awards

1. Chemplast Sanmar Limited (Mettur) received Indian Chemical Council's Responsible Care® annual awards in September 2025:
   - *'ICC–Epsilon Carbon' Certificate of Merit* for being the Best Compliant Company under the Process Safety Code.
   - Awarded as the Best Nicer Globe User Company in Transportation Safety among Responsible Care® certified Companies.
   - Our logistics service provider's driver was recognised as the Best Driver in India among all Nicer Globe user companies.
2. Chemplast Sanmar Limited Paste PVC – Cuddalore received an Honorable Mention for "Intrinsically Safer Process Design & Practices" from IIChE–MRC under the Process Intensification for Sustainability Award 2025.
3. Chemplast Sanmar Limited (CSL) received the CII – Industry Trendsetters Award under the Sustainability Category.
4. Custom Manufacturing Chemical Division (CMCD), Berigai received the Tamil Nadu Director of Industrial Safety and Health (DISH) Award of Honour for Excellence in Environment, Health, and Safety (EHS) Performance, conferred through the National Safety Council, Tamil Nadu Chapter, in December 2025.

Finance

The Company has established a good track record with the Bankers and Financial institutions, thereby enjoying their full confidence.

During the month of March 2026, CRISIL Ratings downgraded Chemplast Sanmar Limited's and its wholly owned subsidiary, Chemplast Cuddalore Vinyl Limited's credit ratings from A+ to A (long term) with outlook "Negative". CRISIL reaffirmed short term rating of A1 for both Chemplast Sanmar Limited and Chemplast Cuddalore Vinyls Limited.

Dividend Distribution Policy

Pursuant to the provisions of Regulation 43A of the Listing Regulations, 2015, as amended, the Board of Directors has approved the Dividend Distribution Policy and the said Policy is available in the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/dividend-distribution-policy.pdf

Change in the Nature of Business

There was no change in the nature of business of the Company during the financial year.

Risk Assessment and Management

The Company has a well-defined Risk Management System. The Board of Directors have constituted a Risk Management Committee to monitor and oversee the Risk Management System. The composition of the Risk Management Committee, terms of reference and number of committee meetings held during the year under review are given in the Corporate Governance report.

The Risk Management Policy of the Company, as recommended by the Risk Management Committee and approved by the Board of Directors of the Company, can be accessed in the Company's website using the link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/risk-management-policy.pdf. The Risk Management System of the Company ensures that all risks that the organisation faces including strategic, financial, credit, operational, market, liquidity, security, property, legal, regulatory, IT, reputational and other risks are identified and the impact assessed. Mitigation plans are then drawn up and these plans are effectively reviewed and implemented.

Internal Control Systems

Adequate internal controls, systems, and checks are in place, commensurate with the nature of the Company's business and size. The management exercises financial control over the operations through a well-defined budget monitoring process and other standard operating procedures.

Internal audit for the year 2025-26 was carried out by RGN Price & Co, (Firm Registration No.002785S) Chartered Accountants, covering all significant areas of operations. All significant observations of the Internal Auditors are placed before the Audit Committee, together with corrective actions.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control in the Company and compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the reports of Internal Auditors, the management undertakes appropriate corrective action in their respective areas.

Internal Financial Control over Financial Reporting

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management with the help of the internal auditors, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed.

Deposits

During the year under review, the Company has not accepted any public deposit within the meaning of the provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and As on March 31, 2026, the Company did not have any outstanding public deposit.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013 are given in the Notes forming part of the Financial Statements for the year ended March 31, 2026.

Consolidated Financial Statements

Consolidated Financial Statements are prepared by the Company in accordance with the applicable Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs and the same together with Auditors' Report thereon form part of the Annual Report. The financial statements have been prepared as per Division II of Schedule III issued by the Ministry of Corporate Affairs vide its Notification dated April 06,2016 as amended from time to time.

Subsidiary/Joint venture/associate Company

Chemplast Cuddalore Vinyls Limited continues to be the wholly owned subsidiary of the Company. The details on operations / performance of the said subsidiary during the year under review are given hereinabove.

Pursuant to the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of investments made in the subsidiary and the details of guarantees issued by the Company to the lenders of the wholly owned subsidiary have been furnished in the Notes forming part of the Accounts.

A statement containing the salient features of the financial statements of the Company's wholly owned subsidiary under the provisions of Section 129(3) of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules 2014 has been annexed in prescribed Form AOC 1 as **Annexure 6**.

The audited financial statements of the wholly owned subsidiary Company are placed on the Company's website www.chemplastsanmar.com

The Company does not have any joint venture or associate Company during the year or at any time after the closure of the year and till the date of the report.

Related Party Transactions

There are no contracts / arrangements / transactions which are not at arm's length basis and there are no material contracts / arrangements / transactions. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188 (1) along with the justification for entering into such contract or arrangement in Form AOC-2 do not form part of the report.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's websitehttps://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Related-Party-Transactions-Policy-2026-Version-V.pdf

Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting on the going concern status of the Company

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and Company's operations in future.

Material Changes and Commitment affecting the financial position of the Company that occurred after March 31, 2026

There were no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year to which the Financial Statements relate to and the date of this report.

Directors and Key Managerial Personnel

Directors

Mr Ramkumar Shankar (DIN: 00018391) ceased to be Managing Director (Key Managerial Personnel) of the Company upon expiry of his term of appointment, with effect from close of business hours of March 31, 2026. The Board of Directors places on record its appreciation for the valuable contributions made by Mr Ramkumar Shankar during his tenure as Managing Director (Key Managerial Personnel) of the Company.

Mr S Ganeshkumar (DIN:00088163) was appointed as Additional Director with effect from April 01, 2026 and Managing Director (Key Managerial Personnel) of the Company for a period of 3 (three) years from April 01, 2026 to March 31, 2029.

Mr Aditya Jain, Mr Sanjay Vijay Bhandarkar, Dr (Mrs) Lakshmi Vijayakumar and Mr Prasad Raghava Menon were reappointed as Independent Directors of the Company for the second term of 5 (five) years with effect from April 26, 2026 to April 25, 2031, not liable to retire by rotation.

The Independent Directors of the Company have submitted declarations stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Based on the declarations received from all the Independent Directors and in the opinion of the Board, all the Independent Directors possess integrity, expertise, experience and proficiency and are independent of the management.

Mr Sumit Maheshwari (DIN: 06920646) Non-Executive and Non-Independent Director, resigned from the Board of Directors of the Company, with effect from the close of business hours on April 09, 2026.

Mr Vijay Sankar (DIN:00007875) Non-Executive Director, is liable to retire by rotation pursuant to Section 152 (6) of the Companies Act, 2013. Being eligible, he offered himself for re-appointment.

Subsequent to the closure of the financial year, Mr V S Radhakrishnan (DIN: 08064705) was appointed as Non-Executive and Non-Independent Director of the Company, liable to retire by rotation in the casual vacancy caused by the resignation of Mr Sumit Maheshwari, Non-Executive and Non-Independent Director. This appointment is subject to the approval of shareholders at the 42nd Annual General Meeting of the Company. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member of the Company, proposing his appointment as Non-Executive and Non- Independent Director of the Company.

Key Managerial Personnel

Mr N Muralidharan and Mr M Raman stepped down from the position of Chief Financial Officer and Company Secretary of the Company, respectively with effect from close of business hours of March 31, 2026. Mr A R Balaji and Mr P Srinivasan were appointed as Chief Financial Officer and Company Secretary and Compliance Officer of the Company, respectively with effect from April 01, 2026.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder, Mr S Ganeshkumar, Managing Director, Mr A R Balaji, Chief Financial Officer and Mr P Srinivasan, Company Secretary are the Key Managerial Personnel (KMP) of the Company with effect from April 01, 2026. They are also the KMPs of the Company's wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited with effect from April 01, 2026.

Directors' Responsibility Statement

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) In the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards have been followed by the Company.

(b) 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 as at March 31, 2026 and of the loss of the Company for the year ended on that date.

(c) 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.

(d) The Directors have prepared the annual accounts of the Company on a going concern basis.

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(f) The Directors have laid down internal financial controls to be followed and confirm that such internal financial controls were adequate and operating effectively.

Board Meetings

During the year, the Board of Directors met Seven (7) times as per details furnished in the Corporate Governance Report.

Audit Committee

The Members of the Audit Committee met Five (5) times during the financial year under review. The details of the constitution of the Audit Committee, terms of reference and the meetings held during the financial year have been stated in the Corporate Governance Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

The Members of the Nomination and Remuneration Committee met Six (6) times during the financial year under review. The details of the constitution of the Nomination and Remuneration Committee, terms of reference and the meetings held during the financial year have been stated in the Corporate Governance Report.

The Policy on formal Annual Evaluation by the Board can be accessed through the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

Stakeholders Relationship Committee

The Members of the Stakeholders Relationship Committee met once (1) during the financial year under review. The details of the constitution of the Stakeholders Relationship Committee, terms of reference have been stated in the Corporate Governance Report.

Risk Management Committee

The Members of the Risk Management Committee met two (2) times during the financial year under review. The details of the constitution of the Risk Management Committee and terms of reference have been stated in the Corporate Governance Report.

Corporate Social Responsibility Committee

The Members of the Corporate Social Responsibility Committee met once (1) during the financial year under review. The details of the constitution of the CSR Committee have been stated in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out evaluation of its own performance, the Directors individually and evaluation of working of the committees of the Board during the financial year 2025-26 as per the criteria laid down by Nomination and Remuneration Committee. The evaluation process contained various aspects of the functioning of the Board and its committees and their roles, frequency of meetings, level of participation, and independence of judgement, performance of duties and obligations.

The Board expressed its satisfaction on the performance of all the Directors, Board and its committees which reflected the overall engagement of the Directors, the Board and its committees of the Company.

Familiarisation Programme for the Independent Directors

The details with respect to familiarisation programme for the Independent Directors are furnished in the Corporate Governance Report.

Personnel

Industrial relations with employees remained cordial during the year. Human Resource Development activities continued to receive considerable attention. The emphasis was on imparting training and developing the skill set of employees to enable them to face the challenges in an increasingly complex work environment.

Particulars of employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure 3.**

Statement containing particulars of employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136 (1) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. The said Statement is open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

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

The Company has complied with the provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in regard to constitution of an internal Committee as prescribed. During the year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(a)	number of complaints of sexual harassment received in the year;	Nil
(b)	number of complaints disposed off during the year; and	Nil
(c)	number of cases pending for more than ninety days	Nil

A statement by the Company with respect to the compliance to the provisions relating to the Maternity Benefits Act, 1961

The provisions of the Maternity Benefit Act, 1961 and the rules made thereunder is applicable to the Company. The Company has complied with the provisions of the Maternity Benefit Act, 1961 and rules made thereunder, and continues to extend all benefits under the Act to its eligible employees.

Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism Policy to deal with an instance of fraud or mismanagement, if any. The Directors are pleased to report that during the year under review, no untoward or fraud case was reported.

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company.

This policy has been formulated with a view:

- To provide a mechanism for employees of the Company and other persons dealing with the Company to report to a person nominated by the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy.
- To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices and
- To appropriately communicate the existence of such mechanism, within the organisation and to outsiders and

- To ensure that no personnel is denied access to the Chairman of the Audit Committee in respect of reporting any of above instances.

The Policy on Vigil Mechanism / Whistle Blower Policy as approved by the Board is uploaded on the Company's websitehttps://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Vigil-Mechanism-or-Whistle-Blower-Policy-2026-Version-4.pdf

Corporate Social Responsibility (CSR)

In the year under review, the Company continued to work closely with the communities around its plants, with an emphasis on making a tangible difference to their quality of life.

As mandated by the Companies Act, 2013 and the rules framed thereunder, the Company has formulated a Policy on CSR and has constituted a CSR Committee to recommend and monitor expenditure on CSR.

Details of CSR Expenditure, in the prescribed format, form part of this Report and are enclosed as **Annexure 2.**

Statutory Auditors

BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of 5 years, from the conclusion of 38th Annual General Meeting to 43rd Annual General Meeting of the Company, that is, for the Financial Years 2022-23 to 2026-27.

Cost Records, Audit and Auditor

Pursuant to Section 148(1) of the Companies Act, 2013 and rules thereunder, the Company is required to maintain cost records/ accounts as specified therein in respect of its products and the Company maintains cost records/ accounts in the prescribed format.

As per provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, the cost audit records maintained by the Company in respect of the products of the Company are required to be audited. The Company had appointed N. Sivashankaran & Co, Cost & Management Accountants, Chennai (Firm Registration No. 100662) as cost auditor to audit the cost accounts of the Company for the Financial Year 2025-26.

As recommended by the Audit committee, the Board of Directors at its meeting held on May 25, 2026 approved the appointment of N. Sivashankaran & Co, Cost & Management Accountants, Chennai (Firm Registration No. 100662) as cost auditor to audit the cost accounts of the Company for the Financial Year 2026-27.

The Cost Auditor has given a Certificate to the effect that the appointment is within the prescribed limits specified under Section 141 of the Companies Act, 2013.

The remuneration payable to the Cost Auditor for 2026-27 is placed before the shareholders at the ensuing 42nd Annual General Meeting of the Company for their ratification.

Secretarial Audit

Secretarial Audit for the financial year 2025-26 has been carried out by B Ravi & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2016TN052400; Peer Review Certificate Number 6835/2025). The Report of the Secretarial Auditor for the financial year 2025-26 is annexed herewith as **Annexure 4** and forms part of this Report.

Pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Report issued by B Ravi & Associates, Company Secretaries in Practice, Chennai to the Company's material unlisted subsidiary Chemplast Cuddalore Vinyls Limited is also annexed herewith as **Annexure 5.**

Explanations or comments on the qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors or by the Company Secretary in Practice in their report (Secretarial Auditor)

For the year under review, there is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor or Secretarial Auditor of the Company. The report of the Statutory Auditor forms part of the financial statement. The Report of the Secretarial Auditor is annexed herewith as **Annexure 4** and forms part of this Report.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143(12) of the Companies Act, 2013 and rules made thereunder by officers or employees reported by the Statutory Auditor of the Company during the course of the audit conducted.

Secretarial Standards

The Board confirms compliance with the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi and applicable to the Company.

Annual Return

Draft Annual return in Form MGT 7 as on March 31, 2026 is available on the Company's website at https://www.chemplastsanmar.com/annual-report.php

Green initiative

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, as may be amended from time to time, which permits paperless compliances and also service of notice/documents (including annual report) through electronic mode to its members. To support this green initiative of the Central Government in full measure, the Company appeals to all those members who have not registered their e-mail addresses so far, to register their e-mail address in respect of electronic holdings with their concerned Depository Participants and / or with the Company.

Further, the Company will also send the Annual Report for the Financial Year 2025-26 to all the shareholders only through electronic means as per the relaxations provided by relevant MCA Circulars which enhances the Green initiative measures taken by the Company.

Other disclosures

During the year under review, there were no:

a) Issues of Equity Shares with differential voting rights, dividend or otherwise as per Section 43(a) (ii) of the Companies Act 2013;

b) Issues of shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54 (1) (d) of the Companies Act, 2013;

c) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67 (3) of the Companies Act, 2013 and

d) Revisions to the financial statements.

Other Particulars

Additional information on conservation on energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 134(3)(m) of the Companies Act, 2013, read with Rule 9 of the Companies (Accounts) Rules 2014 is set out in **Annexure 1** and forms part of this Report.

Acknowledgements

The Board of Directors thank the customers, vendors, bankers, regulatory and Government authorities, stock exchanges, business associates and all other stakeholders for their assistance, support and cooperation extended. The Directors also thank the Shareholders for reposing faith in the Company's performance. The Board of Directors places on record its appreciation of the committed service of all the employees of the Company.

Cautionary Statement

Statements made in the report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plans, and expectations may constitute, "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board

Vijay Sankar
Chairman
DIN: 00007875

Place: Chennai
Date: May 25, 2026

ANNEXURE 1

Information under Section 134(3)(m) of the Companies Act, 2013 forming part of the Directors' Report for the year ended March 31, 2026.

1. CONSERVATION OF ENERGY

a. Measures Taken:

The Company continues to accord high priority to conservation of energy. Details of some of the measures undertaken during the year to optimise energy conservation are given below:

1. Variable Frequency Drive ("VFD") Installation at Mettur Plant II

   Energy Saving by installation of VFD in PU-7B/5 seal injection water pump

2. Installation of M12 800TR Evaporator in Mettur Plant II

   Energy saving in replacement of M12 800TR Evaporator

3. VFD Installation in Mettur Plant III

   Installation of VFD in Dil. Acid circulation pump P407A motor, CF FD Blower, Rectifier Spray Pump and filter water pump operations

4. Installation of lighting timer in Plant III

   Installation of Lighting timer for auto ON/OFF operation

5. Installation of Solar light in Mettur Plant IV

   Installation of Solar lights-9 nos in Plant IV

6. Installation of energy efficiency motors in Mettur Plant IV

   We have installed energy efficiency motors of 5 Nos in Plant IV

7. Replacement of LED light in Mettur Plant III

   Replacement of conventional lights by LED lights.

8. Energy Efficiency motors at Karaikal Plant

   Replacement of existing motors by IE3 energy efficient motors

9. VFD Installation in Karaikal Plant

   Energy saving due to VFD Installation in Cooling tower and some tanks in auto mode.

10. Replacement light with solar fitting in Karaikal Plant

    Replacement of streetlight with solar fittings

11. Replacement of Energy Efficient motors in Berigai Plant

    Efficiency Upgrade of replacing IE2 Motor with IE3 Motor for energy saving

b. Additional Investment

₹ 90.21 Lakhs

c. Impact of measures taken under (a) above.

Particulars	Substitution/ Reduction in energy consumption per annum	Savings in Cost of Production (Annualised) (₹ in Lakhs)
VFD Installation at Mettur Plant II	0.12 Lakhs KWh	0.77
Installation of M12 800TR Evaporator in Mettur Plant II	17.95 Lakhs KWh	134.61
VFD Installation at Mettur Plant III.	1.18 Lakhs KWh	8.87
Installation of lighting timer in Mettur Plant III	0.28 Lakhs KWH	2.08
Installation of Solar light Plant IV	0.02 Lakhs KWH	0.12
Installation of energy efficiency motors in Mettur Plant IV	2.89 Lakhs KWH	21.70
Replacement of LED light in Mettur Plant III	0.03 Lakhs KWH	0.23
Energy Efficiency motors at Karaikal Plant	0.06 Lakhs KWH	0.48
VFD Installation in Karaikal Plant	0.94 Lakhs KWH	6.99
Replacement light with solar fitting in Karaikal Plant	0.01 Lakhs KWH	0.08
Replacement of Energy Efficient motors in Berigai Plant	0.29 Lakhs KWH	2.34
Total		**178.28**

ANNEXURE 1 (Contd.)

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	:	The Custom Manufactured Chemicals division works on various chemistries from lab scale to commercial scale. The development focusses on absorbing the technology to enable scale up the process.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution, etc.	:	Efforts outlined above have enabled the division to diversify its product range as well as to increase its foreign exchange earnings.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.		Not Applicable

Research and Development (R&D)

1. **Specific areas of R & D:**

Development of new products, process improvements for the manufacture of Speciality chemicals and intermediates for a) Agro chemicals, b) Pharmaceuticals, and c) Other fine chemical applications, and optimisation of manufacturing methods based on such improvements.

R & D activities include work on tech-packs provided by customers and optimising the same, work on the entire development cycle from route of synthesis to sample approval by customers for product enquiries. The development process focusses on process safety and in order to do this, a dedicated process safety is in place.

The main areas of R & D have been gainful utilisation of available resources, alternative and economic route of synthesis for the existing range of products, application support and conservation of environment and pollution control.

2. **Benefits derived from R & D:**

Commercialisation of new intermediates, quality improvements in existing products, process safety information to design the process effectively and reduction in manufacturing cost of existing products.

3. **Future plan of action:**

The division has plans for introducing new chemicals in Pharmaceuticals and Agro chemicals. The division has also plans to augment the R&D capabilities.

4. **Expenditure on R & D:**

Capital	:	₹ 247.03 Lakhs
Revenue	:	₹ 1,001.25 Lakhs
Total	:	₹ 1,248.28 Lakhs
Total R & D expenses as a percentage of total turnover	:	0.58%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ Lakhs)

Foreign exchange outgo	95,261.31
Foreign exchange earnings	31,604.81

For and on behalf of the Board

Vijay Sankar
Chairman
DIN: 00007875

Place: Chennai
Date: May 25, 2026

ANNEXURE 2

CORPORATE SOCIAL RESPONSIBILITY POLICY AND RELATED INFORMATION

1. **A brief outline of the Company's CSR Policy:**

   (a) The Company shall undertake CSR projects or programs which fall within the purview of the activities specified, from time to time, under the Schedule VII of the Companies Act, 2013.

   (b) The CSR Committee and the Board of Directors are authorised to consider CSR activities which are permitted under the provisions of the Companies Act, 2013 or Rules framed thereunder from time to time. The activities may or may not be specific to local area of operations and will depend on the need assessed. The activities will include support to established and reputed institutions engaged in eligible activities and The Sanmar Group CSR Trust.

   (c) The Sanmar Group CSR Trust ("Trust") is a trust established as a CSR implementing vehicle for the Authors of the Trust, one of whom is the Company.

   This Trust is a registered Public charitable Trust formally recognised under the Income Tax Act and registered as provided for by the Companies Act 2013. The contribution of the Authors of the Trust satisfies the requirements under Indian Law. The Trust takes up ongoing medium and long-term CSR activities apart from continuing to donate sums to other organisations carrying out eligible CSR activities. The Trust consolidates contributions received, supports medium and long-term programs and monitors them. The operations and activities of the Trust are transparent to the Authors and their inputs considered in determining appropriate channels for CSR expenditure.

2. **Composition of the CSR Committee as on March 31, 2026**

S No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Vijay Sankar	Chairman	1	1
2	Ramkumar Shankar	Managing Director	1	1
3	Dr (Mrs) Lakshmi Vijayakumar	Independent Director	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

   https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/csr-policy.pdf

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

   Not Applicable as the total CSR Expenditure is below ₹10 Crores.

5. (a) **Average net profit of the Company as per section 135(5).**

   Average Profit / (loss) for last three financial years: ₹ (3,379) Lakhs.

   (b) **Two percent of average net profit of the Company as per section 135(5)**

   ₹ Nil

   (c) **Surplus arising out of the CSR projects or programs or activities of the previous financial years**

   Nil

   (d) **Amount required to be set off for the financial year, if any.**

   ₹ 4.69 Lakhs

   (e) **Total CSR obligation for the financial year (5b+5c-5d)**

   ₹ Nil

ANNEXURE 2 (Contd.)

6. (a) **Details of CSR amount spent against ongoing projects for the financial year:**

S No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project District State	Project duration	Amount allocated for the project (₹)	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency- Name- CSR Registration Number
	Not Applicable									

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

S No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project –District-State	Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency - Name - CSR Reg. No
1	Medical & Health care Expenses	Promoting health care (Covered under Item -(i) of the Schedule VII)	Yes	Mettur, Salem Dist.	0.51	Yes	NA
2	Education and Training expenses	Promoting education (Covered under Item -(ii) of the Schedule VII)	Yes	Karaikal	0.44	Yes	NA
3	Expenditure towards Rural development	Rural development projects (Covered under Item -(x) of the Schedule VII)	Yes	Mettur, Salem Dist.,	105.11	Yes	NA
4	Expenditure towards Social Welfare	Promoting gender equality, empowering women (Covered under Item -(iii) of the Schedule VII)	Yes	Mettur, Salem Dist., Karaikal	0.05	Yes	NA

b. **Amount spent on Administrative Overheads:** Not Applicable.

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

d. **Total amount spent for the Financial Year (6a+6b+6c):** ₹ 106.11 Lakhs

e. **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹)				
	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
106.11	Nil	NA	NA	Nil	NA

ANNEXURE 2 (Contd.)

f. **Excess amount for set off, if any.**

S No	Particulars	Amount (₹ in Lakhs)
(i)	2% of average net profit of the Company as per sub section (5) of section 135	NIL
(ii)	Amount required to be set off from previous years	4.69
(iii)	Amount to be spent after set off	NIL
(iv)	Total amount spent for the Financial Year	106.11
(v)	Excess amount spent for the financial year [(iv)-(iii)]	110.80
(vi)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NIL
(vii)	Amount available for set off in succeeding financial years	110.80

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

S No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135(in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (₹)	Date of transfer		
1	2025-26	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	2024-25	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	2023-24	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year -** No

If yes, enter the number of Capital assets created/ acquired – Not Applicable

Furnish the details relating to such asset(s) so created or acquired through CSR spent in the financial year:

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(sa)	Date of Creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.**

Not Applicable

Vijay Sankar
Chairman
DIN: 00007875

S Ganeshkumar
Managing Director
DIN: 00088163

Place: Chennai
Date: May 25, 2026

ANNEXURE 3

Disclosure under section 197(12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of each Director to the median remuneration of the employees of the Company for the financial year ended March 31, 2026.

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year ended March 31, 2026

Sl. No.	Director	Ratio to median remuneration
1	Mr Vijay Sankar, Chairman and Non-Executive Director @@	NA
2	Mr Ramkumar Shankar, Managing Director**	42.32
3	Mr Sanjay Vijay Bhandarkar, Independent Director	2.43
4	Mr Vikram Taranath Hosangady, Independent Director	0.89
5	Mr Aditya Jain, Independent Director	2.27
6	Mr Sumit Maheshwari, Non-Executive Director @@	NA
7	Mr Prasad Raghava Menon, Independent Director	2.10
8	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	1.94

@@ For these Non-Executive Directors, no remuneration was paid during the FY 2025-26.

2. The Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year.

Sl. No.	Director/ Key Managerial Personnel	Percentage Increase/ (decrease)
1	Mr Vijay Sankar, Chairman and Non-Executive Director @@	NA
2	Mr Ramkumar Shankar, Managing Director**	(39%)
3	Mr Sanjay Vijay Bhandarkar, Independent Director	0%
4	Mr Vikram Taranath Hosangady, Independent Director @@	NA
5	Mr Aditya Jain, Independent Director	0%
6	Mr Sumit Maheshwari, Non-Executive Director @@	NA
7	Mr Prasad Raghava Menon, Independent Director	0%
8	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	0%
9	Mr N Muralidharan, Chief Financial Officer**	(27%)
10	Mr M Raman, Company Secretary and Compliance Officer**	(20%)

@@ For these Non-Executive Directors, no remuneration was paid during the FY 2025-26. Hence percentage increase is not applicable.

**Remuneration data between the years are not comparable.

3. Percentage increase in the median remuneration of employees in the financial year: 8.36%

4. The number of permanent employees on the rolls of the Company as at March 31, 2026: 1399

5. Average percentile increases 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: 8.28 %

6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Vijay Sankar
Chairman
(DIN: 00007875)

Place: Chennai
Date: May 25, 2026

ANNEXURE 4

The Members,

CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9, Cathedral Road, Chennai – 600 086

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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.

Place: Chennai
Date: April 10, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000063608

ANNEXURE 4 (Contd.)

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]

The Members,

CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9 CATHEDRAL ROAD
CHENNAI-600086

Dear Members,

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

Based on our verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) Companies Act 2013 ("the Act") and the rules made thereunder issued by the Ministry of Corporate Affairs from time to time;

(ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable;

(iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended:-

    (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

    (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (was not applicable to the Company during the period under review);

    (f) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review);

    (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (was not applicable to the Company during the period under review);

    (h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025;

    (i) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (was not applicable to the Company during the period under review);

The Company has complied with the following Industry Specific Laws and the rules, regulations framed thereunder:

(a) The Water (Prevention and Control of Pollution) Act, 1974

(b) The Air (Prevention and Control of Pollution) Act, 1981

(c) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

(d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

(e) The Explosives Act, 1884

(f) The Petroleum Act, 1934 and Petroleum Rules, 2002

(g) The Poisons Act, 1919

(h) The Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 ("DC Rules")

(i) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

ANNEXURE 4 (Contd.)

(j) The Bureau of Indian Standards Act 1986

(k) The Electricity Act 2003 and rules framed thereunder

(l) The Gas Cylinder Rules 2016

(m) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

(n) The Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules") and The Standards of Weights and Measures Act 1976.

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and internal audit reports submitted to the Board/committees of the Board, 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 labour laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

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

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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 Director(s), Non-Executive Directors, Woman Director, Independent Directors and Key Managerial Personnel. 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 and SEBI LODR.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Wherever the meeting is convened at shorter notice consent of the Directors/ Members have been obtained. The Company had convened its meetings of Committees and Board physically and through Video Conferencfing in compliance with the requirements of the Act.

All decisions were taken unanimously at the Board and the committee meetings and with requisite majority at the Annual General Meeting and in the Postal Ballot held during the year under Audit. There was no Extra-ordinary General Meeting convened during the period under review.

We further report that during the audit period: -

1. **The shareholders at the 41st Annual General Meeting held on August 12,2025**

   a. Have accorded approval for the appointment of Mr Vikram Taranath Hosangady (DIN: 09757469) as a Non-Executive and Independent Director. The appointment was for a period of five-year term, effective May 13, 2025 till the date of conclusion of May 12, 2030.

   b. Appointed **B. Ravi & Associates, a peer reviewed firm** as the Secretarial Auditors of the Company. The tenure of appointment is for a term of **five-years,** commencing from Financial Year 2025-26 to Financial Year 2029-30.

2. **The shareholders through the Postal ballot (Voting through Electronic means) held during the year had accorded approval for the following resolutions**:

   a. Re-appointment of **Mr Ramkumar Shankar** (DIN: 00018391) as the Managing Director of the Company for a period of two months, effective February 01, 2026 to hold office up to March 31, 2026.

   b. Appointment of **Mr S. Ganeshkumar (DIN: 00088163)** as an **Additional Director** of the Company, effective **April 01, 2026**.

   c. Appointment of **Mr S. Ganeshkumar (DIN: 00088163)** as the **Managing Director** for a period of **Three years** from April 01, 2026 to March 31, 2029.

   d. Re-appointment of **Mr Aditya Jain (DIN: 00835144)** as an **Independent Director** of the Company for the **second term of five years** from April 26, 2026 till April 25, 2031.

   e. Re-appointment of **Mr Sanjay Vijay Bhandarkar (DIN: 01260274)** as an **Independent Director** of the Company for **the second term of five years** from April 26, 2026 till April 25, 2031.

   f. Re-appointment of **Dr. (Mrs) Lakshmi Vijayakumar (DIN: 09115998)** as an **Independent Director** of the Company for **the second term of five years** from April 26, 2026 till April 25, 2031.

   g. Re-appointment of **Mr Prasad Raghava Menon (DIN: 00005078)** as an **Independent Director** of the Company for **the second term of five years** from April 26, 2026 till April 25, 2031.

ANNEXURE 4 (Contd.)

3. At the Board Meeting held on March 20, 2026.The

   a. The Board took on record that the following Key Managerial Personnel of the Company will be stepping down from their respective positions **with effect from close of business hours of March 31, 2026.**

      i. **Mr N. Muralidharan- Chief Financial Officer.**

      ii. Mr M. Raman - Company Secretary and Compliance Officer.

   b. **As recommended by Nomination and Remuneration Committee**

      i. **Mr A. R. Balaji** was appointed as **Chief Financial Officer (Key Managerial Personnel)** of the Company **with effect from April 01, 2026.**

      ii. **Mr P. Srinivasan** was appointed as **Company Secretary and Compliance Officer (Key Managerial Personnel)** of the Company **with effect from April 01, 2026.**

Place: Chennai
Date: April 10, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000063608

ANNEXURE 5

The Members,

CHEMPLAST CUDDALORE VINYLS LIMITED
CIN: U24100TN1991PLC020589
9, Cathedral Road, Chennai – 600 086.

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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.

Place: Chennai
Date: April 13, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000080011

ANNEXURE 5 (Contd.)

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]

The Members,

CHEMPLAST CUDDALORE VINYLS LIMITED
CIN: U24100TN1991PLC020589
9, Cathedral Road, Chennai– 600 086

Dear Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHEMPLAST CUDDALORE VINYLS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2026** according to the provisions of:

(i) Companies Act 2013 and the rules made there under issued by the Ministry of Corporate Affairs from time to time;

(ii) Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- not applicable during the period under review;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended were not applicable to the Company during the period under review since none of the securities of the Company is listed in stock exchange:-

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI-LODR) except to the extent of regulations applicable to material subsidiary ;

b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

h) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025;

i) Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018

The Company has complied with the following Industry Specific Laws and the rules, regulations framed there under:

(a) The Water (Prevention and Control of Pollution) Act, 1974

(b) The Air (Prevention and Control of Pollution) Act, 1981

(c) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

(d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

(e) The Explosives Act, 1884

(f) The Petroleum Act, 1934 and Petroleum Rules, 2002

(g) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

(h) The Bureau of Indian Standards Act 1986

(i) The Electricity Act 2003 and rules framed thereunder

(j) The Gas Cylinder Rules 2016

(k) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")

(l) The Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules") andThe Standards of Weights and Measures Act 1976.

ANNEXURE 5 (Contd.)

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance reports and internal audit report submitted to the Board, 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 labour laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time.

The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

We have also examined compliance with the Secretarial Standards 1 and 2 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. as mentioned above.

The Company continues to be the Wholly Owned Material Subsidiary of Chemplast Sanmar Limited whose Equity Shares are listed in Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director, Woman Director, and Independent Directors. Two Independent Directors of the Holding Company are on the Board of the Company as 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 Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The Company had convened its meetings of Committees and Board physically and through Video Conferencing in compliance with the requirements of the Act. No circular resolution was passed during the year under report.

All decisions were taken unanimously at the Board and Committee meetings and at the Annual General Meeting. There was no Extra-ordinary General Meeting convened during the period under review.

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

We further report that during the audit period: -

i. At the 34th AGM held on August 05, 2025 re-appointed Mr Ramkumar Shankar (DIN-00018391) as Managing Director for a further period of one year with effect from April 01, 2026.

ii. At the Board Meeting held on **March 20,2026**

   a. The Board took on record that the following Key Managerial Personnel will be stepping down from their respective positions with effect from the close of business hours on **March 31, 2026**

      i. **Mr N. Muralidharan- Chief Financial Officer.**

      ii. **Mr M. Raman - Company Secretary.**

      Further, the following appointments have been made with effect from April 01, 2026:

      i. **Mr A R. Balaji as Chief Financial Officer of the Company**

      ii. **Mr P. Srinivasan as Company Secretary of the Company.**

   b. The following resolutions were passed subject to shareholders approval and the Board of Directors have convened an EGM for this purpose on April 16, 2026.

      i. **Appointment of Mr S. Ganeshkumar (DIN: 00088163) as an Additional Director of the Company, effective April 01, 2026**

      ii. **Appointment of Mr S. Ganeshkumar (DIN: 00088163) as Managing Director (KMP) of the Company for the period of 3 years with effect from April 01, 2026**

      iii. **Re-appointment of Mr Aditya Jain (DIN: 00835144) as Independent Director for the second term of 5 years with effect from April 27, 2026.**

      iv. **Re-appointment of Dr. Mrs. Lakshmi Vijayakumar (DIN: 09115998) as Independent Director for the second term of 5 years with effect from April 27, 2026.**

   c. The Company completed the re-purchase of 34,31,984 Zero-Coupon Compulsorily Convertible Debentures of face value of ₹100 each at Par from Samar Chemical Enterprises Limited aggregating to consideration of ₹ 34,31,98,400.

Place: Chennai
Date: April 13, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000080011

ANNEXURE 6

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Indian Rupees in Crores)

Sl. No	Particulars	Details
1	Name of the subsidiary	Chemplast Cuddalore Vinyls Limited
2	The date since when subsidiary was acquired	March 31,2021
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	March 31,2026
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
5	Share capital	303
6	Instruments entirely equity in nature	1255
7	Reserves and surplus	(2,339)
8	Total assets	1560
9	Total Liabilities	2,340
10	Investments	2.26
11	Turnover	2,262
12	Profit before taxation	(233)
13	Provision for taxation	57
14	Profit after taxation	(175)
15	Proposed Dividend	Nil
16	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations- Nil
2. Names of subsidiaries which have been liquidated or sold during the year- Nil

ANNEXURE 6 (Contd.)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures		
1.	Latest audited Balance Sheet Date	NOT APPLICABLE
2.	Date on which the Associate or Joint Venture was associated or acquired	
3.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extent of Holding%	
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	
7.	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations – NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875

Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163

Place: Chennai

Sanjay Vijay Bhandarkar
Chairman- Audit Committee
DIN: 01260274

Place: Paris, France

A R Balaji
Chief Financial Officer

Place: Chennai

Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129

Place: Chennai

EXHIBIT A
MANAGEMENT DISCUSSION AND ANALYSIS

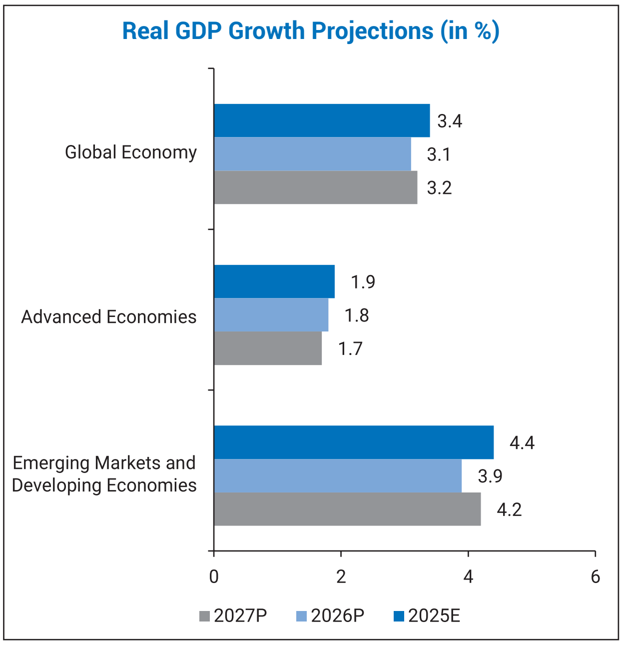
GLOBAL ECONOMY

The global economy demonstrated resilience through 2025 and early 2026, against a backdrop of persistent geopolitical tensions, supply chain fragmentation, and tight financial conditions. According to the IMF's World Economic Outlook, global growth for 2026 has been revised downwards to 3.1%, reflecting the impact of ongoing conflicts in West Asia, evolving trade policies, and the increasing adoption of protectionist measures across major economies.

Advanced economies have experienced moderated growth, weighed down by structural challenges such as ageing workforces and sustained energy cost pressures, which continue to impact industrial competitiveness. At the same time, commodity-importing emerging markets have faced headwinds from elevated input costs and currency volatility.

Consequently, global headline inflation has been revised upwards and is projected to reach 4.4% in 2026 before gradually easing. In response to this complex and restrictive macroeconomic environment, industrial and manufacturing sectors are recalibrating their strategies, with a sharper focus on supply chain localisation, accelerated automation, and continued investments in technology to enhance resilience, sustain profitability, and drive long-term operational efficiency.

(Source: IMF World Economic Outlook, April 2026)



E: Estimated
P. Projected
(Source: International Monetary Fund, World Economic Outlook Projections, April 2026)

Outlook

The IMF projects global economic growth to edge up to 3.2% in 2027 from 3.1% in 2026. The immediate outlook is characterised by a cautious optimism. While trade fragmentation and potential tariff restructurings remain variables to watch, the structural push towards green energy transitions and next-generation manufacturing offers a robust floor for sustained industrial demand.

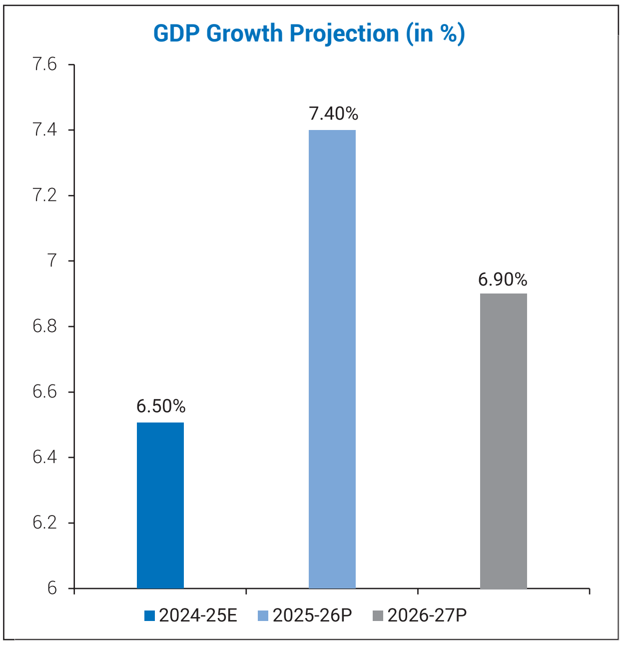
Source: (IMF World Economic Outlook (April 2026))

INDIAN ECONOMY

India decisively decoupled from the global slowdown in 2025-26, retaining its position as the fastest-growing major economy in the world. GDP growth is estimated at around 7.4% for the year, underpinned by a strong recovery in private consumption and sustained government capital expenditure.

The year also marked a tangible improvement in macroeconomic quality. Retail inflation cooled to multi-year lows, significantly enhancing household purchasing power and driving a revival in rural consumption, further supported by a favourable monsoon. Concurrently, India's manufacturing sector, supported by Production Linked Incentive (PLI) schemes and systemic infrastructure upgrades, is increasingly transitioning from an import-substitution model to a more export-competitive framework.

This strength was reflected in solid manufacturing expansion during the year, aided by strong export demand for engineering and consumer goods. The continued success of PLI schemes, alongside sustained investments



E: Estimated
P. Projected
(Sources: https://mospi.gov.in/uploads/latestreleasesfil es/1767782498513-GDP%20Press%20Note%20on%20FAE%20 2025-26.pdf
https://timesofindia.indiatimes.com/business/india-business/ rbi-keeps-rates-on-hold-forecasts-6-9-growth-for-27/ articleshow/130103526.cms)

in digital public infrastructure and logistics networks, is accelerating India's integration into complex global supply chains. In parallel, the 'China Plus One' strategy adopted by multinational corporations continues to benefit Indian manufacturing, driven by the country's skilled workforce, improving ease of doing business, and strengthening intellectual property protections.

As investments across healthcare, research and development (R&D), and advanced manufacturing continue to scale, India is steadily evolving from a regional participant into a pivotal and increasingly competitive hub for scientific and industrial innovation.

(Sources: Deloitte India Economic Outlook

Press Information Bureau (PIB))

Outlook

India is entering a favourable macroeconomic phase, marked by stable inflation, moderating interest rates, and deleveraged corporate balance sheets that are well-positioned to support a revival in private capital expenditure.

Source: (Reserve Bank of India (RBI) Monetary Policy Statements)

INDUSTRY OVERVIEW

Indian Chemical Industry

The Indian chemical industry is navigating a mixed market environment in 2025–26, unfolding in two distinct phases. The first half was characterised by margin compression, particularly across commodity chemicals, driven by macroeconomic uncertainty, geopolitical developments, supply chain disruptions, and a significant influx of dumped inventory from a sluggish Chinese market. Tariff-related sourcing uncertainties and softer demand in select segments further weighed on performance during this period.

However, the second half of the year indicated early signs of sstabilisation. Aggressive regulatory interventions, notably the imposition of targeted Anti-Dumping Duties (ADDs), fundamentally levelled the playing field. Improving inquiry levels, coupled with regulatory interventions, helped restore competitive balance and gradually supported pricing discipline.

Despite these near-term challenges, the structural integrity of the Indian chemical sector remains firmly intact. The long-term outlook continues to be strong, supported by the 'China Plus One' strategy, rising domestic consumption, and strong demand from downstream industries. Government incentives and ongoing supply chain diversification are further reinforcing this trajectory.

The industry, valued at approximately USD 220 Billion in 2024-25, is projected to reach USD 383 Billion by 2029-30, with sustained expansion across both commodity and speciality segments. As high-cost inventories are gradually absorbed and market conditions normalise, margins are expected to recover. The industry's focus is expected to shift increasingly towards value addition, complex chemistries, and sustainable manufacturing practices, positioning it for resilient and sustainable growth.

SPECIALITY CHEMICALS

Speciality Paste PVC Resin

Polyvinyl Chloride (PVC) resin is synthesised by polymerising Vinyl Chloride Monomer (VCM). It is primarily classified into two types: (a) Suspension resin (b) Speciality Paste resin (also referred to as emulsion, dispersion, or micro-suspension resin)

Speciality Paste PVC resin is specifically used for manufacturing flexible products like artificial leather, gloves, tarpaulins, conveyor belts, and coated fabrics. Unlike Suspension PVC resin, it serves a highly specialised, niche market segment.

Industry Overview and Market Dynamics

The Indian Speciality Paste PVC market stands at approximately 1,92,000 metric tons per annum, representing a compelling structural growth story with demand growing steadily at 7% to 8%. For the full year 2025-26, industry demand grew by approximately 15 KT. This expansion is primarily fuelled by robust demand from the automotive and footwear sectors. Notably, the footwear segment is witnessing a visible shift in market dynamics, with consumers increasingly focusing on value-added products over low-quality mass offerings. This transition is expected to reshape the supplier landscape in the coming years, influencing both quality standards and volume requirements across the value chain.

Historically, the profitability of domestic players was capped by low-priced international dumping. While the industry successfully secured Anti-Dumping Duties (ADD) on imports from traditional sources like China, Korea, and Taiwan, the market recently witnessed a tactical shifting of dumping origins, with aggressive volumes flowing in from the European Union (EU) and Japan. Driven by high energy costs and muted domestic demand linked to geopolitical tensions, EU producers effectively cross-subsidised their exports to India. This led to a sharp influx of EU imports and continued to pressure the domestic pricing architecture throughout much of 2025-26.

2025-26 REVIEW

Operational Performance

The year commenced with muted domestic demand as persistent uncertainties surrounding the supply chain and pending quality regulations prompted traders to adopt a wait-and-watch approach. However, momentum accelerated significantly as the year progressed, culminating in our highest quarterly sales in the last quarter.

If the previous year was about building capacity, 2025-26 was about flawlessly executing our market dominance. Our 41 KTPA facility at Cuddalore achieved 100% utilisation of capacity during the year. Most notably, we captured the entirety of the ~15 KT industry demand growth in the last quarter of the financial year, as overall import volumes remained broadly stable.

Margin Resilience amidst Extreme Volatility

The pricing environment presented unprecedented extremes in 2025-26. EU-based suppliers continued to operate at significantly low price levels for much of the year, hindering the expected benefits of broader anti-dumping measures. The West Asia crisis impacted the feedstock availability and its prices. Throughout these fluctuations, our focus on operational excellence ensured our variable margins held steady.

Regulatory Milestones

The regulatory landscape proved challenging during the year. The Quality Control Order (QCO) on PVC, which had initially caused market hesitation, was rescinded by the Department of Chemicals and Petrochemicals (DCPC) in the November 2025, in line with Empowered Committee recommendations, thereby removing an important non-tariff safeguard.

Consequently, the industry's focus is squarely on the ongoing DGTR investigation for ADDs on EU and Japan imports. While the final findings are now expected in the first quarter of 2026-27, the impending release of this determination is already serving to keep fresh import bookings from Europe at significantly low levels.

Chemplast Sanmar's Take

We are no longer just participating in the Paste PVC market; we are shaping it. As the largest producer in India by a significant margin, we are ideally positioned to capture this steady growth. While we have weathered a difficult period of unfair trade practices and supply constraints, our vertical remains fundamentally strong. The market's rapid absorption of our new Cuddalore capacity powerfully validates our expansion strategy. Furthermore, our deep backward integration enables us to manage feedstock-related volatility more effectively, supporting stable operations.

Outlook

We are on the verge of a regulatory reset that should structurally improve our realisations. With final ADD findings on EU and Japan imports expected early in 2026-27, it will enable fair competition. As the footwear and automotive sectors continue their robust growth trajectory, we are fully primed to operate our capacities at peak utilisation, capturing the lion's share of India's incremental demand and driving sustained margin expansion.

CUSTOM-MANUFACTURED CHEMICALS (CMCs)

Industry Overview and Market Dynamics

The global Custom Manufactured Chemicals (CMCD) vertical is currently navigating a complex environment characterised by a recovery in the agrochemical sector following a significant slowdown. While underlying demand is stabilising, the industry is facing intense pricing pressure due to a capacity overhang in China, which has flooded the market with low-priced generic active ingredients. Consequently, the immediate incentive for innovators to switch to new, higher-cost chemistries is temporarily diminished, leading to a slower-than-expected ramp-up for newly launched molecules. However, the overarching structural trend remains highly favourable: the 'China plus one' strategy is accelerating as global agrochemical majors actively seek to diversify their supply chains to ensure long-term reliability and mitigate geopolitical risks.

2025-26 REVIEW

Despite the broader market's slower ramp-up dynamics, our Custom Manufactured Chemicals Division (CMCD) continued to demonstrate significant operational progress in 2025-26. Validating our strategic pivot toward high-value, non-cyclical chemistries, our business development engine remains highly active with new product leads and customer engagements progressing strongly across global markets. We have successfully commercialised 17 products to date and maintain a robust, high-velocity pipeline of several more molecules under development.

Chemplast Sanmar's Take

Our take on this segment remains fundamentally bullish. We view the current softness and the China capacity overhang as short-term hurdles rather than a long-term structural shift. The CMCD business is fundamentally transforming Chemplast Sanmar's earnings profile, transitioning us from a volume-driven model to a value-creation engine. We are positioning this vertical as one of the engines for long-term value creation and have made it our absolute first preference for capital deployment. Our strategy remains laser-focused on deepening engagement with global innovators, broadening our customer base, and capturing the diversifying global demand.

Outlook

To support this growth narrative, we are aggressively expanding our production capacity. Civil work for Phase 3 of our Multipurpose Block (MPB-3) is progressing well, with full completion and pilot Phase 3 commissioning expected in the first quarter of 2026-27. Concurrently, civil works for MPB-4 are advancing on track and are targeted for completion in the second quarter of 2026-27. On a steady-state basis, as we move past the initial learning curves associated with new product launches, we anticipate EBITDA margins for this business to settle perfectly in line with global industry standards.

VALUE-ADDED CHEMICALS

Chloromethanes

Industry Overview and Market Dynamics

Chloromethanes serve as vital precursors for the pharmaceutical, agrochemical, and fluoropolymer industries. The Indian market is currently navigating an excess of capacity, which has exerted pressure on both pricing and margins across the sector. Globally, prices have remained subdued, although they demonstrated early signs of stabilisation during the fiscal year.

2025-26 REVIEW

Despite the broader industry's overcapacity, our diverse product portfolio exhibited distinct demand dynamics during the year:

- **Methylene Dichloride (MDC):** Demand from large pharmaceutical customers remained exceptionally steady, providing a reliable volume anchor.
- **Chloroform:** While demand from the pharmaceutical sector softened, it was partially offset by marginal improvements from the Unsaturated Polyester Resin (UPR) and footwear segments.
- **Carbon Tetrachloride (CTC):** Demand from synthetic pyrethroid producers continued to be weak. This was primarily driven by high finished-goods inventories in the agrochemical supply chain and the influx of cheap imports from China.

Chemplast Sanmar's Take

Despite industry-wide headwinds and an ongoing capacity overhang, our sales volumes have demonstrated relative resilience, registering volume growth during the second quarter of 2025-26.

Outlook

The Chloromethanes segment continues to navigate a challenging broader environment characterised by excess domestic capacity and global margin pressure. While the margins remain under pressure, we will continue to evaluate improvement opportunities.

CAUSTIC SODA AND CHLORINE

Industry Overview and Market Dynamics

India has structurally transitioned from being a net importer to a net exporter of Caustic Soda, currently exporting approximately 0.5 Million tonnes annually. The domestic market remains structurally oversupplied, with total capacity of around 6.3 Million tonnes against demand of just under 5 Million tonnes. While significant new capacities are primarily being added in Western India, Caustic Soda remains inherently a regional product due to the high transportation costs associated with moving the 50% solution over long distances.

2025-26 REVIEW

Domestic demand remained a stable anchor throughout the full year across key consuming sectors, including Pulp & Paper, Soaps and Detergents, Effluent Treatment Plants (ETP), Alumina, and Textiles. However, the global market dynamics were remarkably turbulent.

The year began with price erosion as Chinese producers actively liquidated volumes in the export market, anticipating dull summer demand. Simultaneously, US tariff announcements made South East Asian (SEA) buyers hesitant, opting instead to source domestically or from competitive Indian imports.

Early in the fourth quarter, weak domestic demand in China (exacerbated by the Lunar holidays) prompted further export pushes. However, by March 2026, the ripple effects of the US-Iran conflict fundamentally disrupted the market. A severe global ethylene shortage negatively impacted the consumption of chlorine, which directly resulted in a drastic reduction in caustic soda output. Several producers declared force majeure due to these supply chain disruptions. Consequently, SEA buyers were left with limited availability and had no choice but to close deals at higher prices.

Chemplast Sanmar's Take

The regional nature of Caustic Soda provides a structural operational advantage. Because the national capacity surplus is heavily concentrated in Western India, our location in the South benefits from a more balanced supply-demand dynamic, as the high transportation costs of the 50% solution naturally limit regional supply overlaps.

Outlook

While demand is expected to be stable across traditional sectors like alumina, textiles, and pulp & paper, given the oversupply situation in India, further capacity creation, as well as major facilities coming up in few geographies, we expect pricing and margin pressures to continue.

HYDROGEN PEROXIDE

Industry Overview and Market Dynamics

The production and availability of Hydrogen Peroxide are inextricably linked to the hydrogen gas generated as a byproduct of Caustic Soda manufacturing. The primary end-user industries, including pulp & paper, and textiles, continue to experience moderate, steady demand across the country, though paper manufacturers actively faced pressure from cheap imports.

2025-26 REVIEW

Given the integrated nature of this product, our baseline Hydrogen Peroxide volumes saw a decline this year as a direct consequence of the technical issues and lower Caustic Soda production at our Mettur facility. Because the availability of the critical hydrogen feedstock was temporarily reduced, our sales quantities were naturally impacted.

Despite this, the textile segment remained relatively resilient through the third quarter, even amidst additional US tariffs. However, the market witnessed extreme volatility in the fourth quarter. In March 2026, the West Asia crisis triggered a severe gas shortage, hitting hydrogen production in the West and forcing production cuts by western Hydrogen Peroxide producers. This supply shock caused domestic prices to skyrocket exponentially. This extreme price peak was short-lived. In due course, as downstream consumers were also impacted by the non-availability and cost pressures of other key raw materials, overall demand for peroxide sharply declined, eventually leading to a reduction in price levels.

Chemplast Sanmar's Take

Our integrated model means that operational constraints in one segment can cascade across the value chain, while also enabling a coordinated recovery. In light of the recent events, our immediate focus is on restoring supply consistency. We are also taking measures to mitigate the impact of regional gas shortages and ensure uninterrupted supply to core customers through our established distribution network, maintaining our strategic position despite external price volatility.

Outlook

Following a turbulent final quarter characterised by significant price spikes and subsequent demand adjustments, we expect the Hydrogen Peroxide market to gradually settle. While baseline demand across the textile and pulp & paper sectors is steady, we anticipate near-term pricing and off-take will remain sensitive to broader macroeconomic pressures and raw material constraints affecting downstream consumers.

SUSPENSION PVC

Industry Overview and Market Dynamics

The Suspension PVC (S-PVC) vertical in India is defined by a staggering gap between robust domestic demand and limited local supply. In the last fiscal year, Indian demand for S-PVC reached approximately 4.3 Million tonnes, whereas total domestic production languished at only 1.5 Million tonnes. This massive structural deficit makes India a prime destination for global exports.

Consequently, the industry has faced unabated dumping from countries including the US, Japan, Taiwan, South Korea, and predominantly China, which accounts for roughly 52% to 54% of all S-PVC imports into India. Concurrently, global capacities are rationalising; for instance, high energy costs and suppressed demand have forced plant closures in the West.

Most notably, the Chinese government announced the withdrawal of a 13% export tax rebate on S-PVC effective April 01, 2026. This rebate had previously handed Chinese exporters an unfair price advantage.

2025-26 REVIEW

The regulatory environment proved highly volatile during the year, resulting in a perfect storm of challenges, particularly in the third quarter of 2025-26. Despite the domestic industry establishing a clear, evidence-backed case of injury through a comprehensive two-year investigation, the Ministry of Finance ultimately allowed the recommended Anti-Dumping Duty (ADD) on S-PVC to lapse without implementation. Furthermore, the Quality Control Order (QCO), which would have mandated strict public health and safety standards for imports, was unexpectedly rescinded in November.

However, we believe the third quarter of 2025-26 represented the absolute bottom of the PVC cycle.

Chemplast Sanmar's Take

While we have navigated severe regulatory setbacks, our strategic response remains pragmatic. To counter the absence of Anti-Dumping Duties (ADDs), the domestic industry is actively seeking the implementation of a Minimum Import Price (MIP) as a short-term bridging measure, even as earlier attempts stalled due to late-period international price fluctuations, while we construct longer-term trade solutions. Fundamentally, India's persistent structural supply deficit provides a baseline for our operations. Even with new capacities announced by domestic competitors, demand growth is projected to continue outpacing local production. India will remain a net importer for the foreseeable future, providing a reliable market for our PVC output.

Outlook

Despite modest pricing recovery following China's withdrawal of export subsidies, we maintain a cautious near-term outlook. A marginal 1% decline in annual domestic demand, coupled with persistent dumping from the US and China, intensified pressures, further aggravated by delays in implementing Quality Control Orders (QCOs) and Anti-Dumping Duties (ADD). Furthermore, Gulf geopolitical tensions disrupted shipping and raw material supply chains, triggering force majeure declarations by Asian producers, tightening ethylene availability and increasing input costs for the Company. We expect margin pressures for Suspension PVC for some more time and expect improvement over the later part of the financial year 2026-27.

COMPANY OVERVIEW

Chemplast Sanmar Limited (referred to as 'the Company') is a key enabler of India's industrial self-reliance. As the nation's largest manufacturer of Speciality Paste PVC and a premier custom manufacturing partner for global innovators, the Company operates at the intersection of scale and complex chemistry. The Company also ranks as the fourth-largest manufacturer of Caustic Soda and the leading supplier of Hydrogen Peroxide in South India and was an early pioneer in India in the manufacture of chloromethanes and refrigerant gases.

Over five decades, the Company has built a strong backward integration platform that allows it to deliver high-value Speciality Chemicals, Custom-Manufactured Chemicals, and Value-Added commodities with unmatched resilience and sustainable excellence. The Company's wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited (CCVL), is the second-largest manufacturer of Suspension PVC in India and a market leader in South India, contributing meaningfully to overall business portfolio and scale.

During 2025-26, the Company operated in a challenging pricing environment, impacted by the dumping of products at significantly lower prices into the domestic market. Despite these headwinds, the Company remained focused on strengthening its competitive position through calibrated actions aimed at improving operational efficiency, scaling capacities, and broadening its product portfolio across key segments.

Strategic investments were directed towards expanding capacity in the Custom Manufactured Chemicals (CMC) business, strengthening infrastructure, and deepening innovation-led partnerships with global customers. The Company remains well-positioned for sustained growth, driven by deepened collaborations with global innovators and an expanding portfolio of differentiated offerings. Simultaneously, operations within the Suspension PVC and Value-Added Chemicals segments are being continually optimised to navigate shifting domestic demand and global supply-chain dynamics. In addition, the development of the new R32 (refrigerant gas) facility remains firmly on track.

Sustainability and safety continue to be integral to the Company's operating philosophy. All manufacturing facilities are certified under ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Occupational Health and Safety). The coastal plants at Karaikal and Cuddalore operate entirely on desalinated seawater, eliminating dependence on groundwater resources, while zero liquid discharge systems have been implemented across all manufacturing sites. The Company has also consistently published Sustainability Reports for over 15 years, aligned with GRI standards and independently verified by a leading global audit firm.

The Company's commitment to operational excellence and safety continues to be widely recognised. Several of its facilities have received the prestigious 'Five Star' rating from the British Safety Council, with most also earning the distinguished Sword of Honour, one of the highest global accolades for health and safety performance.

HUMAN RESOURCES

The Company's strategic pivot is entirely dependent on the agility and expertise of its people. In 2025-26, the Company's HR mandate shifted from traditional capability building to fostering an innovation-first mindset, particularly to support the rapid scaling of its CMCD segment. The Company also significantly expanded its technical talent pool, onboarding top-tier chemists, chemical engineers, and R&D specialists. Furthermore, it reinforced a non-negotiable commitment to occupational safety and zero-harm operations across all facilities. Industrial relations remained highly collaborative, reflecting the shared vision for growth. As of March 31, 2026, the Company comprises 1,399 permanent employees.

FINANCIAL OVERVIEW

The year demonstrated the Company's ability in navigating a bifurcated market. On one hand, strategic investments delivered strong outcomes, with Speciality Paste PVC, achieving volume breakouts and margin expansion. On the other hand, commodity segments including S-PVC, Caustic Soda and Chloromethanes absorbed the full impact of global dumping and cycle-low pricing. CMCD was impacted by global agrochemicals slowdown.

Ultimately, the integrated business model proved resilient. Through aggressive power cost rationalisation, including utilising third-party renewable arrangements, disciplined working capital management, and the margin cushion provided by the speciality portfolio, the Company protected its profitability and positioned its balance sheet favourably for the next upcycle.

(in ₹ Crores)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Sales and Other Income	2,184.55	2,408.74	4,251.93	4,393.12
Profit before Interest, Depreciation and Taxes	122.74	123.07	226.05*	265.72
Profit/(Loss) before Tax	(1038.55)	(111.90)	(372.41)	(169.07)
Tax Expenses	35.16	46.33	92.54	58.71
Profit/(Loss) after Tax	(1003.39)	(65.57)	(279.87)	(110.36)

*Before exceptional items

Key Financial Ratios

Major variations in the Company's key financial ratios, along with explanations for changes of 25% or more from the previous year, are detailed below.

Analytical Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	Percent Variance	Remarks
Trade Receivables Turnover Ratio	Net Sales	Avg. Trade Receivable	13.84	14.63	(5.40%)	-
Interest Coverage Ratio	EBIT	Interest and Lease Payment	(0.30)	(0.29)	(3.45%)	-
Current Ratio	Current Assets	Current Liabilities	0.82	0.96	(14.58%)	-
Debt-to-Equity Ratio	Total Debt	Stakeholders' Equity	0.37	0.24	54.17%	The Company has taken additional debt during the current year for the purpose of project financing and also due to drop in equity on account of increase in loss after tax during the 2025-26 resulted in increase in the Debt-to-Equity Ratio.
Net Profit Margin	Net Profit after Taxes	Revenue from Operations	(46.24%)	(2.75%)	1,581.45%	Loss after tax incurred in 2025-26 was higher than 2024-25 resulting in drop in Net Profit Ratio.
Return on Net Worth	Net Profit after Taxes	Net Worth	(31.42%)	(1.56%)	(1914.10%)	Loss after tax incurred in 2025-26 was higher than 2024-25 resulting in drop in Return on Net Worth.

Financial Performance - Standalone

On a standalone basis, revenue from operations and other income for 2025-26 stood at ₹ 2,184.55 Crores, reflecting a decline of 9.30% compared to ₹ 2,408.74 Crores in 2024-25.

Finance costs increased to ₹ 106.91 Crores in 2025-26 from ₹ 86.81 Crores in 2024-25, largely on account of the post-capitalisation impact of project-related borrowings. The Company reported a loss after tax of ₹ 1,003.39 Crores in 2025-26, as compared to ₹ 65.57 Crores in the previous year.

Financial Performance - Consolidated

On a consolidated basis, revenue from operations and other income for 2025-26 stood at ₹ 4,251.93 Crores, registering a decline of 3.21% over ₹ 4,393.12 Crores in 2024-25.

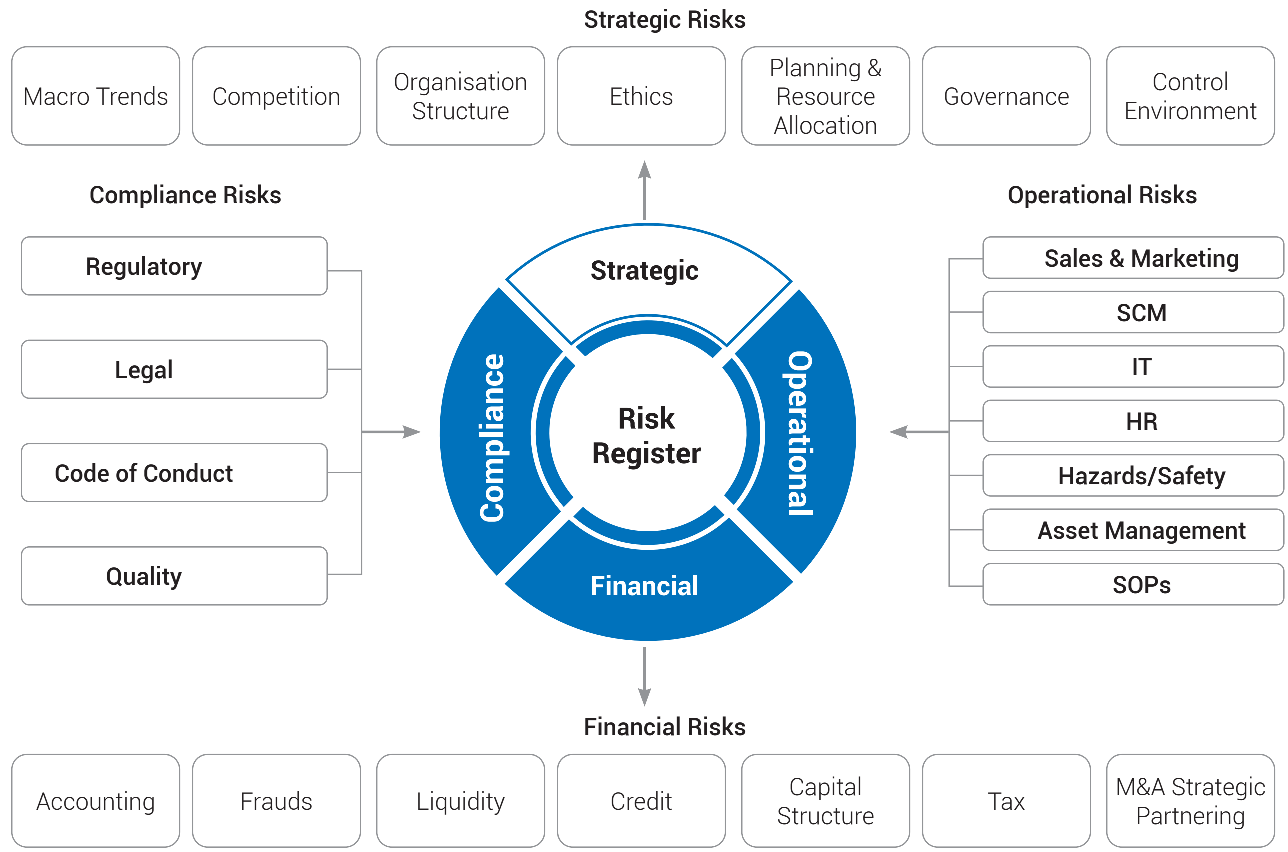
Finance costs rose to ₹ 235.39 Crores in 2025-26 from ₹ 235.88 Crores in 2024-25, primarily due to the post-capitalisation impact of project loans. The consolidated loss after tax stood at ₹ 279.87 Crores for 2025-26, compared to ₹ 110.36 Crores in the previous year.

Risk Management

The Company views risk not merely as a hazard to be mitigated, but as a variable to be actively managed for competitive advantage. The Enterprise Risk Management (ERM) framework, governed by the Risk Management Committee, is dynamically aligned with its strategic pivot towards speciality chemistries.

Risk Management Framework and Process

Risk Classification and Management



Key Risks and Mitigation Strategies

Risk Category	Risk	Impact	Mitigation
Strategic and Market Risk	Feedstock and Commodity Cycle Vulnerability	Volatility in pricing of key feedstocks such as Ethylene, EDC, and Methanol, along with finished commodities like S-PVC, can lead to margin fluctuations and earnings instability, particularly during geopolitical disruptions.	• Leveraging deep backward integration to capture value across the chain and reduce margin sensitivity • Strengthening high-margin CMCD and Paste PVC businesses to structurally lower dependence on cyclical commodity segments. Further investments in Refrigerant Gases will broaden the speciality portfolio of the Company
Operational and Supply Chain Risk	Global Supply Chain Fragmentation	Freight rate volatility, geopolitical disruptions, and logistical bottlenecks can impact raw material availability and timely delivery of finished goods.	• Maintaining a geographically diversified vendor base • Securing long-term freight contracts • Utilising advanced demand planning and inventory optimisation models to ensure supply continuity and operational resilience
Environmental, Health and Safety (EHS) Risk	Process Safety and Environmental Compliance	Chemical manufacturing operations carry inherent risks related to environment, health, and safety, potentially leading to operational disruptions, regulatory actions, or reputational impact if not effectively managed.	• Implementing globally benchmarked Process Safety Management (PSM) systems • Conducting detailed HAZOP studies for new processes • Operating Zero Liquid Discharge (ZLD) facilities to maintain high standards of safety and environmental compliance
Financial and Trade Risk	Currency Fluctuations and Unfair Trade Practices	Exposure to foreign exchange volatility (particularly USD/₹) and risks arising from dumping by international players can impact profitability and market competitiveness.	• Applying a disciplined, Board-approved forex hedging framework, supported by natural hedges from export growth in CMCD, to help manage currency risks • Engaging actively with regulatory authorities to support timely implementation of Anti-Dumping Duties to safeguard domestic markets
Information Technology and Cyber Risk	Data and Intellectual Property Security	Increasing digitalisation and growth in CMCD heighten the risk of data breaches and potential compromise of proprietary client intellectual property.	• Strengthening cybersecurity infrastructure, including advanced threat detection systems, segregated IT and OT networks • Conducting regular Vulnerability Assessment and Penetration Testing (VAPT) to ensure strong protection of digital and intellectual assets

INTERNAL CONTROLS

The Company operates a strong internal financial control ecosystem, meticulously designed to match the increasing complexity of its multi-product, integrated operations. These controls transcend basic accounting and are embedded into the ERP systems to ensure asset safeguarding, fraud prevention, and absolute data integrity. The internal audit framework is dynamic, constantly reviewed by the Audit Committee, and independently validated by statutory auditors to ensure flawless operational effectiveness and compliance.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India, and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statement, on the basis of any subsequent development, information, or event.

EXHIBIT B
REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2026.

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholder value. Strong governance is fundamental to building a resilient business and driving success fairly and transparently. The Company is committed to maintaining the highest standards of corporate governance in its conduct towards shareholders, employees, customers, suppliers and other stakeholders. This includes checks and balances that facilitate the Board of Directors to have adequate control and oversee activities in such a manner that Company's interests are aligned with those of the stakeholders.

The Management's commitment to these principles is reinforced through adherence to all Corporate Governance practices which form part of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time. The Company has a Code of Conduct for the Directors and Senior Management Personnel and a Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

2. BOARD OF DIRECTORS

The Board of Directors (the Board), consist of persons with considerable professional expertise and experience and they provide leadership and guidance to the management, thereby enhancing stakeholders' value and the quality of the Board's decision making process.

(a) Board Structure:

As at March 31, 2026, the Board consists of Eight (08) Directors, out of which Seven (07) are Non-Executive Directors.

The Company has more than minimum of fifty per cent of its Directors as Non-Executive Directors. Out of the Seven (07) Non-Executive Directors, Five (05) Directors are Independent Directors, of whom one is a Woman Director.

The composition of the Company's Board is in conformity with the Companies Act, 2013 ("Act") and the Listing Regulations.

Mr Aditya Jain is the Lead Independent Director.

(b) Board Profile

The Board of Directors comprises of renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision making process

(c) Board Meetings, Attendance and other directorships

During the financial year under review, Board meetings were held on May 13, 2025, July 28, 2025, September 30, 2025, November 13, 2025, January 10, 2026, February 07, 2026 and March 20, 2026. The last Annual General Meeting (AGM) was held on August 12, 2025. Details of attendance of Directors at the Board meetings, at the AGM and details of other Directorships and committee memberships / chairmanships as on March 31, 2026 are as under:

Sr. No.	Name of Director and DIN	Category of Director	No. of Shares held as on March 31, 2026	No. of Board meetings attended during 2025-26	Attendance at last AGM held on August 12, 2025	No. of Directorships in Public Companies as on March 31, 2026*	No. of Board Committee Memberships held in Public Companies as on March 31, 2026**	
							Chairman	Member
1	Mr Vijay Sankar 00007875	Chairman - Non-Executive Non-Independent Director	-	7	Yes	5	0	3
2	Mr Ramkumar Shankar 00018391@	Managing Director	3449	7	Yes	2	0	0
3	Mr Sumit Maheshwari 06920646@@	Non-Executive Non-Independent Director	-	5	Yes	8	0	3

REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr. No.	Name of Director and DIN	Category of Director	No. of Shares held as on March 31, 2026	No. of Board meetings attended during 2025-26	Attendance at last AGM held on August 12, 2025	No. of Directorships in Public Companies as on March 31, 2026*	No. of Board Committee Memberships held in Public Companies as on March 31, 2026**	
							Chairman	Member
4	Mr Vikram Taranath Hosangady 09757469#	Independent Director	-	7	Yes	5	2	5
5	Mr Aditya Jain 00835144	Independent Director	-	7	Yes	3	2	3
6	Mr Sanjay Vijay Bhandarkar 01260274	Independent Director	-	7	Yes	6	4	7
7	Mr Prasad Raghava Menon 00005078	Independent Director	-	7	Yes	3	0	3
8	Dr (Mrs) Lakshmi Vijayakumar 09115998	Independent Director / Woman Director	-	7	Yes	2	0	0

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies and includes Directorship in Chemplast Sanmar Limited.
** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of only Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies, whether listed or not, has been considered including that of Chemplast Sanmar Limited.
@ Ceased to be Managing Director with effect from the close of business hours of March 31, 2026.
@@ Resigned from the Board of Directors with effect from the close of business hours of April 09, 2026.
# Mr Vikram Taranath Hosangady was appointed as Non - Executive and Independent Director of the Company, for a term of 5 (Five) consecutive years with effect from May 13, 2025.

None of the Directors of the Company is related to each other.

None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16(1)(b) of the Listing Regulations and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

None of the Directors of the Company is a Director in more than ten public limited companies or serves as an Independent Director in more than seven listed companies or is a member of more than ten committees or Chairman of more than five committees across all companies. Further, as per the disclosures made by the Directors, none of the Directors, who is serving as a Whole-Time Director / Managing Director in any listed entity is an Independent Director in more than three listed entities.

The particulars of Directorships of the Company Directors in other listed Companies, as on March 31, 2026 are given hereunder:

Sr. No.	Name of Director	Names of other listed entities in which Directorships held	Category of Directorship
1.	Mr Vijay Sankar	Transport Corporation of India Limited	ID
		Oriental Hotels Limited	ID
		TVS Motor Company Limited	ID
2	Mr Ramkumar Shankar@	-	None
3	Mr Vikram Taranath Hosangady	MRF Limited	ID
		Rane (Madras) Limited	ID
		Bajaj Electricals Limited	ID
		Indef Manufacturing Limited	ID
4	Mr Sumit Maheshwari	Fairchem Organics Limited	NED
		CSB Bank Limited	NED
		Thomas Cook (India) Limited	NED
5	Mr Aditya Jain#	Samhi Hotels Limited	ID
6	Mr Sanjay Vijay Bhandarkar#	The Tata Power Company Ltd	ID
		Tata Consultancy Services Limited	ID
		HDFC Asset Management Company Limited	ID
7	Mr Prasad Raghava Menon#	Data Patterns (India) Limited	ID
		Neuland Laboratories Limited	ID
8	Dr (Mrs) Lakshmi Vijayakumar#	-	None

ID – Independent Director NED – Non-Executive Director
@ Ceased to be Managing Director with effect from the close of business hours of March 31, 2026.
# Re-appointed as an Independent Director in Chemplast Sanmar Limited for the second term of five years from April 26, 2026

(d) Major Functions of the Board:

The Company has clearly defined the roles, functions, responsibility and accountability of the Board of Directors. In addition to its primary role of monitoring corporate performance, the major functions of the Board include:

- Formulating strategic and business plans
- Reviewing and approving financial plans and budgets
- Monitoring corporate performance against strategic and business plans
- Review of Business risk issues
- Ensuring ethical behaviour and compliance with laws and regulations

(e) Board Meetings

During the year under review, seven (7) Board meetings were held and the interval between two consecutive meetings during the year was not more than 120 days.

(f) Core Skills / Expertise / Competencies available with the Board

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision making process.

The below list summarises the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Company's business and industry and which in the opinion of the Board, its Members possess.

(i) Leadership

(ii) Business Strategy & Development

(iii) Commercial acumen

(iv) Finance including audit, accounts and taxation

(v) Economics and Global Business

(vi) Sales and Marketing

(vii) Information Technology

(viii) General Management & Human Resources

(ix) Corporate Governance

Name of the Director	Area of expertise
Mr Vijay Sankar	Leadership, Business Strategy & Development, Commercial acumen, Finance, Economics and Global Business, Corporate Governance and General Management and Human Resources
Mr Ramkumar Shankar	Business Strategy & Development, Commercial acumen, Finance, Sales and Marketing, General Management
Mr Vikram Taranath Hosangady	Finance, Commercial acumen, Business Strategy, Economic Affairs, General Management, Corporate Governance, General Management and Human Resources
Mr Sumit Maheshwari	Leadership, Finance, Business Strategy & Development, Economics & Global Business, Corporate Governance, General Management.
Mr Aditya Jain	Finance, Business Strategy & Development, General Management & Human Resources, Economic Affairs and Corporate Governance
Mr Sanjay Vijay Bhandarkar	Finance including audit and taxation, Business Strategy & Development and Corporate Governance
Mr Prasad Raghava Menon	Business Strategy & Development and Finance including taxation, General Management and Human Resources and Corporate Governance
Dr (Mrs) Lakshmi Vijayakumar	General Management, Human Resources and Corporate Governance

(g) Familiarisation Program:

The Company has a familiarisation program for Independent Directors with regard to their roles and responsibilities and rights and duties in the Company, nature of the Industry in which the Company operates, the business models of the Company and the strategy and plan in operation. During the year, strategic presentations were made to Independent Directors to familiarise themselves with the updates and current trends of the industry, expansion, new projects and future business projections / operations of the Company, Government Policy measures applicable / pertaining to the Company, besides presentations made to Independent Directors on significant regulatory updates. Details of familiarisation programs are available on the Company's website at https://www.chemplastsanmar.com/independent-directors.php

(h) Meeting of Independent Directors

The Independent Directors met on March 20, 2026 inter alia, to discuss the evaluation of the

- performance of Non-Independent Directors (including Chairman of the Company) and the Board of Directors as a whole;
- quality, quantity and timeliness of flow of information between the management and the Board which is necessary for the Board to perform its duties effectively and reasonably.

All the Independent Directors were present at the meeting.

(i) Code of Conduct

The Company has in place the Code of Conduct for Business and Ethics for members of the Board and Senior Management Personnel approved by the Board. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed in the Company's website www.chemplastsanmar.com and the same is available in the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf

All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended March 31, 2026.

A declaration to this effect signed by the Managing Director is annexed to this report.

(j) Prevention of Insider Trading:

The Company has adopted a Code of Conduct for prevention of Insider Trading to regulate, monitor and report trading by designated persons as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All the Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the said Code. An annual declaration was taken from the Directors and Designated Persons as at March 31, 2026. The Company has an Insider Trading Monitoring System which monitors the trades, if any, undertaken by Designated Persons, as also provides for obtaining pre-clearance, reporting the transactions, etc., in addition to maintenance of Structured Digital Database (SDD) in compliance with the applicable Regulations.

The Company follows closure of trading window at the end of every quarter till 2nd trading day after communication of financial results and also from time to time, whenever required. The Company has been advising the Designated Persons covered by the said Code not to trade in Company's securities during the closure of trading window period.

3. COMMITTEES OF THE BOARD:

For better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee and one non-mandatory committee, namely, Committee of Directors. The Board determines and reviews the terms of reference of these Committees from time to time and as and when there are changes to the relevant statutory provisions. Each of these Committee meetings are convened by the respective Committee Chairman who also informs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to respective members individually and circulated to all the Directors too.

(a) Audit Committee

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The brief terms of reference of the Committee, are as follows:

Brief description of terms of reference

a. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;

c. Review and monitor the auditor's independence and performance and the effectiveness of audit process;

d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.

f. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g. Scrutiny of inter-corporate loans and investments;

h. Valuation of undertakings or assets of our Company, wherever it is necessary;

i. Evaluation of internal financial controls and risk management systems;

j. Approval or any subsequent modification of transactions of our Company with related parties;

k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

l. Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

m. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background etc. of the candidate;

n. Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and

o. Monitoring the end use of funds raised through public offer and related matters.

Composition, names of members and Chairperson

The Audit Committee consists of Mr Sanjay Vijay Bhandarkar, Mr Vikram Taranath Hosangady, Mr Vijay Sankar and Mr Prasad Raghava Menon. All of them are Non-Executive Directors of the Company. Mr Sanjay Vijay Bhandarkar, Independent Director, is its Chairman.

The Company Secretary acts as the Secretary of the Audit Committee.

The Composition of the Committee is in accordance with section 177(2) of the Act and Regulation 18 of the Listing Regulations.

The Chairman of the Audit Committee was present at the last AGM on August 12, 2025 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

During the year, Five (5) Audit Committee Meetings were held, the dates of which are as follows: May 13, 2025, July 28, 2025, November 13, 2025, February 07, 2026 and March 20, 2026.

Particulars of the meetings and attendance by the members of the Audit Committee are given below:

Name of Members	Category	No. of Meetings attended during the year 2025-26
Mr Sanjay Vijay Bhandarkar	Independent Director	5
Mr Prasad Raghava Menon	Independent Director	5
Mr Vikram Taranath Hosangady@	Independent Director	4
Mr Vijay Sankar	Non-Executive Non- Independent Director	5

@ Appointed as a Member of the Committee with effect from May 13, 2025

The requisite quorum was present at the said meetings.

Audit Committee Meetings are also attended by the Chief Financial Officer and the Company Secretary and by the Statutory and Internal Auditors of the Company as required. Managing Director, other Board Members and Senior Management Personnel were also present as invitees.

The Board of Directors has appointed RGN Price & Co., Chartered Accountants, as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies.

(b) Nomination and Remuneration Committee (NRC)

Brief description of terms of reference

The brief terms of reference of the Nomination and Remuneration Committee as set out in Regulation 19 read with Part D of Schedule II to the Listing Regulations is as follows:

a. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

b. Formulating of criteria for evaluation of Independent Directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e. Recommend to the Board, all remuneration, in whatever form, payable to senior management

Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee consists of Mr Aditya Jain, Mr Vijay Sankar and Mr Sanjay Vijay Bhandarkar all of whom are Non-Executive Directors of the Company with Mr Aditya Jain, Independent Director, as its Chairman.

The Company Secretary acts as the Secretary of the NRC

The Composition of the Committee is in accordance with section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

The Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 12, 2025 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The particulars of meetings and the attendance by the members of the NRC are given below:

During the year, six (06) NRC Meetings were held on May 13, 2025, August 11, 2025, November 11, 2025, January 10, 2026, February 07, 2026 and March 20, 2026.

Name of Members	Category	No. of meetings attended during the Year 2025-26
Mr Aditya Jain	Independent Director	6
Mr Sanjay Vijay Bhandarkar	Independent Director	6
Mr Vijay Sankar	Non-Executive Non-Independent Director	6

The requisite quorum was present at the said meetings.

Performance Evaluation

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its Directors (including Independent Directors) individually as well as the working of Audit, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee based on their attendance, participation in deliberations, understanding Company's business and that of the industry and in guiding the Company in decisions affecting the business.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy, as approved by the Board of Directors, covers Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company. The said policy can be accessed at Company's website https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

Implementation of the Policy

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of this Remuneration Policy.

Remuneration to Directors

Criteria of making payments to Non-executive Directors:

Payments to Non-executive and Non- Independent Directors:

During the financial year, no payments were made to Non- executive and Non-Independent Directors of the Company.

Remuneration paid to Non-executive and Independent Directors

The details of remuneration paid to the Non-Executive and Independent Directors in the Financial Year 2025-26, are as follows:

(In ₹ Lakhs)

Name of the Director	Sitting Fees		Remuneration #	Grand Total
	Board	Committees		
Mr Aditya Jain	3.50	2.50	8.00	14.00
Mr Sanjay Vijay Bhandarkar	3.50	3.50	8.00	15.00
Mr Prasad Raghava Menon	3.50	1.50	8.00	13.00
Dr (Mrs) Lakshmi Vijayakumar	3.50	0.50	8.00	12.00
Mr Vikram Taranath Hosangady	3.50	2.00	-	5.50
Total	**17.50**	**10.00**	**32.00**	**59.50**

Remuneration paid to Independent Directors during the year under report is pertaining to payment for the Financial Year ended March 31, 2025.

Remuneration paid to Executive Director

Particulars of remuneration paid to Managing Director during the financial year 2025-2026:

(In ₹ Lakhs)

Name of the Director	Salary, Allowances & Perquisites	Contribution to Funds	Total
Mr Ramkumar Shankar Managing Director	279.97	3.30	**283.27**

There is no severance pay and the notice period is four (4) months.

Remuneration data between the years are not comparable.

(c) Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee consists of Mr Aditya Jain, Mr Vijay Sankar and Mr Vikram Taranath Hosangady as its members. Mr Aditya Jain, Independent Director, is the Chairman of the Committee. The Committee met once during the year on March 20, 2026.

The Composition of the Committee is in accordance with section 178 (5) of the Act and Regulation 20 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee

The Chairman of the Stakeholders Relationship Committee was present at the last AGM held on August 12, 2025 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The particulars of meetings and the attendance by the members of the SRC are given below:

Name of Members	Category	No. of Meetings attended during the year 2025-26
Mr Aditya Jain	Independent Director	1
Mr Vijay Sankar	Non-Executive Non-Independent Director	1
Mr Vikram Taranath Hosangady	Independent Director	1

The requisite quorum was present at the meeting.

Name, designation and address of the Compliance Officer:

Mr M Raman *(upto March 31,2026)*
Company Secretary and Compliance officer
No.9, Cathedral Road,
Chennai - 600086

Mr P Srinivasan *(With effect from April 01,2026)*
Company Secretary and Compliance officer
No.9, Cathedral Road,
Chennai – 600086

Number of complaints received, not solved and pending

Number of complaints received during the year 2025-26	3@
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints as on March 31,2026	0

@ These complaints pertain to the complaints from erstwhile shareholders.

(d) Risk Management Committee (RMC)

Brief description of terms of reference

The brief terms of reference of the RMC as set out in Regulation 21 read with Part D of Schedule II to the Listing Regulations is as follows:

a. To formulate a detailed risk management policy which shall include:

   (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operation, sectoral, sustainability (particulars, ESG related risks, information, cyber security risks) or any other risks as may be determined by the Committee.

   (ii) Measures for risk mitigation including systems and processes for internal control of identical risks,

   (iii) Business continuity plan.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risk associated with the business of the Company.

c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

e. To keep the Board of Directors informed about the nature and content of its discussion, recommendations and actions to be taken.

f. The appointment, removal and terms of remuneration of the Chief Risk Officer, (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Composition, Members and Chairperson

The Risk Management Committee consists of Mr Aditya Jain, Mr Sanjay Vijay Bhandarkar, Mr Vijay Sankar and Mr Vikram Taranath Hosangady as its members. Mr Aditya Jain is the Chairman of the Committee. The Committee met two times during the year on July 28, 2025 and February 07, 2026.

The Composition of the Committee is in accordance with Regulation 21 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance during the year

The particulars of meetings and the attendance by the members of the RMC are given below:

Name of Members	Category	No. of meetings attended during the Year 2025-26
Mr Aditya Jain	Independent Director	2
Mr Sanjay Vijay Bhandarkar	Independent Director	2
Mr Vijay Sankar	Non-Executive Non-Independent Director	1
Mr Vikram Taranath Hosangady@	Independent Director	2

@ Appointed as a Member of the Committee with effect from May 13, 2025

The requisite quorum was present at the said meetings.

(e) Corporate Social Responsibility (CSR) Committee

The Committee consists of Mr Vijay Sankar, Mr Ramkumar Shankar and Dr (Mrs) Lakshmi Vijayakumar as its members. With effect from April 01,2026, Mr Vijay Sankar, Mr S Ganeshkumar and Dr (Mrs) Lakshmi Vijayakumar are members of the Committee. Mr Vijay Sankar is the Chairman of the Committee. The Committee met once during the year on March 20, 2026.

Name of Members	Category	No. of Meetings attended during the year 2025-26
Dr (Mrs) Lakshmi Vijayakumar	Independent Director	1
Mr Vijay Sankar, Chairman	Non-Executive Non-Independent Director	1
Mr Ramkumar Shankar	Managing Director	1

The requisite quorum was present at the meeting.

The Company Secretary acts as the Secretary of the CSR Committee.

The terms of reference of the Committee are as follows:-

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

(f) Other Committees

Committee of Directors

The Committee of Directors consists of Mr Vijay Sankar, Chairman and Mr Ramkumar Shankar, Managing Director as its members. With effect from April 01,2026, Mr Vijay Sankar and Mr S Ganeshkumar are Members of the Committee of Directors.

The Board of Directors delegated certain operating powers, such as, Borrowing related matters, security creation for such borrowing, Authorisation for various matters to Executives, Sale/purchase of properties in the form of land and/or buildings on an arm's length basis to and from third parties subject to the limits prescribed and, To oversee and review the Business Responsibility and Sustainability Reporting and Investment in shares/securities for hybrid green power energy, to the Committee of Directors.

(g) Senior Management

There was no change in the senior management during the financial year as compared to the last financial year except the following.

The following Key Managerial Personnel were appointed by the Board on March 20, 2026, and their appointment shall take effect from April 01, 2026:

1. Mr S Ganeshkumar – Managing Director
2. Mr A R Balaji – Chief Financial Officer
3. Mr P Srinivasan – Company Secretary and Compliance Officer

4. WHISTLE BLOWER POLICY

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability, and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Directors, Employees or any person dealing with the Company can play an important role in pointing out such violations of the Code.

Accordingly, this policy has been formulated with a view:

a. To provide a mechanism for employees of the Company and other persons dealing with the Company to report to a person nominated by the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of Company's Ethics Policy.

b. To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices and

c. To appropriately communicate the existence of such mechanism, within the organisation and to the outsiders.

To meet the objective of the Policy, a dedicated e-mail id ombudsman@sanmargroup.com has been created.

The policy has been posted on the website of the Company viz. https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Vigil-Mechanism-or-Whistle-Blower-Policy-2026-Version-4.pdf

No employee or any other person has been denied access to the Chairman of the Audit Committee or Managing Director of the Company.

During the year, no instance was reported under this policy.

5. SUBSIDIARY COMPANY / POLICY ON MATERIAL SUBSIDIARIES

Chemplast Cuddalore Vinyls Limited (CCVL) is the wholly owned material subsidiary of the Company in the immediately preceding accounting year. A policy on material subsidiary has been formulated. The policy is hosted on the Company's website viz https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/policy-on-material-subsidiaries.pdf

Regulation 24 (1) of Listing Regulations with respect to governance of material subsidiary of a listed entity prescribes inter alia the listed entity appointing one of its Independent Directors on the Board of its material subsidiary as a Director. Two Independent Directors of the Company, namely, Mr Aditya Jain and Dr (Mrs) Lakshmi Vijayakumar were appointed as Independent Directors in the Company's material subsidiary i.e., CCVL, for a period of five years from April 27, 2021.

Mr Aditya Jain and Dr (Mrs.) Lakshmi Vijayakumar were re-appointed as Independent Directors for a second term of five years, effective April 27, 2026.

The Audit Committee reviews the financial statements of the subsidiary.

The minutes of the Board Meetings of the unlisted subsidiary Company are periodically placed before the Board of the Company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary and its operations / financial statements.

5.1 Details with regard to Material Subsidiary

Name	:	Chemplast Cuddalore Vinyls Limited
Date of incorporation	:	April 09, 1991
Place of incorporation	:	Chennai
Name of the Statutory Auditor	:	BSR & Co. LLP, Chartered Accountants, Chennai
Date of appointment of the Statutory Auditor	:	June 23, 2022 for a period of 5 years i.e. from 2022-23 to 2026-27

6. GENERAL BODY MEETING / AGM

a) Location and time where the annual general meetings were held during the last three years.

The number and particulars of Special Resolutions which were passed in the last three Annual General Meetings are as follows:

Financial Year	Date	Location	Time	Special Resolution (s) passed
2022-23	August 11, 2023	9 Cathedral Road, Chennai 600 086 (held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	3.00 P.M. (IST)	NIL
2023-24	August 08, 2024	9, Cathedral Road, Chennai 600086 (held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	3.00 P.M. (IST)	Raising of funds by issue of equity shares and / or convertible instruments, including through Qualified Institutional Placement
2024-25	August 12, 2025	9, Cathedral Road, Chennai 600086 (held through Video Conferencing (VC) / Other Audio Visual Means (OAVM)	4: 30 P.M (IST)	Appointment of Mr Vikram Taranath Hosangady as Non-Executive and Independent Director

b) Resolutions passed through Postal Ballot process:

Seven Resolutions dated March 22, 2026 were passed through Postal Ballot by electronic voting as under:

Particulars of Resolution	Type of Resolution	No.of Votes polled	No.of Votes in favour	% of votes in favour on votes polled	No. of Votes against	% of votes against on votes polled
Re-appointment of Mr Ramkumar Shankar (DIN:00018391) as Managing Director of the Company for 2 (two) months from February 01, 2026	Special	14,67,15,778	13,92,33,331	94.90	74,82,447	5.10
Appointment of Mr S Ganeshkumar (DIN:00088163) as Director of the Company with effect from April 01, 2026	Ordinary	14,67,15,778	14,66,79,994	99.98	35,784	0.02
Appointment of Mr S Ganeshkumar (DIN:00088163) as Managing Director of the Company for a period of 3 (three) years from April 01, 2026	Special	14,67,15,778	13,92,33,699	94.90	74,82,079	5.10
Re-appointment of Mr Aditya Jain (DIN: 00835144) as an Independent Director of the Company for the second term of five years from April 26, 2026	Special	14,67,15,778	14,66,03,998	99.92	1,11,780	0.08
Re-appointment of Mr Sanjay Vijay Bhandarkar (DIN: 01260274) as an Independent Director of the Company for the second term of five years from April 26, 2026	Special	14,67,15,778	14,66,53,098	99.96	62,680	0.04
Re-appointment of Dr (Mrs) Lakshmi Vijayakumar (DIN: 09115998) as an Independent Director of the Company for the second term of five years from April 26, 2026	Special	14,67,15,778	14,66,80,972	99.98	34,806	0.02
Re-appointment of Mr Prasad Raghava Menon (DIN: 00005078) as an Independent Director of the Company for the second term of five years from April 26, 2026	Special	14,67,15,778	14,66,80,921	99.98	34,857	0.02

Currently, no Special Resolution is proposed to be conducted through Postal Ballot.

c) **Person who conducted the Postal Ballot exercise:**

The Board of Directors appointed B Ravi & Associates (Firm Registration Number: P2016TN052400) Practicing Company Secretaries, represented by CS Dr. B. Ravi (FCS No.:1810 CP No.:3318) Managing Partner of B Ravi & Associates, as Scrutiniser to conduct the Postal Ballot through electronic voting process in a fair and transparent manner.

d) **Procedure for Postal Ballot**

In compliance with Sections 108 and 110 of the Act and the rules made thereunder, the MCA General No.03/2025 dated September 22, 2025, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, the Company provided the facility to the members to exercise their votes electronically and vote on the Resolutions through the e-voting service facility. The Company engaged Kfin Technologies Limited (KFIN/KFintech), Share Transfer Agent of the Company, for providing e-voting facility to its members.

The Postal Ballot notice along with the instructions regarding e-voting were sent to the members whose email id are registered with the Depository Participant and whose name appeared in the Register of Members/List of Beneficial Owners as of the cut off date, February 13, 2026.

The remote e-voting for Postal Ballot was kept open from February 21, 2026 (9.00 a.m. IST) to March 22, 2026 (5.00 p.m. IST).

The Scrutiniser submitted his report on March 23, 2026, and the results were subsequently displayed on the Company's website and communicated to the Stock Exchanges.

The Resolutions passed through the Postal Ballot shall be deemed to have been passed on March 22,2026, being the last date of e-voting.

7. OTHERS:

(a) **Related Party Transactions:**

There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the IND AS 18 has been made in the notes to the Financial Statements.

The Policy on Related Party Transactions was amended to be in conformity with the regulatory updates from time to time. It is uploaded on the Company's websitehttps://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Related-Party-Transactions-Policy-2026-Version-V.pdf

(b) **Risk Management**

The Company has laid down procedures to inform the Board about the risk assessment and minimisation procedures, to ensure that executive management controls risk through means of a properly defined framework.

(c) **Commodity or Foreign Exchange Risk and Hedging Activities**

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

(d) **Instances of non-compliance(s), if any**

There were no instances of non-compliances by the Company, or penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the year.

(e) **Disclosure by Senior Management Personnel**

The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large.

(f) **Details of total fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part are as follows:

Type of Service	₹ in Lakhs
Audit Fees	162
Others	-
Total	**162**

(g) **Sexual Harassment at workplace**

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a) Number of complaints filed during the Financial Year – Nil

b) Number of complaints disposed off during the Financial Year – N.A

c) Number of complaints pending as on end of the Financial Year – Nil

(h) List of Credit Rating

The Company has obtained rating from CRISIL during the year ended March 31, 2026

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	A+ /Stable	Long Term – Bank Facilities (Fund Based)	May 12, 2025
	A1+	Short Term – Bank Facilities (Non-Fund Based)	
CRISIL	A+/Negative	Long Term – Bank Facilities (Fund Based)	Septemeber 16, 2025
	A1	Short Term – Bank Facilities (Non-Fund Based)	
CRISIL	A/Negative	Long Term – Bank Facilities (Fund Based)	March 26, 2026
	A1	Short Term – Bank Facilities (Non-Fund Based)	

Ratings obtained by the Company's Wholly Owned Subsidiary Chemplast Cuddalore Vinyls Limited (CCVL) are given below:

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	A+ /Stable	Long Term – Bank Facilities (Fund Based)	May 12, 2025
	A1+	Short Term – Bank Facilities (Non-Fund Based)	
CRISIL	A+/Negative	Long Term – Bank Facilities (Fund Based)	Sepetmeber 16, 2025
	A1	Short Term – Bank Facilities (Non-Fund Based)	
CRISIL	A/Negative	Long Term – Bank Facilities (Fund Based)	March 26, 2026
	A1	Short Term – Bank Facilities (Non-Fund Based)	

(i) Recommendations of Committees to Board

During the financial year 2025-26, the Board has accepted all the recommendations of its Committees.

(j) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/Companies in which Directors are interested by name and amount: Nil

8. CERTIFICATE FROM PRACTISING COMPANY SECRETARY

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report as Annexure.

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

10. CEO AND CFO CERTIFICATION

The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended March 31, 2026

11. COMPLIANCE WITH MANDATORY / NON-MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The discretionary requirements of Part E of Schedule II will be adopted by the Company, as and when required.

12. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are published generally in Financial Express and Dinamani. These results are simultaneously posted on the website of the Company at www.chemplastsanmar.com and also uploaded on the website of National Stock Exchange of India Ltd and BSE Ltd.

Investor presentations are done each quarter after publication of financial results and also as and when required. Details of such presentations are made available in the Company's website.

13. GENERAL SHAREHOLDER INFORMATION

(a)	Annual General Meeting, Date, Time and Venue	Date: Friday, August 07, 2026 Time: 3.00 PM. Mode: Video Conference / Other Audio Visual Means (OAVM)
(b)	Financial Year	April 01 to March 31
	Financial reporting for the quarter ending	Financial calendar (tentative)
	June 30, 2026	Before August 14, 2026
	September 30, 2026	Before November 14, 2026
	December 31, 2026	Before February 14, 2027
	March 31, 2027	Before May 30, 2027
(c)	Dividend Payment date	Not Applicable
(d) & (e)	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	
	Name and Address of the Stock Exchanges	
	BSE Ltd Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	
	National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 050 SCRIP Symbol: CHEMPLASTS	
	ISIN allotted by Depositories (Company ID Number) - INE488A01050	

Annual listing fees and custodial charges for the year 2026-27 were duly paid to the above Stock Exchanges and to the Depositories.

(f) Registrar to an Issue and Share Transfer Agents

M/s KFin Technologies Limited, Hyderabad, is acting as common agency for all investor servicing activities relating to both electronic and physical segments. Their address is:

M/s KFin Technologies Limited
Selenium, Tower B, Plot No- 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Rangareddy, Telangana - 500032
Phone +91-40-67162222 / 7961 1000
Email: einward.ris@kfintech.com

(g) Share Transfer System

The Company's entire share capital is in dematerialised form.

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company.

The shareholders are, therefore, requested to correspond with the Share Transfer Agent for any queries pertaining their shareholdings, dividends etc., at the address given in this report.

(h) Investors may register complaints, if any, by emailing to grd@sanmargroup.com.

(i) Distribution of Shareholding as on March 31,2026

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
Upto 5,000	62,354	99.62	52,07,806	3.29
5,001 - 10,000	100	0.16	7,40,340	0.47
10,001-20,000	54	0.09	7,75,018	0.49
20,001-30,000	14	0.02	3,56,540	0.23
30,001-40,000	13	0.02	4,63,563	0.29
40,001-50,000	5	0.01	2,13,567	0.14
50,001-1,00,000	24	0.04	16,91,097	1.07
1,00,001 & Above	30	0.05	14,86,61,643	94.02
Total	**62,594**	**100.00**	**15,81,09,574**	**100.00**

(j) Shareholding Pattern:

Shareholding Pattern as on March 31, 2026 (Total)

S no	Description	No. of shareholders	Total Shares	% Equity
1	Alternative Investment Fund	5	2,96,681	0.19
2	Bodies Corporate	185	11,98,798	0.76
3	Clearing Members	1	40	0.00
4	Foreign Portfolio Investors	2	1,273	0.00
5	Foreign Portfolio Corp	49	1,97,28,596	12.48
6	H U F	1,218	3,61,996	0.23
7	Mutual Funds	9	3,76,38,461	23.81
8	Non-Resident Indian Non Repatriable	430	7,43,860	0.47
9	Non-Resident Indians Repatriable	480	3,36,522	0.21
10	Promoter	1	8,69,45,055	54.99
11	Promoter Group	5	10	0.00
12	Qualified Institutional Buyer	2	25,69,131	1.62
13	Resident Individuals	60,206	82,85,702	5.24
14	Directors and their relatives	1	3,449	0.00
Total		**62,594**	**15,81,09,574**	**100.00**

(k) Dematerialisation of shares and liquidity

All its shares i.e. 100% of the equity share capital of the Company are in dematerialised form including Promoters' shareholding.

The equity shares of the Company are regularly traded on NSE and BSE.

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

14. TRANSFER OF UNCLAIMED DIVIDEND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF AUTHORITY)

Under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

There is no dividend amount liable to be transferred to Investor Education and Protection Fund.

15. PLANT LOCATIONS

The Company has its Plants at

a) Mettur, Tamil Nadu

b) Cuddalore, Tamil Nadu

c) Karaikal, Puduchery

d) Vedaranyam, Tamil Nadu and

e) Berigai, Tamil Nadu

16. ADDRESS FOR COMMUNICATION

Mr P Srinivasan (with effect from April 01, 2026)
Company Secretary and Compliance officer
No.9, Cathedral Road, Chennai – 600086
e-mail: ps80@sanmargroup.com
Tel: 044 2812 8500

17. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

- Nil

18. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES (SCHEDULE III, PARA A, CLAUSE 5A OF LISTING REGULATIONS)

- Nil

ANNEXURE TO CORPORATE GOVERNANCE REPORT

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of Regulations 26 (3), 34 (3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2026.

Place: Chennai
Date: May 12, 2026

S Ganeshkumar
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members

CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9, CATHEDRAL ROAD, CHENNAI – 600 086

Dear Members

We have examined the compliance of conditions of Corporate Governance by **CHEMPLAST SANMAR LIMITED** ("the Company") CIN: L24230TN1985PLC011637 for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

The compliance conditions of Corporate Governance are the responsibility of the management. Our examination was limited to 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 our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance 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.

Place: Chennai
Date: April 10, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000063883

CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Board of Directors
CHEMPLAST SANMAR LIMITED

We hereby certify that

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2026 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Chemplast Sanmar Limtied**

Place: Chennai
Date: May 12, 2026

S Ganeshkumar
Managing Director

A R Balaji
Chief Financial Offficer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on the scrutiny of relevant records, forms, returns and information provided by **CHEMPLAST SANMAR LIMITED** (the 'Company'), CIN: **L24230TN1985PLC011637**, having its registered office at 9, Cathedral Road, Chennai – 600 086 and verification of disclosures and declarations given by the Directors under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in the public domain, we hereby certify that as on March 31,2026, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Place: Chennai
Date: May 11, 2026

Signature:
Name of Company Secretary in practice: **CS Dr. B Ravi**
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 6835/2025
UDIN: F001810H000326816

Exhibit C

Business Responsibility and Sustainability Report

SECTION A GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24230TN1985PLC011637
2.	Name of the Listed Entity	Chemplast Sanmar Limited
3.	Year of incorporation	March 13, 1985
4.	Registered office address	9, Cathedral Road, Chennai 600086
5.	Corporate address	9, Cathedral Road, Chennai 600086
6.	E-mail	csl@sanmargroup.com
7.	Telephone	+91 44 2812 8500
8.	Website	www.chemplastsanmar.com
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	(a) BSE Limited (b) National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 79,05,47,870/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr S Ganeshkumar Managing Director DIN 00088163 Ph: +91 44 2812 8500 Email: grd@sanmargroup.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
14.	Name of assessment or assurance provider	NOT APPLICABLE
15.	Type of assessment or assurance obtained	NOT APPLICABLE

II. Products/services

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

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1 Basic Chemical Elements	Manufacture and sale of Speciality PVC Resin, Caustic Soda, Custom manufactured chemicals, Chloromethanes, Refrigerant gases, Hydrogen peroxide.	54.11%
2 Organic and inorganic chemical compounds not elsewhere classified		20.45%
3 Manufacture of liquefied or compressed inorganic industrial or medical gases (elemental gases, liquid or compressed air, refrigerant gases, mixed industrial gases)		1.67%
4. Others		23.78%

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

Product/Service

Product/Service	% of total Turnover contributed
1 Speciality PVC Resin **NIC Code :** 20116	54.11%
2 Custom Manufactured Chemicals **NIC Code :** 20119	20.45%
3 Caustic Soda **NIC Code :** 20111	15.99%
4 Chloromethanes **NIC Code :** 20116	4.19%

III. Operations

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

National

Number of plants	Number of offices	Total
5	4	9

International

Number of plants	Number of offices	Total
-	-	-

19. Markets served by the entity: The Company caters to a wide customer base across the country except East and Northeast where our presence is very minimal.

a. Number of locations

Locations	
National (No. of States)	26

Locations	
International (No. of Countries)	2

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

14.58%

c. A brief on types of customers

Our customers belong to a wide gamut of Industries, namely, Textile, Alumina, Paper & Pulp, Soaps & Detergents, Pharma, Agrochem, Fine Chemicals, Organic and inorganic chemicals, ETP, Air-conditioning (Refrigerant Gases such as Hydrofluoroolefins (HFOs), Footwear, Leather Cloth, Furniture upholstery, artificial leather, Plastisol, Coir Mats, Adhesives & Sealants, Gloves, Toys, etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	1,216	1,167	96.00%	49	4.00%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**1,216**	**1,167**	**96.00%**	**49**	**4.00%**

Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
4.	Permanent (F)	183	183	100.00%	0	0.00%
5.	Other than Permanent (G)	2,035	1,745	86.00%	290	14.00%
6.	**Total workers (F + G)**	**2,218**	**1,928**	**87.00%**	**290**	**13.00%**

b. Differently abled Employees and workers: NIL

21. Participation/Inclusion/Representation of women

	Total (A)	No (B)	% (B / A)
		No. and percentage of Females	
Board of Directors	8	1	12.50%
Key Management Personnel	3	-	0.00%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	2025-26 (Turnover rate in current FY)		2024-25 (Turnover rate in previous FY)		2023-24 (Turnover rate in the year prior to the previous FY)	
	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers	Permanent Employees	Permanent Workers
Male	23.10%	-	14.00%	-	15.40%	-
Female	12.20%	-	17.10%	-	22.60%	-
Total	22.70%	-	14.10%	-	15.60%	-

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

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

S. No.	Name of the holding/subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held in / by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sanmar Holdings Limited	Holding Company	54.99%	No
2	Chemplast Cuddalore Vinyls Limited	Subsidiary Company	100.00%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

(ii) Turnover (in ₹):

2,184.55 Crores

(iii) Net worth (in ₹):

3,193.47 Crores

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)	2025-26 Current Financial Year			2024-25 Previous Financial Year		
		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	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes	Nil	Nil	NA	Nil	Nil	NA
Shareholders @	Yes	3@	0	NA	6	0	NA
Employees and workers	Yes	Nil	Nil	NA	Nil	Nil	NA
Customers	Yes	47	0	NA	Nil	Nil	NA
Value Chain Partners	Yes	Nil	Nil	NA	Nil	Nil	NA
Other (please specify)	NA	NA	NA	NA	NA	NA	NA

@ These grievances are relating to the shares held by the erstwhile shareholders.

Customers

Customer complaints with respect to Product Quality / Dispatches are mailed to the concerned Marketing team either directly or through dealers / agents attached to these customers with details on batch number, invoices etc. All such complaints are accorded priority and then escalated to the concerned QC team at the plant (product quality related) or Sales Logistics team (dispatch related). For Quality related complaints, the concerned QC team members also visit the customer depending on the seriousness of the complaint and suggest corrective action either directly at the customer site or by analyzing the samples of the affected material at our lab.

Shareholders

There is a strong grievance redressal mechanism for shareholders & investors regarding the shares held by them. The complaints are attended promptly by the R &T agents and secretarial team. The Stakeholders Relationship Committee of the Board oversees and looks into grievances not resolved in the specified time frame

Employees & Workers

The Human Resources department of the Company has laid down the system to address the grievances of employees and workers. Their complaints can be submitted to the HR head and plant head through emails or suggestion boxes. The Company has also put in place Whistle Blower Policy and mechanism to enable the employees to raise their concerns, wrongdoing, and other irregularities noticed in the Company without any fear of reprisal or reprimand.

Value Chain Partners & Communities

For value chain partners and communities, the complaints / grievances on any of the principles – Principles 1 to 9 under the National Guidelines on Responsible Business Conduct, can be registered by mailing to grd@sanmargroup.com or by sending to respective plant heads or functional heads. The same is attended promptly by the concerned functional heads or location heads to resolve it. If any complaints remain unresolved within a reasonable time, the same is referred to the top management for resolution.

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

Opportunity | Risk | Negative | Positive

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	Being a Chemical Industry, Regulatory insistence on installation of Zero Liquid Discharge (ZLD) facility	Opportunity	› Reduces environmental impact › Reduces water footprint › HSE standards are much superior to the existing norms. Reduction of effluent generation quantity at the source › As an early adopter of ZLD technology, the Company is able to win more global contracts from customers who value EHS compliance. Moreover, future regulatory approvals for expansions become easier since the site is zero discharge.		Positive

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)
2	Coping with the more stringent emission level and other regulatory standards imposed by the regulating authorities		Financial implications of compliance with future, more stringent, standards may be significant	The Company has always been ahead of the curve in terms of environmental standards, as can be seen in the implementation of ZLD plants across all sites, desalination plants at coastal locations, proactively getting certified under the Responsible Care®, etc. The Company took initiatives to blend the biomass with coal up to 5% to reduce direct GHG emission. This ensures that the Company is not taken by surprise by any new regulations. The Company has also been releasing assured Sustainability Reports, with Independent Practioner's Report, for more than a decade now – there is a systematic process to measure and reduce the carbon footprint as well. For example, the Company's thermal power plant has always been using low Sulphur coal, even before the implementation of the recent stringent SO_2 emission level stipulated by the regulating authorities.	
3	Disposal of hazardous waste to third party and effectiveness of storage, disposal.		Improper disposal of waste by third party	› Dispose only to authorised recyclers. › Ensuring proper disposal through documentation and periodic verification by auditing the facilities	
4	Reducing the carbon footprint of our Operations	And	Increasing focus by the public and industry for reducing Carbon footprint on the principles of sustainability	Increasingly, a low carbon footprint is viewed very positively by all stakeholders and reducing the footprint will yield benefits on multiple fronts. As mentioned earlier, the Company has been measuring and focusing on reducing the carbon footprint at various facilities, through many energy-saving schemes. The last few years have seen a reduction in the footprint. There is a well-defined process to measure the footprint on a monthly basis and identify measures to reduce the same. Some of the measures adopted to reduce our carbon footprint are detailed below › Use of alternative fuels and renewable energy › Incineration of R-23 in a captive incinerator to prevent high GWP gases, which could cause global warming	&

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)
				› Use of Hydrogen gas and natural gas as clean sources of energy instead of fossil fuels › Monitoring of Scope-3 energy and initiation of strategic actions to reduce the carbon footprint of operations in the value chain › Installation of microturbine at Coal Power Plant to sustain conservation of energy › Installation of high efficiency chillers & increasing steam condensate recycling at Berigai. › Green electricity for around 9 Crores units per annum for Mettur alone. Execution of the projects through the SPV likely to commence shortly. › Focus on reducing Carbon footprint to meet the requirements of customers in CMCD business › Using agricultural waste (briquettes) to the extent of availability in the vicinity in Coal based power plant at Mettur.	
5	Health and Safety of employees and nearby Communities		Exposure to chemicals can lead to health issues to employees and communities	› Implementation of Process Safety Management System to ensure system healthiness thereby minimising incidents. › Robust emergency preparedness plan and conduct of periodic mock drills. › Periodic training program for employees, contractors and transporters on chemicals handled and safe handling in case of any emergencies. › Safety interaction to make safety a "line function" driven process › Focus on all incidents, corrective and preventive action and implementation of the same.	

SECTION B

MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Business_Responsibility_and_Sustainability_Policy.pdf								
2. Whether the entity has translated the policy into procedures. (Yes / No)	The Company has translated the policies into procedures and practices wherever applicable								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. Also the Company has introduced supplier code of conduct applicable to all its suppliers, vendors and service providers wherein the Company has set out stringent code of conduct applicable to them while dealing with the Company. For supplier code of conduct please see the link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Supplier_code_of_conduct.pdf								
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.	Over the years, the Company has taken numerous initiatives to minimise Occupational Health, Safety and Environmental Risks. This is supported by "Responsible Care®" Codes of practices adopted by the organisation. All the plants are certified by ISO 45001 and ISO 14001 standards which are International Occupational Health, Safety and Environment Management Systems. All the plants were awarded British Safety Council 5 Star Ratings (CMCD Berigai got 4 Star Rating). Chemplast Sanmar Plant – 1, Plant 2, Plant 3, Plant 4 and Karaikal Plants were awarded the British Safety Council Sword of Honor.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is committed to adhering to these principles to maintain the highest standard in levels of operations and it is an ongoing process								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Not Applicable								

Governance, Leadership and Oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

We recognise that our ESG journey is a continuous endeavour, and we are committed to consistently improving our own benchmarks. With diligent efforts and proactive initiatives, we are working towards achieving our targets and commitments. Our ESG performance underscores our commitment to effecting positive change while strengthening the resilience and sustainability of our business.

As part of our further initiatives in this direction, during the year under review, the Company has entered into agreements which provides for supply of hybrid energy (Solar & Wind) to substitute the exiting source of energy on a long-term basis.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

We are guided by the Board of Directors comprising of industry experts having diverse and rich experiences which enable and facilitate effective decision making and execution of sustainable and long-term strategies.

The Board reviews key ESG imperatives and ensures ESG performance is aligned to our aspirations.

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.**

The Board members periodically monitor the financial, environmental and social performance of the Company while addressing key risks and opportunities. The Company also has a Risk Management Committee which reviews entity wide risks including ESG risks.

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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes - Committee of Directors. In addition, performance review has been undertaken by the respective functional heads on various policies of the Company									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Compliance with statutory requirements of relevance to the principles is being reviewed periodically and non-compliance if any is being addressed with remedial action as appropriate								

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.

P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION
C

PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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 programs on any of the Principles during the financial year

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness pro-grammes
Board of Directors (BOD)	29	9	100.00%
Key Managerial personnel (KMP)	29	9	100.00%
Employees other than BOD and KMPs	1,353	9	100.00%
Workers	2,408	9	100.00%

Directors and KMPs:

The Company has a familiarisation program for the Directors and KMPs regarding the nature of the industry in which the Company operates, the business models of the Company and the strategy and plan in operation. During the year, strategic presentations were made to Directors to familiarise themselves with the updates and current trends of the industry, Government policy/Trade measures relating to the products of the Company, ESG Practices, risk management / risk mitigation, among other subjects, and operations of the Company besides presentations made to Directors on significant regulatory updates.

TRAINING TO EMPLOYEES AND WORKERS:

Regular training programs are conducted for employees and workers on various topics which include human rights, emergency handling, first aid, workplace safety, chemical safety, respiratory problems, and environment management. In 2025-26 we conducted 3,761 programs extending for 59,089 training hours.

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 Requirements) 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	NIL				
Settlement					
Compounding Fee					

Non-monetary				
	NGRBC Principle	Name of the Regulatory / Enforcement Agencies / judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

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
Not Applicable	

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

The Company has an Ethics Policy covering among others anti-corruption and anti-bribery applicable to all the employees. Any allegation of violation of Ethics Policy of the Company is thoroughly investigated and action initiated as required.

The Code sets forth legal and ethical standards of conduct for Directors and employees constituting senior management (comprising all members of the core management team one level below the Managing Director and all functional heads). Code is designed to deter wrongdoing and to promote:

- Honest, fair and ethical conduct, including the ethical handling of conflicts of interest between personal and professional relationships.
- Protection and proper use of corporate assets and confidential information.
- Compliance with applicable laws, rules and regulations.
- Promote internal reporting of violations of the Code.

The processes to avoid / manage conflict of interest involving members of the Board are detailed in the Code of Conduct. The link for the said Code of Conduct https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf

The Company has also put in place Supplier Code of Conduct (the Code) applicable to all the Suppliers and Service Providers and they are bound by such Code of Conduct.

For supplier code of conduct please see the link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Supplier_code_of_conduct.pdf

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

	2025-26 (Current Financial Year)	2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	2025-26 (Current Financial Year)		2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest –** Not applicable

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

	2025-26 Current Financial Year	2024-25 Previous Financial Year
Number of days of accounts payable	206	186

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	2025-26 Current Financial Year	2024-25 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	63.02%	66.72%
	b. Number of trading houses where purchases are made from	902	522
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	90.86%	90.87%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	10.72%	9.32%
	b. Number of dealers / distributors to whom sales are made	15	15
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	95.76	95.68

Parameter	Metrics	2025-26 Current Financial Year	2024-25 Previous Financial Year
Share of RPTs in	a. Purchases (Purchases with related parties / Total purchases)	3.13%	1.09%
	b. Sales (Sales to related parties / Total sales	6.09%	12.58%
	c. Loans & Advances (Loans & Advances to related parties / Loans & Advances)	69.70%	-
	d. Investments (Investments in related parties / Total investments made)	99.19%	100%

LEADERSHIP INDICATORS

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

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
5 Programs Briefing on supplier code of conduct	Supplier code of conduct	86% of value chain partners covered (business value of VCP to Total value)
Sustainability Review	Sustainability	86% of value chain partners covered (business value of VCP to Total value)

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 Code of Conduct (the Code) sets forth legal and ethical standards of conduct for Directors and employees constituting senior management (comprising all members of the core management team one level below the Managing Director and all functional heads).

Code is designed to deter wrongdoing and to promote:

- Honest, fair and ethical conduct, including the ethical handling of conflicts of interest
- Between personal and professional relationships.
- Protection and proper use of corporate assets and confidential information
- Compliance with applicable laws, rules and regulations
- Promote internal reporting of violations of the Code

The processes to avoid / manage conflict of interest involving members of the Board are detailed in the Code of Conduct. The link for the said Code of Conduct https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf

Yearly declarations are received from Directors and Senior Management that they have abided by the Code of Conduct.

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.**

	2025-26 Current Financial Year	2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 10.01 Crores (100%)	₹ 7.91 Crores (100%)	1. Separate process safety lab will facilitate in determining safe operation of new chemical processes. 2. Separate lab facilities for various processes will reduce chemical exposure and help in improving Health/ Hygiene. 3. Well-designed lab facilities will improve the output yield. 4. Invested in P&M which arrests gas leakages. 5. Energy saving equipment.
Capex	₹ 2.47 Crores (Incl. projects) 3.05% (Incl. projects) ₹ 2.47 Crores (Excl. projects) 6.31% (Excl. projects)	₹ 33.52 Crores (Incl. projects) 9.37% (Incl. projects) ₹ 0.66 Crores (Excl. projects) 0.53% (Excl. projects)	

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

YES The Company believes in long-term relationships with suppliers and directs concentrated efforts towards fostering its supply chain with high standards of Business integrity, Health, Safety, Human Rights, and Environmental Protection. This considerably helps in mitigating the inherent risk associated with its complex supply chain. The Company proactively engages, analyses, and evaluates the total social, economic and environmental impact of its procurement operation through the stakeholder engagement program. The Company strives to build an inclusive risk mitigation strategy and minimise the negative impacts on Business, Environment, and Society at large. The Company engages with its key suppliers on an annual basis and uses a standard questionnaire to track their environmental and social impacts. From the feedback, the Company recognises the potential risks and initiates action with suppliers towards compliance.

b. **If yes, what percentage of inputs were sourced sustainably?**

More than 51.00% of the supplies / inputs were 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.**

The Company adheres to the requirements of Plastic Waste Management Rules laid down by the Central Pollution Control Board and has also registered with the EPR (Extended Producers Responsibility) portal of CPCB. We also have processes in place for disposing recyclable waste like e-waste, hazardous waste, and other waste through State Pollution Control Board (SPCB) and authorised agencies.

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 All the Plants have registered in the Extended Producer Responsibility (EPR) Portal of CPCB towards compliance with Plastic Waste Management Rules, 2016 and subsequent amendments under "Brand Owner" as well as "Importer".

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:**

Permanent employees

Category	Total (A)	% of employees covered									
		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)
Male	1,167	1,167	100.00%	1,167	100.00%	-	-	-	-	-	-
Female	49	49	100.00%	49	100.00%	49	100.00%	-	-	-	-
Total	**1,216**	**1,216**	**100.00%**	**1,216**	**100.00%**	**49**	**100.00%**	**-**	**-**	**-**	**-**

Other than permanent employees

Category	Total (A)	% of employees covered									
		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)
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Permanent workers

Category	Total (A)	% of employees covered									
		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)
Male	183	183	100.00%	183	100.00%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**183**	**183**	**100.00%**	**183**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**

Other than permanent workers

Category	Total (A)	% of employees covered									
		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)
Male	1,745	1,745	100.00%	1,745	100.00%	-	-	-	-	-	-
Female	290	290	100.00%	290	100.00%	-	-	-	-	-	-
Total	**2,035**	**2,035**	**100.00%**	**2,035**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**

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

2025-26 Current Financial Year	Cost incurred on well-being measures as a % of total revenue of the Company	2024-25 Previous Financial Year
0.25%		0.22%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	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/NA)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	13.00%	18.00%	Yes	22.10%	16.00%	Yes
Others (please specify)	-	-	-	-	-	-

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.

The Company, as of now, does not have differently abled employees. As and when required easy access facility will be provided to differently abled employees.

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.

The Company's policies are in general designed to adhere to regulatory provisions.

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	-	-	-	-
Female	4 employees went on Maternity Leave and 1 has resumed duty in 2025-26. Others are continuing in Maternity Leave (25%)	100.00%	-	-
Total	**25%**	**100.00%**	**-**	**-**

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

	Yes/No. (If Yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than permanent workers	Yes
Permanent employees	Yes
Other than permanent employees	Yes

The Human Resources department of the Company has laid down the system to address the grievances of employees and workers. Their complaints can be submitted to the HR head and plant head through emails or suggestion boxes. The Company has also put in place Whistle Blower Policy and mechanism to enable the employees to raise their concerns, wrongdoing, and other irregularities noticed in the Company without any fear of reprisal or reprimand.

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

Category	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/ A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/ C)
Total Permanent Employees						
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers	183	174	95.00%	187	178	95.20%
- Male	183	174	95.00%	187	178	95.20%
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers

Employees

Category	2025-26 Current Financial Year					2024-25 Previous Financial Year				
	Total (A)	On Health and Safety measures (B)		On Skill upgradation (C)		Total (D)	On Health and Safety measures (E)		On Skill upgradation (F)	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Male	1167	1034	88.00%	289	24.00%	1275	617	48.39%	358	28.00%
Female	49	33	67.00%	11	22.00%	41	11	26.82%	20	49.00%
Total	**1216**	**1067**	**88.00%**	**300**	**25.00%**	**1316**	**628**	**47.72%**	**378**	**28.70%**

Workers

Category	2025-26 Current Financial Year					2024-25 Previous Financial Year				
	Total (A)	On Health and Safety measures (B)		On Skill upgradation (C)		Total (D)	On Health and Safety measures (E)		On Skill upgradation (F)	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Male	183	180	98.00%	94	51.00%	187	185	99.00%	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**183**	**180**	**98.00%**	**94**	**51.00%**	**187**	**185**	**99.00%**	**-**	**-**

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

Employees

Category	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Male	1,167	1,013	87.00%	1,275	1,145	89.80%
Female	49	35	71.00%	41	26	63.40%
Total	**1,216**	**1,048**	**86.00%**	**1,316**	**1,171**	**89.00%**

Workers

Category	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Male	183	-	-	187	-	-
Female	-	-	-	-	-	-
Total	**183**	**-**	**-**	**187**	**-**	**-**

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 of such system?

Governance Set-Up
- Formation of Steering Committee
- Plant-Level Apex Committee
- Sub Committees

Leadership Training
- Training for Corporate leaders
- Mid Managers on Leading Safety Efforts
- Risk-Based Process Safety Management, etc

Capability Development
- Safety Interaction
- Incident Investigation
- Process Hazard Analysis
- Mechanical Integrity and Quality Assurance
- Emergency Preparedness
- Job Cycle Check, etc

Operational Discipline through Governance
- Setting KPI for lead indicators
- Setting KPI for lag indicators
- Review and tracking

Mechanical Integrity and Quality Assurance
- Assessing the Current State
- Review and Upgrade the Current MIQA Procedure and Inspection Checklist
- Capability Building
- Implementation of MIQA, etc

Barrier Health Management
- Assessing Preventive and Mitigate Barrier

Workplace Risk Mitigation - Behaviour-Based Safety
- Contractor Safety management
- Incident investigation and analysis
- Safe work practices, etc

Chemplast Sanmar Limited has implemented and certified for IS45001 Management System, British Safety Council's Occupational Health, Safety and Wellbeing Specifications. As a member of the Indian Chemical Council, the Company has also adopted the international Responsible Care® Codes guidelines, and all the seven codes have been audited by ICC and the entity has been approved to use the Responsible Care® Logo.

Chemplast Sanmar Limited has implemented a comprehensive Occupational Health and Safety (OHS) management system aligned with internationally recognised frameworks. The system is primarily based on ISO 45001 and is integrated with ISO 14001. The Health & Safety framework is further strengthened through alignment with the British Safety Council's Five Star Occupational Health, Safety and Well-being specifications, enhancing governance, risk management and continual improvement.

Chemplast Sanmar Limited has also adopted the Indian Chemical Council's (ICC) Responsible Care® initiative, complying with all seven Responsible Care® Code principles, with a strong focus on Process Safety Management. For which, the safety management system incorporates a risk-based Process Safety Management (PSM) framework.

Chemplast Sanmar Limited has been audited by external accredited bodies for ISO 45001, ISO 14001, and the Indian Chemical Council's Responsible Care® program. Chemplast Sanmar Limited is one among only 96 companies in India to have received the prestigious Responsible Care® logo accreditation.

SANSAFE - Transforming Safety Culture:

The Company engaged DSS+ (formerly DuPont Sustainable Solutions) to implement Risk-Based Process Safety Management (RBPSM) and Behavior-Based Safety Management (BBSM), with the objective of strengthening the safety culture and achieving the vision of Zero Harm.

The engagement was successfully completed on December 31, 2025. Subsequently, the Company established an internal Centre of Excellence (CoE) team to sustain the enhanced safety culture, retain the competencies developed and ensure full ownership by line management.

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

All operational and work-related risks are managed through well-defined Corporate Safety Management Guidelines, which address People, Environment, Asset, and Reputation (PEAR) elements of risk assessment. The risk management approach is aligned with ISO 31000 (Risk Management) and is integrated with ISO 45001 (Occupational Health and Safety), ISO 14001 (Environmental Management), and other applicable management system standards to ensure systematic risk identification, evaluation and control.

Work-related hazards are assessed through a systematic risk management approach with a focus on continual improvement. An overall Hazard Identification and Risk Assessment (HIRA) is conducted to identify routine and non-routine risks and to define appropriate safety and occupational health control measures.

For routine activities, risks are further assessed through Job Safety Analysis (JSA) and Task-Based Risk Assessment (TBRA). For critical and non-routine activities, detailed risk assessments are carried out through the Permit-to-Work (PTW) system. Based on the outcomes of these assessments, Safe Operating Procedures (SOPs) are established and implemented to ensure consistent and safe execution of tasks.

Similarly, the plant & operational risks are managed through the process hazard analysis tools such as Hazard and operability (HAZOP) study, (Safety Integrity Level – Layer of protection analysis (SIL/LOPA), Quantitative Risk Analysis (QRA) Hazardous Area Classification (HAC) and Lightening Protection Studies (LPS).

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

YES

The work-related hazards are reported and corrected through the following safety management systems.

- Hazard and Near miss reporting and reward system
- Plant Safety Committee meetings
- Plant safety inspection report follow-up
- Safety suggestions report and reward, to improve the OHS standard at workplace.
- Cross safety inspection by the team
- Job Cycle Check
- Permit To work Audit
- Safety Interaction – Behavior Based Approach

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?**

YES

All employees and contract workers have access to non-occupational medical and healthcare services.

The Company operates Occupational Health Centers at all manufacturing locations, managed by certified physicians during general shifts and supported by qualified nursing staff on a round-the-clock basis. These centres also support non-occupational medical needs. Employees residing in Company-operated quarters/colonies have access to a 24×7 doctor facility along with essential medicines. In addition, the Company provides health insurance coverage and has tie-ups with nearby hospitals for specialised care. Pre-employment and periodic medical check-ups support overall employee health and well-being.

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

Safety Incident / Number	Category *	2025-26 Current Financial Year	2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one Million person hours worked)	Employees	0.76	1.12
	Workers	1.50	1.20
Total recordable work-related injuries	Employees	2	3
	Workers	9	8
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* including the contract workforce

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

The following health and safety measures have been implemented by the Company to ensure a safe, healthy, and compliant workplace for employees and contract workers:

Leadership oversight and governance: Strong leadership oversight is ensured through visibly felt safety leadership, including regular plant visits and interactions with employees and contractors by top management. Safety performance is reviewed regularly using leading safety indicators, with continuous improvement driven by top management monitoring.

Occupational Health and Safety (OHS) Management System: A structured OHS Management System aligned with ISO 45001 is implemented and integrated with environmental and process safety requirements. The system is periodically audited by external auditors and further strengthened in line with the British Safety Council's Five Star Occupational Health, Safety and Well-being specifications.

Responsible Care® framework: The Responsible Care® system, covering seven elements including Health & Safety, Process Safety, Product Safety, Distribution Safety, Emergency Response, Environment, and Security, has been implemented. Audits are conducted by industry experts appointed by the Indian Chemical Council, ensuring adoption of best practices beyond legal requirements.

External safety audits: Regular external safety audits are conducted in line with IS 14489, covering comprehensive workplace safety inspections by competent professionals.

Industrial hygiene and exposure monitoring: Periodic industrial hygiene monitoring, including chemical exposure assessments, heat stress studies, and LDAR surveys, is conducted through competent external agencies to ensure exposures remain within prescribed limits.

Process safety management: Process safety and risk studies are conducted periodically, and recommendations are addressed through appropriate engineering, administrative, and emergency response controls.

Training and employee empowerment: Employees and contractors receive regular safety training and awareness programs and are empowered with the authority to stop unsafe work, with visible support from top management.

Worker participation and consultation: Active participation is encouraged through safety committees, safety suggestion schemes, and behavior-based safety interactions.

Incident reporting and investigation: All safety incidents, including near misses and unsafe conditions, are reported, analysed, and corrective actions are implemented.

Hazard identification and risk control: Hazards are identified through near-miss reporting, safety inspections, job safety analysis, and process risk reviews, with risks controlled through Permit-to-Work systems, job cycle checks, audits, and systematic closure of safety observations.

Note - Responsible Care® Codes: It is a voluntary initiative, which - beyond legislative and regulatory compliance - commits companies towards continual improvement in Safety, Health and Environment. This consists 7 codes.

Responsible Care® Codes

1. **Process Safety Code:** Helps in establishing risk-based awareness of the safety impacts due to technology, facilities and personnel.
2. **Employee Health and Safety Code:** Enables to achieve Zero accidents and Zero injuries or harm to human health and the environment.
3. **Pollution Prevention Code:** Achieves ongoing reductions in the amount of all contaminants, and pollutants released to the air, water and land.
4. **Emergency Response Code:** Guide companies to prepare a set of detailed emergency plans, based on potential risks a facility might face.
5. **Distribution Code:** To prevent or mitigate the consequences of incidents during distribution activities to the General public, Environment, Employees customer etc.
6. **Product Safety and Stewardship Code:** To understand, manage and communicate the health and environmental impacts of chemical products.
7. **Security Code:** To reduce the potential for theft and subsequent misuse, the intentional release of chemicals or sabotage of chemical processes causing a release in fixed facilities.

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

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	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 Working conditions	100.00%

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.

All plants have undergone IS14489 Audit by an authorised external competent person and there are no significant occupational health and safety concerns.

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.

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. This inter alia includes Customers, Employees, Suppliers & Vendors, Regulators, Business Partners, Local communities and investors / shareholders.

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 & Marginalised Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	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	No	Direct & other communication mechanisms	Others- Ongoing	Company follows an open door policy
Customers	No	Meetings	Others- Frequent and need based	To stay abreast of developments in the industry / Products
Regulators	No	Meetings and other communication mechanisms	Others- Need based	To stay abreast of the developments in policies and for compliances, approvals, permissions, etc
Suppliers and Vendors	No	Emails, meetings	Others- Frequent and need based	Co-ordinate for supply of materials and ensure compliances
Business Partners (third party manufacturers)	No	Emails, meetings	Others- Need based	Address any issues concerning manufacturing operations and supplies
Local communities	No	Through CSR Activities / welfare measures	Others- Frequent and need based	Support through socially high impact projects

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually / Half-yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ Shareholders	No	Email, newspaper advertisement, website, Annual General Meetings, disclosures to Stock Exchanges and Investor meetings / calls / conferences	Others- Need based and Quarterly calls	To update them about important developments in the Company and address their grievances.

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:**

Employees

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers covered (D)	% (D/C)
Permanent	1,216	245	20.00%	1,316	277	21.05%
Other than permanent	-	-	-	-	-	-
Total Employees	**1,216**	**245**	**20.00%**	**1,316**	**277**	**21.05%**

Workers

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers covered (D)	% (D/C)
Permanent	183	62	34.00%	187	-	-
Other than permanent	2,035	558	27.00%	1,920	42	2.18%
Total Workers	**2,218**	**620**	**28.00%**	**2,107**	**42**	**1.99%**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Employees

	2025-26 Current Financial Year					2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent										
Male	1,167	-	-	1,167	100.00%	1,275	-	-	1,275	100.00%
Female	49	-	-	49	100.00%	41	-	-	41	100.00%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

Workers

	2025-26 Current Financial Year					2024-25 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent										
Male	183	-	-	183	100.00%	187	-	-	187	100.00%
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male	1,745	1,745	100.00%	-	-	1,630	-	-	1,630	100.00%
Female	290	290	100.00%	-	-	290	-	-	290	100.00%

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)	6	9,25,000	1	12,00,000
Key Managerial Personnel (KMP)	3	1,68,90,071	0	-
Employees other than BoD and KMP	1,164	7,38,070	49	8,21,626
Workers	191@	5,40,819	-	-

@ For the calculation of Median remuneration/wages, the workers who resigned/retired during the year, have also been included.

b. **Gross wages paid to females as % of total wages paid by the entity, in the following format.**

Gross wages paid to females as % of total wages	
2025-26 Current Financial Year	2024-25 Previous Financial Year
4.48%	3.94%

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

   The Company has established a dedicated team comprising of HR heads, function heads and plant heads to review and ensure human rights regulatory compliance, ensure addressing human rights impact or issues caused or contributed to by the business, including risk associated with child labour and forced labour. Risks related to the incidents of child labour, young workers exposed to hazardous work, and forced or compulsory labour were considered during the annual review of risk assessment of the operations.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   As and when any complaints are received, the same is forwarded to Ombudsman's office for review and remedial measures

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

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced labour / involuntary labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	2025-26 Current Financial Year	2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   As stated in the Whistle Blower Policy of the Company.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Yes – as part of the code of conduct applicable to Suppliers / Vendors.

10. **Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	NIL
Forced / Involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others (Please specify)	

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

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 Current Financial Year	FY 2024-25 Previous Financial Year
From Renewable Sources		
Total Electricity Consumption (A)	6,289.94 GJ	2,946.52 GJ
Total Fuel Consumption (B)	1,61,214.00 GJ	1,74,017.15 GJ
Energy Consumption through other sources (C)	-	-
Total Energy consumed from Renewable sources (A+B+C)	**1,67,503.95 GJ**	**1,76,963.67 GJ**
From Non-Renewable sources		
Total Electricity Consumption (D)	4,53,257.62 GJ	4,86,986.43 GJ
Total Fuel Consumption (E)	54,51,771.27 GJ	60,71,777.63 GJ
Energy Consumption through other sources (F)	-	-
Total Energy consumed from Non-Renewable sources (D+E+F)	**59,05,028.90 GJ**	**65,58,764.06 GJ**
Total Energy consumed (A+B+C+D+E+F)	**60,72,532.84 GJ**	**6,735,727.72 GJ**
Energy intensity per rupee of turnover (Total Energy consumed / Revenue from Operations)	**0.000278 GJ/ Rupee of turnover**	**0.000280 GJ/ Rupee of turnover**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Energy consumed / Revenue from Operations adjusted for PPP)	**0.00565404 GJ/Rupee of turnover adjusted for PPP***	**0.00577730 GJ/ Rupee of turnover adjusted for PPP***
Energy intensity in terms of physical output	17.03 GJ/MT of product	15.70 GJ/MT of product
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note:

*For FY 2025-26 and FY 2024-25, Energy intensity per rupee of turnover adjusted for PPP were calculated using conversion factors provided by International Monetary Fund (IMF).

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. **No.**

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.**

YES PAT is applicable for Plants at Mettur and Karaikal involving Caustic Soda manufacturing.

PAT Cycle details – Mettur				
Description	**Target Toe/Ton**	**Achieved Toe/Ton**	**ESCerts earned**	**Remarks**
PAT- I	0.312	0.314	(116)	Bought
PAT - II	0.9207	0.9168	255	Available for Sale
PAT-VII	0.419	0.4622	(3,267)	To be purchased
PAT Cycle details – Karaikal				
Description	**Target Toe/Ton**	**Achieved Toe/Ton**	**ESCerts earned**	**Remarks**
PAT- I	0.313	0.307	300	Sold
PAT - II	0.7807	0.7687	554	Retained
PAT -VII	0.7063	0.6767	1,139	Yet to be declared in BEE portal

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	24,32,388 KL	26,82,628 KL
(ii) Ground water	3,26,624 KL	3,06,827 KL
(iii) Third party water	-	-
(iv) Sea water / desalinated water	1,07,51,868 KL	1,14,05,740 KL
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**1,35,10,880 KL**	**1,43,95,195 KL**
Total volume of water consumption (in kilolitres)	**1,20,06,787 KL**	**1,28,54,265 KL**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	**0.00008622 KL/Rupee of turnover**	**0.00009299 KL/ Rupee of turnover**
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**0.0017538 KL/ Rupee of turnover adjusted for PPP***	**0.0019212 KL/ Rupee of turnover adjusted for PPP***
Water intensity in terms of physical Output	**6.03 KL/MT of Product***	**6.09 KL/MT of Product***
Water intensity *(optional)*–the relevant metric may be selected by the Entity	**-**	**-**

Note: Recycled water used in process is 6,01,417 KL in FY 2025-26 and 5,10,295 KL in FY 2024-25

*For FY 2025-26 & FY 2024-25, water intensity per rupee of turnover adjusted for PPP were calculated using conversion factors provided by International Monetary Fund (IMF).

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. **No.**

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify the level of treatment		
(ii) To Ground water		
- No treatment		
- With treatment – please specify the level of treatment		
(iii) To Sea Water		
- No treatment		
- With treatment – please specify the level of treatment – **(Desalination reject water)**	4,21,531 KL	5,61,245 KL
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify the level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify the level of treatment		
Total Water discharged (in kilolitres)	**4,21,531**	**5,61,245**

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. **No.**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Chemplast Sanmar has implemented Zero Liquid Discharge (ZLD) systems across all manufacturing facilities, with a strong focus on minimising effluent generation and maximising water recovery and reuse. Treated wastewater quality is regularly monitored to ensure compliance with regulatory standards. Continuous Online Effluent Monitoring Systems (OCEMS) are installed and connected to the Water Quality Watch Centres of Tamil Nadu Pollution Control Board (TNPCB) and Puducherry Pollution Control Committee (PPCC) for real-time monitoring and compliance reporting.

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 Current Financial Year	FY 2024-25 Previous Financial Year
NOx	MT	107.69	195.34
SOx	MT	67.83	210.14
Particulate matter (PM)	MT	54.77	69.92
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous Air pollutants (HAP)	-	-	-
Others (Please specify)	-	-	-

Note: Above values are derived from monthly emission monitoring data carried out by NABL accredited laboratory.

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. **No.**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	*Metric tonnes of CO_2 equivalent*	**4,97,546.75 tCO_2e**	**5,59,948.66 tCO_2e**
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	*Metric tonnes of CO_2 equivalent*	**23,936.87 tCO_2e**	**80,885.30 tCO_2e**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover **(Total Scope 1 and Scope 2 GHG emissions / Revenue from Operations)**		**0.000024 tCO_2e/ Rupee of turnover**	**0.000027 tCO_2e/ Rupee of turnover**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		**0.0004855 tCO_2e/ Rupee of turnover adjusted for PPP***	**0.0005496 tCO_2e/ Rupee of turnover adjusted for PPP***
Total Scope 1 and Scope 2 emission intensity in terms of physical output		**1.46 tCO_2e/MT of product**	**1.49 tCO_2e/MT of product**
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note:

*For FY 2025-26 & FY 2024-25, Scope 1 & 2 Emission intensity per rupee of turnover adjusted for PPP was calculated using conversion factors provided by International Monetary Fund (IMF).

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. **No.**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Mettur:

- Transition from Two-Stage Ejector System to Water-Ring Electric Vacuum Pump (Savings: 3,361.89 GJ and 324.54 tCo_2e)
- The Direct-On-Line (DOL) starter replaced with VFD Vacuum Pump (Savings: 142.38 GJ and 28.32 tCo_2e)
- Replacement of DOL starter with VFD in Blower Service (Savings: 23.94 GJ and 4.76 tCo_2e)
- Automation of Lighting Control (Savings: 99.86 GJ and 19.86 tCo_2e)
- Replacement of DOL starter with VFD in Rectifier Cooling Tower Spray Pumps (Savings: 637.86 GJ and 126.86 tCo_2e)
- Replacement of Grid-Powered LED Street Lights with Solar Street Lights (Savings: 5.96 GJ and 1.18 tCo_2e)
- Replacement of DOL starter with VFD for Poly Reactor Seal Injection Centrifugal Water Pumps PU-7B/4 and PU-7B/5 (Savings: 37.15 GJ and 7.39 tCo_2e)
- Replacement M12 800TR Evaporator (Savings: 6,461.34 GJ and 1,285.09 tCo_2e)
- Purchased 2,80,250 KWH of Renewable Solar resulting in a market-based Scope 2 emissions reduction of 198.977 tCO_2e.
- Purchased 88,406 RECs, resulting in a market-based Scope 2 emissions reduction of 62,768.26 tCO_2e

Berigai:

- Installation of IE3 Energy Efficient Motors (Savings: 105.038 GJ and 20.715 tCo_2e)
- Purchased 1,452 RECs, resulting in a market-based Scope 2 emissions reduction of 1,030.92 tCO_2e

Karaikal:

- Steam Generation (44,220.61 MT) from Waste Heat Recovery Boilers (Savings: 10,159.357 tCo_2e)
- Hydrogen (496.90 MT) used as clean fuel in the Caustic Fusion plant & EDC Incinerator (Savings: 3,343.15 tCo_2e)
- Replacement of conventional lamps with Solar Fittings (4 Nos), Installation of Energy Efficient Motors, IE3 type (5 Nos.), Energy saving due EDC Cooling tower pump Stoppage/Running at minimum frequency to use climate impact and Energy Savings due to VFD taken in auto mode (Savings: 1,01,680.73 Units/366.05 GJ)
- Purchased 14,66,956.09 KWH of Renewable Solar resulting in a market-based Scope 2 emissions reduction of 1,041.54 tCO_2e.

Cuddalore:

- Impeller trimming/optimised operation in Reagent 'D' Feed Pumps (PU 105 A/B) - Electrical power reduced by 1.65 kW, resulting in ~13,065 kWh/year energy saving
- Impeller diameter reduction in Reagent 'A' Feed Pump (PU 103B) - Power reduced from 8.63 kW to 4.56 kW (~47% reduction), achieving ~32,228 kWh/year energy saving
- Impeller diameter reduction in Buffer Feed Pump (PU 110B) - Power reduced from 9.27 kW to 4.48 kW (~52% reduction), achieving ~37,937 kWh/year energy saving
- Purchased 2,333 Nos of REC Certificates, resulting in a market-based Scope 2 emissions reduction of 1,656.43 tCo_2e.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	13.29 MT	6.29 MT
E-waste **(B)**	2.98 MT	2.94 MT
Bio-medical waste **(C)**	0.95 MT	1.38 MT
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	8.94 MT	5.40 MT
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any **(G)**	11,530.70 MT	11,056.01
› Used or Spent oil (5.1)	51.72 MT	44.12 MT
› Wastes or Residues containing oil (5.2)	0.42 MT	0.65 MT
› Brine Sludge (16.3)	4,471.72 MT	5,080.13 MT
› Distillation Residue (20.3)	81.14 MT	79.98 MT
› Process Residue (22.2)	1,650.53 MT	1,623.01 MT
› Spent Solvent (28.6)	395 MT	340.60 MT
› Empty Barrels / containers / liners (33.1)	84.68 MT	54.33 MT
› Contaminated cotton rags or other cleaning materials (33.2)	0.01 MT	-
› Chemical Sludge from Waste Water Treatment (35.3)		
• ETP Sludge	3,854.57 MT	2,725.63 MT
• ZLD Sludge	65.2 MT	102.59 MT
• ZLD Salt	734.87 MT	723.98 MT
› Any process or distillation residue (36.1)	5.22 MT	29.83 MT
› Spent carbon or filter medium (36.2)	135.62 MT	251.16 MT
› Spent Catalyst (28.2)	-	-
› Sludge and Filter contaminated with oil (3.3)	0.00 MT	0.002 MT
Other Non-Hazardous waste generated **(H).**		
Please specify, if any		
(Break-up by composition i.e. by materials relevant to the sector)		
› Fly Ash	14,531.00 MT	16,440.00 MT
› Bottom Ash	2,961.49 MT	2,329.50 MT
› Lime Grit	113.35 MT	157.03 MT

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Metal Waste	393.66 MT	1,479.74 MT
Wood Waste	25.53 MT	197.19 MT
Insulation Waste	3.69 MT	12.66 MT
Paper Waste	22.70 MT	29.38 MT
Used Membranes	3.93 MT	-
Total (A+B+C+D+E+F+G+H)	**29,612.20 MT**	**31,717.52 MT**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000136 MT/Rupee of turnover	0.00000132 MT / Rupee of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations)	0.00002757 MT/Rupee of Turnover adjusted for PPP*	0.0000272 MT / Rupee of turnover adjusted for PPP **
Waste intensity in terms of physical output	0.083 /MT of product	0.074 /MT of product
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Re-cycled	2,888.70 MT	496.37 MT
(ii) Re-used	17,787.08 MT	21,681.19 MT
(iii) Other recovery operations (Waste to Energy)	0.073 MT	-
Total	**20,675.85 MT**	**22,177.56 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1,712.36 MT	1,734.20 MT
(ii) Landfilling	5,705.93 MT	7,805.76 MT
(iii) Other disposal operations	-	-
Total	**7,418.29 MT**	**9,539.96 MT**

Note:

*For FY 2025-26 & FY 2024-25, Waste intensity per rupee of turnover adjusted for PPP was calculated using conversion factors provided by International Monetary Fund (IMF).

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. **No.**

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.**

    Chemplast Sanmar adopts a waste management hierarchy based on the 4R principles—Reduce, Reuse, Recycle, and Recover. Waste is segregated at source, with recyclable materials sent to authorised recyclers and suitable non-recyclable wastes utilised as Alternate Fuel and Raw Material (AFR) through cement kiln co-processing, reducing landfill disposal.

    The Company continuously pursues process optimisation, resource recovery, and waste minimisation initiatives to reduce the generation of hazardous wastes and improve material efficiency. These efforts are supported by robust controls for the safe handling, storage, transportation, and disposal of hazardous wastes, helping enhance resource efficiency and reduce environmental impacts.

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.
1	Karaikal	Setting up of a Marine Terminal Facility for importing Ethylene for the proposed Ethylene Di Chloride (EDC) plant in the area of Coastal Regulation Zone	Yes, complied
2	Karaikal	Laying pipelines in the area of Coastal Regulation Zone	Yes, complied

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
Proposed Difluoromethane (R-32) – 40000 TPA and Ethylene Dichloride (EDC) – 75400 TPA Manufacturing Unit of M/s. Chemplast Sanmar Limited Plot No. A-196, B-57, C-10, C-11, C-21, C-22, G-2, G-8, G-9, G-10 & G-11, Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC), Industrial Growth Centre, Polagam (Village), Karaikal (District), Puducherry	EC25A2412PY5874312N & EC25A2302PY5537072N	18.06.2025 & 05.07.2025	Yes	Yes	Welcome to PARIVESH
Proposal for CRZ Clearance – Construction of 6 MLD desalination plant along with associated sea water intake and outfall system at RS no. 206, Village Melavanjore, T.R. Pattinam, Karaikal, Puducherry UT by M/s. Chemplast Sanmar Limited	CRZ Clearance	26.07.2025	Yes	Yes	Welcome to PARIVESH
Proposed Expansion of Caustic Soda (54750 MT/Annum to 109500 MT/Annum) & Ethylene Dichloride (84000 MT/Annum to 146000 MT/Annum) Manufacturing Unit of M/s. Chemplast Sanmar Limited R.S NO. 33 (part), 34 (part), 35 (part), 36 (part), 37 (part), 38 (part), 39 (part), 40 (part), 42 (part), 43(part), 44(part), Vanjore Village, T.R Pattinam Commune, Karaikal – 609602	In progress	EIA done on NOV 2025	Yes	Yes	Welcome to PARIVESH

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
Proposed Expansion of Refrigerant Gases Manufacturing Unit located at Ward-D, Block-2, TS-2A, 2B, Block-3, TS-1, Block-5, TS-1 of Village and Taluk Mettur, Salem District, Tamil Nadu - 636001 by M/s. Chemplast Sanmar Limited	EC25A0202TN5671565N	31.05.2025	Yes	Yes	Welcome to PARIVESH
Proposed Expansion of Poly Vinyl Chloride (PVC) Paste Resin from 66000 TPA to 145000 TPA" located at Survey numbers: 1/1, 1/2, 2/1, 2/2, 3/1, 3/2, 4/1, 4/2, 5/1, 5/2, 5/3, 6/1, 6/2, 7, 8, 9/1, 9/2, 10/1, 10/2, 11, 12, 13, 14/1, 14/2, 15/1, 15/2, 15/3, 15/4, 15/5, 15/6, 15/7, 16/1, 16/2B, 16/3, 25/1, 25/2, 25/3, 25/4, 32/A, 144, village Veerakkalpudur, Mettur Taluk, Salem District, Tamil Nadu by M/s. Chemplast Sanmar Limited	EC25A2301TN5228133N	26.09.2025	Yes	Yes	Welcome to PARIVESH

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 and 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 / guide-lines 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
1	Complied with all applicable environmental law/regulation/ guidelines	-	-	-

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas off water stress (in kilolitres) - **Not applicable as none of our plants are located in water stress areas.**

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

   (iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment (Please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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. **Not Applicable.**

2. **Please provide details of Scope 3 emissions & its intensity, in the following format**

Parameter	Unit	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available	Metric tonnes of CO_2 equivalent	**8,574.89 tCO_2e***	**8,679.55 tCO_2e***
Total Scope 3 emissions per rupee of turnover		**0.000000393 tCO_2e/ Rupee of turnover**	**0.000000360 tCO_2e/ Rupee of turnover**
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		**0.02 tCO_2e/MT of product**	**0.02 tCO_2e/MT of product**

Note:

*We have considered Category 4 (Upstream Transportation and Distribution) and Category 9 (Downstream Transportation and Distribution) under Scope 3 Emission

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. **No.**

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.**

There are no significant impacts due to the activities in the Coastal Regulation Zone areas of Karaikal.

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:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary	Outcome of the initiative
Mettur:			
1	Caustic Soda Lye is manufactured using the State of the art 'Membrane Cell Technology'	Imported from M/S. AKC, Japan	This is an environmentally sound and cleaner technology
2	Hydrogen is one of our by-products and used as a fuel	Hydrogen fuel is used in Boilers and Incinerator	The use of hydrogen eliminates reliance on fossil fuels and reduces greenhouse gas (GHG) emissions.
3	Blending of biomass (Agro waste) along with coal in CPP	Initiated biomass co-firing by blending up to 5% biomass with coal.	Reduction in the GHG emission
4	Zero Liquid Discharge	All wastewater is treated through ZLD facilities and fully recycled and reused within the process.	Reduction in the freshwater quantity.
Karaikal			
1	Caustic Soda Lye is manufactured using the State of the art 'Membrane Cell Technology'	Imported from M/s. ThyssenKrupp Uhde, Germany	This is an environmentally sound and cleaner technology
2	Hydrogen is one of our by-products and used as a fuel	Being used as clean fuel in Caustic Fusion Unit & Incinerator	The use of hydrogen eliminates reliance on fossil fuels and reduces greenhouse gas (GHG) emissions.
3	Waste Heat Recovery Boiler (WHRB) installed in our Captive Power Plant - 1 & 2 and Incinerator	Using gas engine for power generation and WHRB for steam generation	Reduction in GHG emission due to reduction in fossil fuel (LSHS)
4	Sea water utilization for Industrial water requirement	Sea water treated in Desalination Plant	Avoidance of ground water abstraction.

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary	Outcome of the initiative
Berigai			
1	Mono fluid system	Lesser effluent generation due to Mono fluid	Fresh water saved approximately 1650 KL/Year (This is around 2 % of Total Water consumption)
2	Innovation in Chemistry	Improvised the tech pack provided by the customer, to reduce the carbon footprint by reducing the waste generated	Saving 3kg/kg of solvent generation and avoided 6kg of CO2/kg of product
3	On Purpose Adiabatic Cooling Towers	The adiabatic cooling is "on purpose" when the cold well temperature goes above 32 Deg C and when the temperature is below 32 Deg C the cooling tower becomes air cooled automatically	water savings of up to 75% compared to conventional cooling towers. (~107310 KL/ Year)
4	Zero Liquid Discharge	All wastewater is treated through ZLD facilities and fully recycled and reused within the process.	Reduction in the freshwater quantity of around 45% (87,659 KL/year).
Cuddalore			
1	Sea water utilization for Industrial water requirement	Sea water treated in Desalination plant	Avoidance of ground water abstraction.
2	Zero Liquid Discharge	All wastewater is treated through ZLD facilities and fully recycled and reused within the process.	Reduction in the freshwater quantity.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link

Yes. Chemplast Sanmar has established a comprehensive Business Continuity Plan and disaster management framework to ensure business resilience and continuity of critical operations during unforeseen disruptions or emergencies. The framework is designed to maintain safe and reliable supply of products to customers by identifying critical risks, assessing potential operational failures, and implementing appropriate mitigation and recovery measures. It provides clear protocols for incident response, crisis management, and business recovery, including criteria for escalation of business interruptions into disaster recovery scenarios. The plan is periodically reviewed to strengthen organisational preparedness, operational resilience, and supply chain continuity.

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?

The Company has not identified any significant adverse environmental impacts from its value chain that are material in nature. However, potential environmental impacts associated with raw material sourcing, logistics, energy consumption, emissions, waste generation, and resource use are actively managed through supplier engagement, and sustainability assessments.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   The Company has assessed 27% of critical Suppliers for Environmental and Social parameters during 2025-26.

8. **How may Green Credits have been generated or procured**

   a. By the listed entity

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partner.

   During the fiscal year 2025-26, the company has not generated or procured any Green Credits.

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:

10

b. List of 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

	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1.	Federation of Indian Chambers of Commerce & Industry	National
2	The Associated Chambers of Commerce and Industry of India	National
3.	Indo-American Chamber of Commerce	National
4.	Indo-Japan Chamber of Commerce	National
5.	Alkali Manufacturers Association of India	National
6	Indian Chemical Council	National
7	Confederation of Indian Industry	National
8	Madras Management Association	State
9	The Madras Chamber of Commerce & Industry	State
10	The Southern India Chamber of Commerce & Industry	State

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 authority	Brief of the case	Corrective action taken
	Not Applicable	

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 details of the project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

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	Amount paid to PAFs in the FY (in ₹)
Nil						

3. **Describe the mechanisms to receive and redress grievances of the community**

The Company has mechanisms to receive and redress the grievances of various stakeholders. All grievances will be reported to the respective unit head who will take necessary action to redress the grievances to the extent possible within the provisions of law and regulations as applicable.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	2025-26 Current Financial Year	2024-25 Previous Financial Year
Directly sourced from MSMEs / small producers	10%	6%
Directly from within India	38%	34%

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 (Place to be categorised as per RBI Classification System – rural / semi-urban / urban / metropolitan)**

Location	2025-26 Current Financial Year	2024-25 Previous Financial Year
Rural	34.94%	43.93%
Semi-urban	3.18%	2.27%
Urban	26.01%	46.86%
Metropolitan	35.88%	6.95%

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

Customer complaints with respect to Product quality / Dispatches are mailed to the concerned marketing team either directly or through dealers / agents attached to these customers with details on batch number, invoices, etc. All such complaints are accorded priority, which is then escalated to the concerned QC team at plant (product quality related) or Sales logistics team (dispatch related). For quality related complaints, the concerned QC / Plant team members also visit the customer depending on the seriousness of the complaint and suggest corrective action either directly at the customer site or by analysing the samples of the affected material at our lab.

2. Turnover of products and / services as a percentage of turnover from all products / services that carry information about:

- Environmental and social parameters relevant to the product
- Safe and responsible usage
- Recycling and / or safe disposal

As a percentage to total turnover

100%

3. Number of consumer complaints in respect of the following:

	2025-26 Current Financial Year			2024-25 Previous Financial Year		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	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.**

Sanmar has a detailed policy on Cyber Security covering 19 policies in line with ISO 27001 framework. The applicable risks pertaining to Data Privacy in some of the domains are documented therein.

India's Digital Personal Data Protection (DPDP) Act has been notified on November 13, 2025 and a policy related to Data Privacy in line with DPDP Act, will be implemented as per the timelines notified in the DPDP Act.

At present, Sanmar's Cyber Security Policy is not hosted either on the intranet or through the internet but is only shared as a virtual document when required.

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.**

Not Applicable

7. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches –** Not Applicable
   b. **Percentage of data breaches involving personally identifiable information of customers –** Not Applicable
   c. **Impact, if any, of the data breaches –** Not Applicable

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Chemplast Sanmar Limited

Report on the Audit of the Standalone Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Timing of revenue recognition

See Note 3.9 and 4 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of speciality chemicals. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company and its external stakeholders focus on revenue as a key performance metric and the Company uses various shipment terms across its operating markets. Timing of revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognised before control has been transferred	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Company's accounting policy for revenue recognition as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to timing of revenue recognition. • We used statistical sampling and performed substantive testing of selected samples of revenue transactions recorded during the year by verifying the underlying documents such as sale invoice, dispatch document and bill of lading and assessed the accuracy of the period in which revenue was recognised. • Tested manual journal entries posted to revenue based on a specified risk-based criteria to identify unusual items.

Impairment assessment of long-term investments in subsidiary

See Note 3.3.1, 3.18, 15 and 51 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has a long-term investment in its subsidiary as at 31 March 2026. The Company performs impairment testing of its investment in subsidiary when any impairment indicator exists, based on internal or external sources of information.	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Company's accounting policy for impairment of investments in subsidiaries with Ind AS.

The key audit matter	How the matter was addressed in our audit
The subsidiary is engaged in the business of production and sale of Suspension PVC. The subsidiary has reported operating losses and continues to have negative net worth and negative working capital position as of 31 March 2026. The subsidiary's business has been impacted by significant regulatory and market developments during the second half of the year and thereafter, including non-notification and consequent withdrawal of the expected anti-dumping duty on S-PVC, removal of customs duty on imported S-PVC, a substantial decline in import parity prices, and volatility in raw material prices driven by geopolitical factors in West Asia. These conditions indicate the presence of impairment indicators requiring the Company to perform an impairment assessment of its investment in the subsidiary. The recoverable amount of the investment in subsidiary is measured using a discounted cash flow model. As impairment assessment involves significant estimates and judgements, it is considered as a key audit matter.	• Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's impairment assessment process. • Examined the valuation reports of the independent valuer engaged by the Company. • Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Company. • Involved our valuation specialists to examine and evaluate the valuation methodology and key assumptions. • Evaluated and challenged the key assumptions considered in cash flow forecasts for assessing the recoverable amount such as growth rates, discount rates etc., with reference to our understanding of the business and historical trends. • Performed procedures in respect of sensitivity analysis of the key assumptions used in the impairment assessment. • Compared the carrying value of the Company's investment in subsidiary with the value in use as per independent valuer's report and verified the impairment recorded is appropriate. • Assessed the adequacy of disclosures made in the standalone financial statements.

OTHER INFORMATION

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

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 01 April 2026, 11 April 2026, 16 April 2026, 20 April 2026 and 30 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 (ii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45(iii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used an 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, we did not come across any instance of audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, audit trail has been preserved by the Company as per the statutory requirements for record retention.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:26203491KEQOCW9339

Place: Chennai
Date: 25 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on the Standalone Financial Statements of Chemplast Sanmar Limited for the year ended 31 March 2026

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, entire property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantees or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted unsecured loans to companies, in respect of which the requisite information is as below. The Company has not made any investments in or granted loans to firms or limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

Particulars	Loans (Amount in INR crores)
Aggregate amount granted during the year Subsidiary*	34.32
Balance outstanding as at balance sheet date Subsidiary*	34.34

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the loans granted during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and no amounts are due for repayment as at the balance sheet date. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made, loan granted and guarantee provided by the Company, in our opinion the provisions of Section 185 and 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Service tax, Duty of Excise, Sales tax and Value added tax, Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are set out in Appendix I.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, other than Rs 38.71 crore which remain unutilised as at 31 March 2026 because the funds were received primarily towards the end of the year.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary company as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary company (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, details provided in Note 2.3 to 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:26203491KEQOCW9339

Place: Chennai
Date: 25 May 2026

Appendix I to Annexure A to the Independent auditor's report to the Members of Chemplast Sanmar Limited for the year ended 31 March 2026

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
TNVAT Act, 2007	Sales Tax	0.07	2010-11 to 2014-15	Honorable High Court of Madras
Central Excise Act, 1944	Excise Duty/Service tax	0.42	1975-76 to 2001-02	Honorable High Court of Madras
Central Excise Act, 1944	Excise Duty/Service tax	1.68	1979-80 to 2016-17	CESTAT
Central Excise Act, 1944	Excise Duty/Service tax	0.97	2008-09 to 2010-11	Honorable Supreme Court of India
Central Excise Act, 1944	Excise Duty/Service tax	0.76	1981-82 to 2017-18	Commissioner of Central Excise (Appeals)
Customs Act, 1962	Customs Duty	0.22	2012-13 to 2013-14	Commissioner of Customs (Appeals)
CGST Act, 2017	Goods and Service Tax	2.04	2017-18	Tribunal Bench
CGST Act, 2017	Goods and Service Tax	6.97	2017-18 to 2020-21	Commissioner of GST and Central Tax (Appeals)
IGST Act, 2017	Goods and Service Tax	0.51	2018-19	Commissioner (Appeal)
IGST Act, 2017	Goods and Service Tax	1.85	2017-18	Tribunal Bench
Electricity Act, 2003	Power Generation Tax	2.76	2010-12	Honorable High Court of Madras
Electricity Act, 2003	Power Generation Tax	11.09	2003-14	Supreme Court
Electricity Act, 2003	Power Generation Tax - Interest	8.17	2003-14	Supreme Court
Electricity Act, 2003	Deemed Demand Charges	0.40	2012-14	Honorable High Court of Madras
TWAD Act, 1970	Water Tax	0.68	1992-2024	Honorable High Court of Madras
TWAD Act, 1970	Water Tax - Interest	7.80	1992-2022	Honorable High Court of Madras
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	0.60	2012-15	Central Government Industrial Tribunal
Income Tax Act, 1961	Income Tax	0.43	1998-99	Honorable High Court of Madras
Income Tax Act, 1961	Income Tax	0.02	2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.11	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.02	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.06	2003-04	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2.39	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	21.63	2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.58	2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	7.90	2021-22	Commissioner of Income Tax (Appeals)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

on the Standalone Financial Statements of Chemplast Sanmar Limited for the year ended 31 March 2026

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

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

OPINION

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:26203491KEQOCW9339

Place: Chennai
Date: 25 May 2026

STANDALONE BALANCE SHEET

as at March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	14	3,383.50	3,454.62
Capital work-in-progress	14.1	335.62	135.69
Other Intangible assets	14	4.12	6.63
Right-of-use assets	14.2	22.33	8.27
Investment in Subsidiaries	15	657.68	1,555.68
Financial assets			
(i) Investments	15	5.39	0.04
(ii) Other financial assets	16	32.16	30.46
Non-current tax assets (net)		7.21	6.46
Other non-current assets	17	39.70	34.95
Total Non-current assets		**4,487.71**	**5,232.80**
Current assets			
Inventories	18	391.40	395.76
Financial assets			
(i) Trade receivables	19	169.80	143.83
(ii) Cash and cash equivalents	20	275.86	404.39
(iii) Bank balances other than (ii) above	20A	32.88	48.79
(iv) Loans	21	34.34	-
(v) Derivative assets	32	29.94	-
(vi) Other financial assets	22	20.81	14.22
Other current assets	23	135.84	199.06
Total Current assets		**1,090.87**	**1,206.05**
Total Assets		**5,578.58**	**6,438.85**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	79.06	79.06
Other equity	25	3,114.41	4,117.62
Total Equity		**3,193.47**	**4,196.68**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	26	688.38	581.22
(ii) Other financial liabilities	27	37.50	43.11
Deferred tax liabilities (net)	28	317.44	352.54
Other non-current liabilities	29	10.47	10.48
Total Non-current liabilities		**1,053.79**	**987.35**
Current liabilities			
Financial liabilities			
(i) Borrowings	30	491.50	408.20
(ii) Lease liabilities	14.3	-	1.12
(iii) Trade payables	31		
- total outstanding dues of micro enterprises and small enterprises; and		7.87	4.74
- total outstanding dues of creditors other than micro enterprises and small enterprises		581.37	624.14
(iv) Derivative liabilities	32	-	9.76
(v) Other financial liabilities	33	165.61	149.41
Other current liabilities	34	62.22	40.14
Provisions	35	5.44	-
Current tax liability (net)		17.31	17.31
Total Current liabilities		**1,331.32**	**1,254.82**
Total Liabilities		**2,385.11**	**2,242.17**
Total Equity and Liabilities		**5,578.58**	**6,438.85**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	4	2,169.98	2,387.61
Other income	5	14.57	21.13
Total Income		**2,184.55**	**2,408.74**
Expenses			
Cost of materials consumed	6(a)	895.08	991.05
Purchase of stock-in-trade	6(b)	127.47	287.37
Changes in inventories of finished goods and work-in-progress	7	22.64	(44.47)
Employee benefits expense	8	179.08	184.04
Finance costs	9	106.91	86.81
Depreciation and amortisation expense	14	156.38	148.16
Other expenses	10	837.54	867.68
Total Expenses		**2,325.10**	**2,520.64**
Profit / (Loss) before tax and exceptional items		**(140.55)**	**(111.90)**
Exceptional items	51	898.00	-
Profit / (Loss) before tax		**(1,038.55)**	**(111.90)**
Tax expense:	11		
Deferred tax		35.16	46.33
Profit / (Loss) after tax		**(1,003.39)**	**(65.57)**
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		0.24	(0.52)
- Income tax expense relating to remeasurement of defined benefit plans		(0.06)	0.13
- Revaluation of property, plant and equipment		-	351.66
- Income tax expense relating to revaluation of property, plant and equipment	11	-	70.72
Total other comprehensive income		**0.18**	**421.99**
Total comprehensive income for the year		**(1,003.21)**	**356.42**
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	13	**(63.46)**	**(4.15)**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	NET PROFIT / (LOSS) BEFORE TAX	**(1,038.55)**	**(111.90)**
	Adjustments for:		
	Depreciation and amortisation expense	156.38	148.16
	Finance costs	106.91	86.81
	(Profit) / Loss on sale of property, plant and equipment (net)	(0.05)	(1.39)
	Liabilities no longer required written back	(0.11)	(0.35)
	Interest income on financial assets at amortised cost	(12.86)	(15.91)
	Difference in fair value of derivative instruments	(39.70)	8.58
	Exceptional items	898.00	-
	Unrealised (gain) / loss of foreign exchange transactions (net)	37.58	(4.21)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**107.60**	**109.79**
	Adjustments for changes in:		
	Inventories	4.36	(14.08)
	Trade and other receivables	30.95	71.66
	Trade and other payables	(22.57)	49.15
	CASH GENERATED FROM OPERATIONS	**120.34**	**216.52**
	Income tax paid (net of refunds)	(0.75)	2.29
	NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**119.59**	**218.81**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipments	(308.22)	(345.77)
	Proceeds from sale of property, plant and equipment	0.14	22.60
	Payment towards purchase of non-current investment	(5.35)	-
	Inter corporate deposit / loan - given to subsidiary	(34.34)	-
	Deposits (placed) / realised (net) (including margin deposit)	16.38	(44.13)
	Interest received	12.38	17.92
	NET CASH FROM / (USED IN) INVESTING ACTIVITIES	**(319.01)**	**(349.38)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long-term borrowings	231.72	156.99
	Repayment of long-term borrowings	(84.22)	(46.29)
	Proceeds from short-term borrowings	1,351.94	787.18
	Repayment of short-term borrowings	(1,323.80)	(557.84)
	Payment of lease liability	(1.14)	(4.56)
	Interest and finance charges paid	(103.61)	(83.24)
	NET CASH FROM / (USED IN) FINANCING ACTIVITIES	**70.89**	**252.24**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(128.53)**	**121.67**
	Cash and cash equivalents at beginning of the year	404.39	282.72
	Cash and cash equivalents at end of the year	**275.86**	**404.39**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2024	15,81,09,574	79.06
Changes during the year 2024-25	-	-
Balance at March 31, 2025	15,81,09,574	79.06
Changes during the year 2025-26	-	-
Balance at March 31, 2026	**15,81,09,574**	**79.06**

(b) Other equity

Particulars	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
Balance at April 01, 2024	79.69	1,386.28	39.18	1,024.65	147.76	1,083.64	3,761.20
Total comprehensive income	-	-	-	(65.96)	-	422.38	356.42
Depreciation on revalued assets	-	-	-	47.58	-	(47.58)	-
Balance at March 31, 2025	**79.69**	**1,386.28**	**39.18**	**1,006.27**	**147.76**	**1,458.44**	**4,117.62**
Total comprehensive income	-	-	-	(1,003.21)	-	-	(1,003.21)
Depreciation on revalued assets	-	-	-	41.83	-	(41.83)	-
Balance at March 31, 2026	**79.69**	**1,386.28**	**39.18**	**44.89**	**147.76**	**1,416.61**	**3,114.41**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

1 CORPORATE INFORMATION

Chemplast Sanmar Limited ("the Company") is a public limited company incorporated and domiciled in Chennai and is engaged in the business of production and sale of speciality chemicals. The registered office is located at Cathedral Road, Chennai. As of March 31, 2026, Sanmar Holdings Limited owns majority of Chemplast Sanmar Limited's equity share capital and has the ability to control its operating and financial policies.

2 BASIS OF PREPARATION

2.1 Statement of Compliance:

These Standalone Financial Statements of the Company have been prepared and presented from April 01, 2025 to March 31, 2026 ("year") in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

These Financial Statements were authorised for issue by the Company's Board of Directors on May 25, 2026.

Basis of measurement:

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial instruments):

a. Derivative financial instruments
b. Investment in unquoted equity shares other than investment in subsidiaries
c. Property, plant and equipment under revaluation model

The Financial Statements are presented in INR and are rounded off to the nearest Crore, except when otherwise indicated.

2.2 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;
- It is held primarily for the purpose of trading;
- It is 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.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

2.3 Appropriateness of the Going Concern Assumption in the preparation of the financial statements:

During the year ended March 31, 2026, the Company has incurred a Loss before tax of ₹ 1,038.55 Crores (Loss before tax of ₹ 111.90 Crores for the year ended March 31, 2025) and has net current liabilities of ₹ 240.45 Crores as of March 31, 2026 (₹ 48.77 Crores as at March 31, 2025).

The management expects continuity of demand for the Company's products and considering the overall demand for Paste Grade PVC outstripping the installed capacity in India, the Company is confident that it would be able to operate its plant at optimal capacity to generate profitable operations for the foreseeable future. The Company has generated positive cash flow from operating activities and Company's budgets indicates projected cash balances continued to remain positive. Further the Company has not defaulted or delayed payments of any of its borrowings.

Thus, the management is of the view that the Company will be able to meet its liabilities as they fall due on account of projected positive cash balances, and/or utilization of its unused credit facilities, continued credit arrangements with key suppliers, and raise funds as necessary. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

3 MATERIAL ACCOUNTING POLICIES

3.1 Foreign currency transactions

The Company's functional currency is Indian Rupees. Foreign currency transactions are recorded at the rate of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

denominated in foreign currency are converted at year end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 Company.

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.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

For the purpose of fair value disclosures, the Company has determined class 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.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in unquoted equity shares.

3.3 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

3.3.1 Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

a. Debt instruments at amortised cost;

b. Derivatives and equity instruments at Fair Value Through Profit or Loss (FVTPL);

a. Debt instruments at amortised cost:

A 'Debt instrument' 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.

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 profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at FVTPL:

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

All equity investments in scope of Ind AS 109 are measured at fair value Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in Note 36.10.

c. Investments at cost:

In accordance with Ind AS 27 on financial statements, investments in subsidiary is carried at cost less accumulated impairment provision, if any in the financial statements of the Company.

3.3.1.1 Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance:

  The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

  The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.3.1.2 Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss.

3.3.2 Financial Liabilities and Equity Instruments

3.3.2.1 Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind AS 32.

3.3.2.2 Equity Instruments

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. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3.2.3 Convertible Debt Instruments

Convertible debt instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debt instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debt instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised. Where a convertible debt instrument meets the criteria of an equity in its entirety, such instruments are classified under "Instruments entirely equity in nature."

3.3.2.4 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

3.3.2.5 Financial Guarantees

Company as a beneficiary: Financial guarantee contracts involving the Company as a beneficiary are accounted as per Ind AS 109. The Company assesses whether the financial guarantee is a separate unit of account (a separate component of the overall arrangement) and recognises a liability as may be applicable.

Company as a guarantor: The Company on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 117 on Insurance Contracts, respectively.

Wherever the Company has regarded its financial guarantee contracts as insurance contracts, at the end of each reporting period the Company performs a liability adequacy test, (i.e., it assesses the likelihood of a payout based on current undiscounted estimates of future cash flows), and any deficiency is recognised in statement of profit and

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

loss. Where they are treated as a financial instrument, the 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.

3.3.2.6 Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 36.9

3.3.2.7 Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 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.

3.3.4 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant year. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Property, Plant and Equipment and Capital Work-in-Progress are initially recognised at cost when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment were valued at cost model net of accumulated depreciation until March 31, 2019. Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for longterm construction projects if the recognition criteria are met. 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. Likewise, 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 profit and loss account as incurred. 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.

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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

On March 31, 2019, the Company had elected to change the method of accounting for land, buildings and plant and equipment classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the land, buildings and plant and equipment's fair value. The Company applied the revaluation model prospectively. After initial recognition, these assets are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in statement of profit and loss. A revaluation deficit if any, is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The fair value changes are effected by eliminating the accumulated depreciation against the gross carrying amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Apart from the above, the Company follows the cost model for Motor cars, Office equipments, Furniture and Fittings. Other assets are measured at cost less deprecation. Freehold land is not depreciated.

The Company, based on technical assessment made by management estimate supported by external Chartered engineer's study, 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 using straight-line method. 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. On addition / deletion, depreciation is charged on prorata basis based on month of addition / deletion.

Particulars	Useful life
Buildings	10 years - 74 years
Plant and equipments	1 year - 65 years
Vehicles	5 years - 10 years
Computers and peripherals	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	1 year - 10 years
Ships	28 years

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.

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

3.5 Intangible Assets

3.5.1 Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

3.5.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

3.5.3 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Non-compete fees – 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6 Non-Current Assets Held for Sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the Balance sheet.

3.7 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs incurred for bringing the inventories to their present location and condition and include appropriate overheads wherever applicable.

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.

The Company produces certain joint-products which are valued on joint cost basis by apportioning the total costs incurred in the manufacture of those joint products. By-products are valued at the net realisable value.

3.8 Retirement and Employees benefits

Short-term employees' benefits including accumulated compensated absence are recognised as an expense as per the Company's Scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund / Employee State Insurance:

This is a defined contribution plan and contributions made to the fund are charged to revenue. The Company has no further obligations for future fund benefits other than annual contributions.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit and loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Termination benefits

Termination benefits are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, an appropriate timeline and the employees affected have been notified of the plan's main features.

3.9 Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (primarily upon dispatch or delivery, as per the terms of sale as applicable) at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment. The Company has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Contract balances :

i) Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii) Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional and is measured at transaction price. Refer to accounting policies of financial assets in Note 3.3.1.

iii) Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

iv) Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some contracts provide customers with volume rebate.

Volume rebates / Price concessions / Special discounts:

The Company provides for volume rebates, price concessions, special discounts to certain customers once the quantity of goods sold during a period exceeds an agreed threshold. Rebates are offset against amounts receivable from customers. To estimate the variable consideration, the Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

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. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Service income:

Income from services rendered is recognised at a point in time based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations.

3.10 Other Income

Interest income:

Interest income is recognised using the Effective Interest Rate (EIR) method.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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3.11 Leases

Company as a lessor:

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.

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 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.

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. 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 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 of machinery and equipment (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 of office equipment that are considered to be low value. 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.

3.12 Taxes

Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

Current Tax

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Taxes

Deferred tax

Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences the carry forward of any unused tax losses and unabsorbed depreciation.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward 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.

Deferred tax assets are recognised only if there is a reasonable certainty, with respect to unabsorbed depreciation and business loss, that they will be realised.

Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax / deferred 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 establishes provisions where appropriate.

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 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.

Tax assets and tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company has determined, that it is probable that its tax treatments will be accepted by the taxation authorities.

3.13 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

3.14 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15 Provisions and Contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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amount of the obligation can be made. 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.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.16 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 relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

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

3.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.18 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's 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 projected 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.

3.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholder of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.20 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In August 2025, MCA has notified the following:

Ind AS 1 - Presentation of Financial Statements

For accounting periods beginning on or after April 01, 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach or gives waiver of the compliance of covenant and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 01, 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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4 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Revenue from contracts with customers*		
Revenue from the sale of manufactured goods	2,028.16	2,063.55
Revenue from the sale of stock-in-trade	130.77	298.70
Revenue from the rendering of services	4.00	8.50
Leasing Income	0.15	0.18
(ii) Other operating revenue		
Revenue from sale of scrap	3.71	14.16
Revenue from export incentives	3.19	2.52
	2,169.98	**2,387.61**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	2,197.57	2,398.84
Adjustments towards:		
Volume rebates	25.07	17.75
Price concessions	8.85	10.75
Special discounts	0.72	8.09
Revenue as per statement of profit and loss	2,162.93	2,362.25

Contract balances

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables (including contract asset)	169.80	143.83
Advance from customers (contract liability)	41.85	19.91
Revenue recognised from opening contract liabilities	19.91	13.55
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	316.39	270.27
- Within India	1,853.59	2,117.34

*The entire revenue from contract with customers are recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115.

5 OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income under effective interest rate method on financial assets at amortised cost	12.86	15.91
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	0.05	1.39
Provisions no longer required written back	0.11	0.35
Recovery of bad debts	-	1.86
Miscellaneous income	1.55	1.62
	14.57	**21.13**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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6 COST OF MATERIALS CONSUMED

Particulars		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	Inventories of material at the beginning of the year	202.67	213.25
	Add : Purchase	910.36	980.47
	Inventories of material at the end of the year	217.95	202.67
		895.08	**991.05**
(b)	Purchase of stock-in-trade	127.47	287.37
		127.47	**287.37**

7 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	35.50	23.85
Finished goods	69.89	37.07
	105.39	**60.92**
Inventories at the end of the year		
Work-in-progress	56.07	35.50
Finished goods	26.68	69.89
	82.75	**105.39**
Difference between opening and closing inventories		
Work-in-progress	(20.57)	(11.65)
Finished goods	43.21	(32.82)
	22.64	**(44.47)**

8 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	162.00	171.09
Contribution to provident fund and others	11.67	7.62
Staff welfare expenses	5.41	5.33
	179.08	**184.04**

9 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	72.74	56.70
Other finance costs	34.17	30.11
	106.91	**86.81**

*Net off interest capitalised during the year ₹ 12.22 Crores (2024-25: ₹ 7.56 Crores), weighted average rate for capitalisation of interest were approximately 8.80% and 10.92% for the years ended March 31, 2026 and 2025, respectively

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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10 OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel	527.97	587.61
Stores consumed	37.62	36.93
Commission on sales	0.12	0.19
Rent	4.67	4.80
Insurance	13.12	9.61
Rates and taxes	8.81	6.53
Repairs and maintenance		
Machinery	50.51	50.63
Building	5.01	6.82
Others	14.04	13.63
Freight and handling	40.94	30.68
Difference in foreign exchange (net)*	14.27	10.05
Outside processing expenses	12.35	22.66
Operation & maintenance expenses	8.72	7.37
Legal and professional fees	31.26	18.42
Payment to auditor^	1.12	0.78
Miscellaneous expenses	67.01	60.97
	837.54	**867.68**
Expense relating to short-term leases (included in other expenses)	4.67	4.80

*Includes fair value gain on derivative instruments at FVTPL of ₹ 40.32 Crores (2024-25: Loss ₹ 8.58 Crores).

^ Payment to auditor

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Statutory audit	0.58	0.58
Limited review	0.10	0.10
Certification services	0.41	0.07
Reimbursement of expenses	0.03	0.03
	1.12	**0.78**

11 INCOME TAXES EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax:		
Relating to origination and reversal of temporary differences	35.16	46.33
Income tax expense reported in statement of profit and loss	**35.16**	**46.33**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
Net loss / (gain) on remeasurements of defined benefit obligations	(0.06)	0.13
Revaluation of property, plant and equipment	-	(64.37)
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	135.09
Income tax charged to OCI	**(0.06)**	**70.85**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2026

During the financial year 2024-25, the Company had opted to exercise the provision under Section 115BAA of the Income Tax Act, 1961, effective from FY 2023-24. Consequently, the Deferred Tax Liability (net) as of March 31, 2024, along with the tax expense for FY 2024-25, was remeasured at a lower tax rate. Furthermore, following the amendment in tax rates affecting certain assets with long-term capital gains, as introduced in the Finance Act, 2024, the Company reassessed its deferred tax liabilities related to the revaluation of land. The cumulative impact of these adjustments resulted in the reversal of deferred tax liability, which is recognised in the Statement of Profit and Loss and other comprehensive income, amounting to ₹ 18.41 Crores and ₹ 135.09 Crores, respectively

The tax on the company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India 25.168% as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit / (loss) before tax	(1,038.55)	(111.90)
Profit / (Loss) before income tax multiplied by standard rate of corporate tax in India (25.168%) (March 31, 2025: 25.168%) as follows:	261.38	28.16
Effect of :		
Ineligible expenses	(0.27)	(0.75)
Tax effect of provision for impairment	(226.01)	-
Deferred tax impact on account of adoption of new regime		
- on opening deferred tax base	-	18.41
Differential tax rates on capital gains	-	(0.65)
Others	0.06	1.16
Net effective Income tax expense	**35.16**	**46.33**

12 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI (net of taxes) by each type of reserve in equity is shown below:

During the year ended March 31, 2026	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	0.18	-	0.18
	0.18	**-**	**0.18**

During the year ended March 31, 2025	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	(0.39)	-	(0.39)
Revaluation of property, plant and equipment (net of taxes)	-	287.29	287.29
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	135.09	135.09
	(0.39)	**422.38**	**421.99**

13 EARNINGS PER SHARE [EPS]

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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The following reflects the income and share data used in the basic and diluted EPS computations:

Earnings per share :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (Loss) after tax	(1,003.39)	(65.57)
Weighted average number of equity shares for Basic and Diluted EPS	15,81,09,574	15,81,09,574
Basic and Diluted earnings per share		
Basic earnings per share (₹)	(63.46)	(4.15)
Diluted earnings per share (₹)	(63.46)	(4.15)

14 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Ships	Total	Intangibles
Cost or valuation:									
Balance at April 01, 2024	1,086.29	282.85	1,762.49	13.06	4.39	5.73	-	3,154.81	-
Additions	17.21	62.49	234.51	3.76	0.23	1.31	30.18	349.69	8.23
Disposals	21.05	3.73	14.01	0.18	0.04	0.52	-	39.53	-
Adjustments towards revaluation* (Also refer Note 14.4)	221.49	(11.28)	(137.16)	-	-	-	-	73.05	-
Balance as at March 31, 2025	**1,303.94**	**330.33**	**1,845.83**	**16.64**	**4.58**	**6.52**	**30.18**	**3,538.02**	**8.23**
Additions	0.65	6.90	69.60	1.50	-	2.30	-	80.95	-
Disposals	-	0.03	3.39	0.09	0.03	0.62	-	4.16	-
Balance as at March 31, 2026	**1,304.59**	**337.20**	**1,912.04**	**18.05**	**4.55**	**8.20**	**30.18**	**3,614.81**	**8.23**
Accumulated depreciation and amortisation:									
Balance at April 01, 2024	-	25.48	203.61	4.16	1.49	2.09	-	236.83	-
Depreciation and amortisation expense	-	13.20	124.39	2.20	0.63	0.64	1.82	142.88	1.60
Eliminated on disposals of assets	-	3.73	14.01	0.17	0.04	0.37	-	18.32	-
Adjustments towards revaluation* (Also refer Note 14.4)	-	(28.73)	(249.26)	-	-	-	-	(277.99)	-
Balance as at March 31, 2025	**-**	**6.22**	**64.73**	**6.19**	**2.08**	**2.36**	**1.82**	**83.40**	**1.60**
Depreciation and amortisation expense	-	14.84	130.96	2.29	0.64	0.81	2.43	151.97	2.51
Eliminated on disposals of assets	-	0.03	3.38	0.09	0.03	0.53	-	4.06	-
Balance as at March 31, 2026	**-**	**21.03**	**192.31**	**8.39**	**2.69**	**2.64**	**4.25**	**231.31**	**4.11**
Net Block									
Balance as at March 31, 2026	**1,304.59**	**316.17**	**1,719.73**	**9.66**	**1.86**	**5.56**	**25.93**	**3,383.50**	**4.12**
Balance as at March 31, 2025	**1,303.94**	**324.11**	**1,781.10**	**10.45**	**2.50**	**4.16**	**28.36**	**3,454.62**	**6.63**

Note:

For details of charge on property, plant and equipment refer Note 26.

* The accumulated depreciation of ₹ 277.99 Crores as at the date of revaluation is eliminated against the gross carrying amount of the asset and adjusted for gain on revaluation of PPE amounting to ₹ 351.04 Crores.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
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14.1 Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	135.69	185.65
Additions	280.88	307.95
Assets capitalised during the year	80.95	357.91
Balance as at end of the year	335.62	135.69

Also refer Note 48 for Capital work-in-progress ageing schedule.

14.2 Carrying amount of Right-Of-Use (ROU) assets recognised and movement during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount		
Balance as at beginning of the year	8.27	11.33
Additions	15.96	-
Adjustments towards revaluation (Also refer Note 14.4)	-	0.62
Depreciation expense	1.90	3.68
Balance as at end of the year	**22.33**	**8.27**

Note: The carrying amount as at March 31, 2026 represents Nil (March 31, 2025: ₹ 0.77 Crores) and ₹ 22.33 Crores (March 31, 2025: ₹ 7.50 Crores) towards plant and equipment and leasehold land respectively.

14.3 Carrying amounts of Lease liability recognised and movement during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	1.12	5.23
Accretion of interest	0.02	0.45
Payments	1.14	4.56
Balance as at end of the year	**-**	**1.12**
Current	-	1.12

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	-	1.14
Later than one year and not later than five years	-	-
Total undiscounted lease liabilities	**-**	**1.14**

The following are the amounts recognised in statement of profit and loss relating to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use asset	1.90	3.68
Interest expense on lease liabilities	0.02	0.45
Expense relating to short-term leases (included in other expenses)	4.67	4.80
Total amount recognised in statement of profit and loss	**6.59**	**8.93**

The following are the amounts recognised in statement of cash flows relating to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow towards lease payments (excluding short-term leases)	(1.14)	(4.56)
Total amount recognised in statement of cash flows	**(1.14)**	**(4.56)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

14.4 Revaluation of property, plant and equipment and ROU assets

Fair value of property, plant and equipment was determined by using the market value method, hypothetical layout method for freehold land and leasehold land classified as ROU, Depreciable Replacement Cost method (DRC) for buildings and plant and equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of latest revaluation on November 30, 2024, the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP (for other than land) and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Information of revaluation model:

If property plant and equipment and ROU were measured using the cost model, the carrying amounts would be as follows:

Particulars	Freehold land	Buildings	Plant and equipment	ROU assets	Total
Net book value					
March 31, 2026					
Cost	65.20	271.94	1,823.76	23.67	2,184.57
Accumulated depreciation	-	53.26	502.72	1.34	557.32
Net carrying amount	**65.20**	**218.68**	**1,321.04**	**22.33**	**1,627.25**
March 31, 2025					
Cost	64.56	265.06	1,758.06	26.32	2,114.00
Accumulated depreciation	-	45.23	425.19	18.67	489.09
Net carrying amount	**64.56**	**219.83**	**1,332.87**	**7.65**	**1,624.91**

Fair value hierarchy for property, plant and equipment and ROU under revaluation model:

The Company uses the following hierarchy for determining and disclosing the fair value of its freehold land, buildings and plant and equipment:

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2026				
Revalued property, plant and equipment				
Freehold land	1,304.59	-	181.68	1,122.91
Buildings	316.17	-	-	316.17
Plant and equipment	1,719.73	-	-	1,719.73
Revalued ROU				
Leasehold land	22.33	-	22.33	-
	3,362.82	**-**	**204.01**	**3,158.81**

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2025				
Revalued property, plant and equipment				
Freehold land	1,303.93	-	181.68	1,122.25
Buildings	324.11	-	-	324.11
Plant and equipment	1,781.10	-	-	1,781.10
Revalued ROU				
Leasehold land	7.51	-	7.51	-
Plant and equipment	0.76	-	-	0.76
	3,417.41	**-**	**189.19**	**3,228.22**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Significant Observable and Unobservable Valuation Inputs:

The value of freehold land was determined based on condition, location, demand, supply, plant-layout and other infrastructure facility available at and around the said plot of land.

Right-of-use of leasehold land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of buildings and plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (Depreciated Replacement Cost method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value.

15 INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Investments in the shares of bodies corporate at FVTPL		
Unquoted fully paid equity shares		
TCI Sanmar Chemicals S.A.E (2 Equity shares of face value of EGP 1000/- each)	0.04	0.04
JSW Green Energy Nine Limited (53,45,000 Equity shares of ₹ 10/- each)	5.35	-
	5.39	**0.04**
(ii) Investments at cost		
- Investment in subsidiaries		
Unquoted fully paid equity shares		
Chemplast Cuddalore Vinyls Limited (30,30,30,303 Equity shares)	300.35	300.35
Compulsorily Convertible Debentures (CCD)		
Chemplast Cuddalore Vinyls Limited (12,55,33,516 Debentures of face value of ₹ 100 Each)	1,255.33	1,255.33
Less: Impairment provision (Refer Note below)	(898.00)	-
	657.68	**1,555.68**
Aggregate value of unquoted investments	**663.07**	**1,555.72**

Note on impairment provision -
The Company assessed its investment in its wholly owned subsidiary, CCVL, for impairment during the year due to significant regulatory and market developments in the last few months and including non notification of and consequent dropping of the expected anti-dumping duty on S-PVC, removal of customs duty on import of S-PVC, significant reduction in S-PVC prices on account of low priced imports and raw material price volatility due to West-Asia crisis.

CCVL has been identified as a separate cash-generating unit (CGU) as it generates independent cash inflows from the production and sale of Suspension PVC. The recoverable amount of the CGU has been determined based on the value in use (VIU) method using cash flow projections approved by management for a period of five years, which reflects the expected business cycle, and extrapolated thereafter using a terminal growth rate of 3%, consistent with industry averages. The valuation has been supported by an independent valuer. The VIU calculation is based on a post-tax weighted average cost of capital (WACC) of 13%.

Based on the independent valuer's report, the recoverable amount of the CGU is ₹ 657.68 Crores compared to its carrying amount of ₹ 1,555.68 Crores, resulting in an impairment provision of ₹ 898.00 Crores as at March 31, 2026. Based on such valuation report and associated sensitivity analysis, management has recognised a provision for impairment of investment of ₹ 898.00 Crores, which has been disclosed as an exceptional item in the financial statements.

(Refer Note 39 for details of investments and also refer Note 38).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

16 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Security deposits	30.17	28.49
Margin deposits	0.07	0.07
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry receivables	0.58	0.56
Claims receivable	1.33	1.33
	32.16	**30.46**

17 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	32.24	23.93
Advances other than capital advances		
Security deposit - Government Authorities	6.35	6.53
Prepaid expenses	1.11	4.49
	39.70	**34.95**

18 INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and intermediates	217.95	202.67
Work-in-progress	56.07	35.50
Finished goods	26.68	69.89
Stores and spares	90.70	87.70
	391.40	**395.76**
Note (1) Inventories includes goods-in-transit		
Raw materials and intermediates	10.80	20.74
Stores and spares	2.88	0.32
	13.68	**21.06**

19 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good**		
Receivable from related party (Refer Note 38)	97.51	0.61
Receivable from others	72.29	143.22
	169.80	**143.83**

** Trade receivables are generally non interest bearing and have a credit period of 1-180 days.
** Also refer Note 49 for trade receivables ageing schedule.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

20 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Bank balances		
- in current account	248.48	140.45
- Deposits with original maturity of less than three months	25.02	263.57
Cheques on hand	1.93	0.01
Cash on hand	0.28	0.28
Stamps on hand	0.15	0.08
	275.86	**404.39**

20A Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Margin deposits	32.87	48.78
Deposits with original maturity of more than three months but less than twelve months	0.01	0.01
	32.88	**48.79**

21 LOANS

Particulars	As at March 31, 2026	As at March 31, 2025
Loan to related party (Refer Note 38 & 39)	34.34	-
	34.34	**-**

22 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Security deposits	5.21	6.84
Sundry receivables (Refer Note 38)	11.77	3.05
Claims receivable	3.83	4.33
	20.81	**14.22**

23 OTHER CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Advances other than capital advances		
Prepaid expenses	6.06	5.88
Balances with Government Authorities	113.62	159.58
Advance given to suppliers	14.93	33.60
Claims receivable	1.23	-
	135.84	**199.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

24 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
40,00,00,000 equity shares of ₹ 5/- each	200.00	200.00
(Previous year 40,00,00,000 equity shares of ₹ 5/- each)		
35,00,000 cumulative redeemable preference shares of ₹ 100/- each	35.00	35.00
(Previous year 35,00,000 cumulative redeemable preference shares of ₹ 100/- each)		
	235.00	**235.00**
Issued		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each)		
Subscribed and fully paid-up		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each)		
	79.06	**79.06**

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of Shares	Share Capital
Balance as at April 01, 2024	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2025	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2026	**15,81,09,574**	**79.06**

Shares held by holding company and its subsidiaries

Sanmar Holdings Limited and its nominees hold 8,69,45,065 equity shares (Previous Year 8,69,45,065 equity shares)

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 5 per share (March 31, 2025: ₹ 5 per share). Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B. Details of Shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Sanmar Holdings Limited and its nominees	8,69,45,065	54.99 %	8,69,45,065	54.99%
SBI Long Term Equity Fund	1,55,76,336	9.85 %	1,55,27,811	9.82%
Amansa Holdings Private Limited	1,05,06,509	6.65 %	1,10,71,308	7.00%
ICICI Prudential India opportunities fund	91,24,142	5.77 %	78,59,602	4.97%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

C. Details of Shares held by promoters

Promoter name	As at March 31, 2026		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

Promoter name	As at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

25 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	79.69	79.69
Capital redemption reserve	39.18	39.18
Securities premium	1,386.28	1,386.28
Asset revaluation reserve (Refer A below)	1,416.61	1,458.44
General reserve	147.76	147.76
Retained earnings (Refer B below)	44.89	1,006.27
	3,114.41	**4,117.62**
(A) Asset revaluation reserve		
Balances at the beginning of the year	1,458.44	1,083.64
Depreciation on revalued assets	(41.83)	(47.58)
Other comprehensive income	-	422.38
Balances at the end of the year	**1,416.61**	**1,458.44**
(B) Retained earnings		
Balances at the beginning of the year	1,006.27	1,024.65
Profit / (Loss) for the year	(1,003.39)	(65.57)
Other comprehensive income	0.18	(0.39)
Depreciation on revalued assets	41.83	47.58
Balances at the end of the year	**44.89**	**1,006.27**

Nature and purpose of reserves:

Capital reserve:

The Company recognises the difference between the net assets less reserves acquired or transferred by the Company and as reduced by the share capital issued or received respectively, pursuant to a common control business combination is adjusted to capital reserve.

Capital redemption reserve:

The Company had created Capital redemption reserve in respect of redemption of preference shares in accordance with Companies Act, 2013.

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, adjustment of shares issue expenses, etc in accordance with the provisions of the Companies Act, 2013.

Asset revaluation reserve:

The Company had recognised the surplus arising out of revaluation of property, plant and equipment to asset revaluation reserve in accordance with Ind AS 16.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

26 NON CURRENT BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
Secured – at amortised cost		
Term Loans		
Term loan from banks	786.08	657.21
Buyer's credit (Also refer Note 30)	20.28	-
	806.36	**657.21**
Less: Current maturities of borrowings		
Term loan from banks	117.98	75.99
	117.98	**75.99**
	688.38	**581.22**

A) Summary of borrowing arrangements

Term loan from bank

a) Term loan from bank amounting to ₹ 772.94 Crores (March 31, 2025: ₹ 637.60 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.

b) Vehicle loan from bank amounting to ₹ 0.23 Crores (March 31, 2025: ₹ 0.30 Crore) is secured by hypothecation of the vehicle purchased out of the loan financed.

c) Term loan from bank amounting to ₹ 12.91 Crores (March 31, 2025: ₹ 19.31 Crores) is secured by exclusive charge on ship.

Repayment of loans

a) Term loan amounting to ₹ 772.94 Crores are repayable in 25 structured quarterly installments commencing from March 2024.

Current interest rate on the above term loan ranges from 7.12% to 9.50% p.a (March 31, 2025: 8.05% to 9.65% p.a)

b) Term loan amounting to ₹ 0.23 Crores are repayable in 60 structured quarterly installments commencing from January 2024.

Current interest rate on the above term loan is 7.60% p.a (March 31, 2025: 8.85% p.a)

c) Term loan amounting to ₹ 12.91 Crores are repayable in 36 structured monthly installments commencing from April 2025.

Current interest rate on the above term loan is 8.75% p.a (March 31, 2025: 9.05% p.a)

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2025	332.21	657.21	989.42
Proceeds from borrowings	1,351.94	231.72	1,583.66
Repayment of borrowings	(1,323.80)	(84.22)	(1,408.02)
Interest payments and non-cash movements (net) (including effect of amortisation of transaction costs and foreign exchange translation)	13.17	1.65	14.82
Debt as at March 31, 2026	**373.52**	**806.36**	**1,179.88**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2024	108.14	542.63	650.77
Proceeds from borrowings	787.18	156.99	944.17
Repayment of borrowings	(557.84)	(46.29)	(604.13)
Interest payments and non-cash movements (net) (including effect of amortisation of transaction costs and foreign exchange translation)	(5.27)	3.88	(1.39)
Debt as at March 31, 2025	**332.21**	**657.21**	**989.42**

C) The outstanding term loans from banks as at March 31, 2026, amounting to ₹786.08 Crores (March 31, 2025: ₹ 657.21 Crores), are subject to various financial covenants such as Total Debt / Tangible Net Worth ('TNW'), Debt Service Coverage Ratio, Asset Coverage Ratio, Earnings before Interest, Depreciation & Amortisation and Tax ('EBITDA') / Net Interest Expense, Total Debt / Adjusted TNW, Total Debt / EBITDA, Interest Cover, Fixed Asset Coverage Ratio, Total outside liabilities /Adjusted TNW. These covenants are tested annually as at March 31.

D) In relation to the outstanding term loans from banks as at March 31, 2026, the Company has complied with all material terms of the loan agreement, including financial covenants, or has obtained applicable waiver letters / other relevant confirmations from the respective lenders prior to the year-end, regarding continued repayment as per original sanction letters.

E) Where the Company cannot meet the financial covenant compliance requirements in the ensuing twelve months period, it is confident of obtaining appropriate waiver letter / other relevant confirmations from the lenders. Also refer note 2.3

27 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade deposits	2.34	2.20
Accrued salaries and benefits	20.71	26.38
Other payables	14.45	14.53
	37.50	**43.11**

28 DEFERRED TAX LIABILITIES / (ASSETS) (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Difference between book and tax written down value of depreciable property, plant and equipment	442.11	438.29
MTM / Forward premium claimable in future	0.76	(1.54)
Difference in allowable expenditure on foreign exchange contracts	(0.73)	(0.73)
Unabsorbed depreciation / carried forward business losses	(113.25)	(68.38)
Expenses allowable on payment basis	(11.14)	(14.79)
Employees separation scheme	(0.31)	(0.31)
	317.44	**352.54**
Reconciliation of deferred tax liabilities (net)		
Opening balance	352.54	469.73
Change in statement of profit and loss	(35.16)	(46.33)
Change in other comprehensive income	0.06	(70.86)
Closing balance	**317.44**	**352.54**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

29 OTHER NON - CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Other liabilities	10.47	10.48
	10.47	**10.48**

30 CURRENT BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
Secured – at amortised cost		
Current maturities of long-term borrowings		
- Term loan from Banks	117.98	75.99
Buyer's credit*	270.68	332.21
Unsecured		
Others	102.84	-
	491.50	**408.20**

*Interest rate of the buyer's credit denominated in USD ranges from 3.91% to 5.35% p.a. (March 31, 2025: 4.56% to 5.91% p.a.)

Security Particulars

Working capital limits from banks are secured by a first pari passu charge on inventories and all current assets and second pari passu charge on all moveable property, plant and equipment.

The quarterly return submitted by the Company to its Bankers are in agreement with the books of accounts.

Supplier finance arrangement

1. **Description of arrangement**

   The Company participates in a supply chain financing ('SCF') arrangement, which is disclosed under "Others" category of borrowings. Under this arrangement, a financial institution (factor) agrees to pay participating suppliers the amounts due from the Company on the original due dates of the invoices. The Company subsequently settles these amounts with the factor based on extended payment terms, over and above the normal credit terms originally agreed with the suppliers.

2. **Quantitative disclosure of amounts involved**

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of financial liabilities under SCF		
Presented under Borrowings	102.84	-
- of which suppliers have received payment from finance providers	102.84	-

Range of payment due dates

Further to the credit period for trade payables mentioned in Note 50 B (ii), additional credit period availed as per the above arrangement is upto 120 days.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

31 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Payable to related parties (Refer Note 38)	18.88	11.66
Payable to others*	570.36	617.22
	589.24	**628.88**

*General Terms: The average credit period varies for each product between 1 and 240 days. In general - No interest is charged for the initial period of 60 days. Thereafter interest / discounting charges is paid at LIBOR / SOFR + Spread on the outstanding balance.

*The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

*Includes dues for payment to Micro and Small enterprises ₹ 7.87 Crores (March 31, 2025: ₹ 4.74 Crores) (Also refer Note 43)

*Also refer Note 50 for Trade payables ageing schedule.

32 DERIVATIVE INSTRUMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Derivative liability	-	9.76
Derivative assets	**29.94**	-

#While the Company entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

33 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Payable / Accrual towards capital expenditure*	40.75	43.82
Accrued salaries and benefits	71.61	56.75
Trade deposits	0.06	0.06
Other payables	53.19	48.78
	165.61	**149.41**

*Includes dues for payment to Micro and Small Enterprises ₹ 5.10 Crores (March 31, 2025: ₹ 5.36 Crores) (Also refer Note 43).

34 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers	41.85	19.91
Withholding and other tax payables	5.35	5.43
Other liabilities	15.02	14.80
	62.22	**40.14**

35 CURRENT PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	5.44	-
	5.44	**-**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

36 FINANCIAL INSTRUMENTS

36.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings (Note 26 and 30), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Company, comprising issued capital, securities premium, and retained earnings.

Gearing ratio

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The gearing ratios at March 31, 2026 and March 31, 2025 were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (i)	1,179.88	989.42
Cash and cash equivalents	275.86	404.39
Net debt	**904.02**	**585.03**
Equity (ii)	3,193.47	4,196.68
Gearing ratio	0.28	0.14

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives).

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

36.2 Categories of financial assets and liabilities carried at amortised cost

36.2.1 Financial assets at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents (Note 20)	275.86	404.39
Other bank balances (Note 20A)	32.88	48.79
Trade receivables (Note 19)	169.80	143.83
Loans (Note 21)	34.34	-
Other financial assets (Note 16 and 22)	52.97	44.68
Total	**565.85**	**641.69**

36.2.2 Financial liabilities at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (Note 26 and 30)	1,179.88	989.42
Trade payables (Note 31)	589.24	628.88
Other financial liabilities (Note 27 and 33)	203.11	192.51
Lease liability (Note 14.3)	-	1.12
Total	**1,972.23**	**1,811.93**

36.3 Financial risk management objectives

The Company's principal financial liabilities other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

There has been no change to the Company's exposure to market risk or the manner in which these risks are managed and measured.

36.4 Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

36.5 Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD) and EURO. The Company may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Company. Exchange rate exposures are managed with in approved policy parameters.

36.5.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Change in currency exchange rate	Impact on post tax profits and equity	Change in currency exchange rate	Impact on post tax profits and equity
USD	1 %	(5.18)	1 %	(5.74)
EUR	1 %	0.03	1 %	0.03

36.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. It also uses sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit / (loss) would increase or decrease as below:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase / (Decrease) in basis points	Impact on post tax profits and equity	Increase / (Decrease) in basis points	Impact on post tax profits and equity
INR	100	5.88	100	4.92

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
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36.7 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Company's cash and cash equivalents, including time deposits with banks, trade receivables and other receivables, and other loans or receivables have an expected credit loss as at March 31, 2026.

36.7.1 Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed economically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired Less than 180 days	Past due but not impaired More than 180 days	Total
Trade receivables as of March 31, 2026	83.84	85.89	0.07	169.80
Trade receivables as of March 31, 2025	139.44	4.39	-	143.83

36.7.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

36.8 Liquidity risk management

The Company has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Company can be required to pay.

March 31, 2026	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	749.56	20.67	770.23
Interest bearing	496.79	705.21	1,202.00
	1,246.35	**725.88**	**1,972.23**

March 31, 2025	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	781.61	43.11	824.72
Interest bearing	415.76	581.22	996.98
	1,197.37	**624.33**	**1,821.70**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
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36.9 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, compiled into Level 1 to Level 3, as described below:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy as at March 31, 2026

Particulars	Carrying value	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments	5.39	-	-	5.39
Derivative asset	29.94	-	29.94	-

Fair value hierarchy as at March 31, 2025

Particulars	Carrying value	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments	0.04	-	-	0.04
Financial liabilities measured at fair value				
Derivative liabilities	9.76	-	9.76	-

Derivative instruments classified under Level 2 are valued using the quotes obtained by aggregators based on deals entered between market participants. Investments in unquoted equity shares classified under Level 3 are valued using DCF method. Long-term growth rate and weighted average cost of capital are significant unobservable inputs whose sensitivity does not significantly affect the carrying values of such investments.

36.10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial assets				
Investments	5.39	0.04	5.39	0.04
Other financial assets				
Deposits	68.34	84.20	68.34	84.20
Sundry receivables	12.35	3.61	12.35	3.61
Claims receivable	5.16	5.66	5.16	5.66
Loans	34.34	-	34.34	-
Trade receivables	169.80	143.83	169.80	143.83
Cash and cash equivalents	275.86	404.39	275.86	404.39
Derivatives not designated as hedge				
Derivative asset	29.94	-	29.94	-
	601.18	**641.73**	**601.18**	**641.73**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	786.08	657.21	786.08	657.21
Fixed rate borrowings	393.80	332.21	393.80	332.21
Trade payables	589.24	628.88	589.24	628.88
Other financial liabilities				
Accrued salaries and benefits	92.32	83.13	92.32	83.13
Payable / Accrual towards capital expenditure	40.75	43.82	40.75	43.82
Other payables	70.04	65.56	70.04	65.56
Lease Liability	-	1.12	-	1.12
Derivatives not designated as hedge				
Derivative liability	-	9.76	-	9.76
	1,972.23	**1,821.69**	**1,972.23**	**1,821.69**

i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to their short-term nature.

ii. 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.

iii. Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

37 COMMODITY PRICE RISK

The Company imports Ethylene, Ethylene Dichloride (EDC), VCM for manufacture of PVC, Methanol for manufacture of Chloromethanes and Coal for its Captive Power Plant.

A) Ethylene, EDC and VCM :

Prices of PVC manufactured by the Company are monitored by Company's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of Ethylene / EDC / VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore, the Company is not significantly exposed to the variation in commodity prices over a period for the above products.

B) Coal and Methanol :

The following table shows the effect of price changes for Coal and Methanol for the year ended March 2026:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Change in Price	Impact on post tax profits and equity	Change in Price	Impact on post tax profits and equity
Coal	5 %	6.38	5 %	6.88
Methanol	5 %	1.21	5 %	1.06
Total		**7.59**		**7.94**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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38 RELATED PARTY TRANSACTIONS

List of parties where control exists

Sanmar Chemical Enterprises Limited
(Formerly known as Sanmar Engineering Services Limited) — Ultimate Holding Company

Sanmar Holdings Limited — Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow Subsidiaries

Sanmar Group International Limited

TCI Sanmar Chemicals S.A.E.

Sanmar Overseas Investments AG

Other related party

Sanmar Shipping Limited

Directors

Vijay Sankar

S Ganeshkumar (Managing Director) (from April 01, 2026)

Ramkumar Shankar (Managing Director) (upto March 31, 2026)

Chandran Ratnaswami (Upto May 10, 2024)

Dr. (Mrs) Lakshmi Vijayakumar

Aditya Jain

Sanjay Vijay Bhandarkar

Prasad Raghava Menon

Vikram Taranath Hosangady

Sumit Maheshwari (from May 20,2024) (upto April 09, 2026)

Terms and conditions of transactions with related parties:

All 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 interest free, unsecured and settlement occurs in cash.

For the year ended March 31, 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

This assessment is undertaken in each financial year through examining the financial position of related party and the market in which the related party operates.

Description	Parties where control exists		Joint Venture / Subsidiaries / Fellow Subsidiaries / Associates		Other related party		Directors	
Transactions during the year	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25
Sale of materials								
Chemplast Cuddalore Vinyls Limited	-	-	**132.18**	300.00	-	-	-	-
Sale of Services								
Chemplast Cuddalore Vinyls Limited	-	-	**-**	0.41	-	-	-	-
Purchase of materials								
Chemplast Cuddalore Vinyls Limited	-	-	**44.37**	15.34	-	-	-	-
Purchase of services								
Chemplast Cuddalore Vinyls Limited	-	-	**7.67**	5.13	-	-	-	-
Purchase of steam								
Chemplast Cuddalore Vinyls Limited	-	-	**23.61**	18.56	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Description	Parties where control exists		Joint Venture / Subsidiaries / Fellow Subsidiaries / Associates		Other related party		Directors	
Transactions during the year	**April 25 to March 26**	**April 24 to March 25**	**April 25 to March 26**	**April 24 to March 25**	**April 25 to March 26**	**April 24 to March 25**	**April 25 to March 26**	**April 24 to March 25**
Rent Paid								
Chemplast Cuddalore Vinyls Limited	**-**	-	**0.18**	0.11	-	-	-	-
Inter corporate deposit given								
Chemplast Cuddalore Vinyls Limited	**-**	-	**34.32**	-	-	-	-	-
Interest on Inter corporate deposit								
Chemplast Cuddalore Vinyls Limited	**-**	-	**0.02**	-	-	-	-	-
Reimbursement of expenses - Received								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	**0.00**	0.10	**-**	-	-	-	-	-
Sanmar Shipping Limited	**-**	-	-	-	**-**	0.28	-	-
TCI Sanmar Chemicals S.A.E	**-**	-	3.59	-	-	-	-	-
Chemplast Cuddalore Vinyls Limited	**-**	-	**5.74**	9.19	-	-	-	-
Reimbursement of expenses - Paid								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	**-**	0.01	**-**	-	-	-	-	-
Sanmar Shipping Limited	**-**	-	-	-	**0.00**	0.20	-	-
Chemplast Cuddalore Vinyls Limited	**-**	-	**18.75**	7.88	-	-	-	-
Remuneration (Short-term benefits)							-	-
Ramkumar Shankar	-	-	-	-	-	-	**2.83**	4.63
Sitting Fees								
Dr. (Mrs) Lakshmi Vijayakumar	-	-	-	-	-	-	**0.04**	0.05
Aditya Jain	-	-	-	-	-	-	**0.06**	0.06
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	**0.07**	0.08
Vikram Taranath Hosangady	-	-	-	-	-	-	**0.06**	0.05
Prasad Raghava Menon	-	-	-	-	-	-	**0.05**	0.06
Commission								
Dr. (Mrs) Lakshmi Vijayakumar	-	-	-	-	-	-	**0.08**	0.08
Aditya Jain	-	-	-	-	-	-	**0.08**	0.08
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	**0.08**	0.08
Prasad Raghava Menon	-	-	-	-	-	-	**0.08**	0.08
Balances as at year end	**March 31, 2026**	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**
Investments (Net of impairment - Refer Note 51)	-	-	**657.72**	1,555.72	-	-	-	-
Inter corporate deposit including interest (Receivable)	-	-	**34.34**	-	-	-	-	-
Sundry receivables	-	-	**2.93**	-	-	-	-	-
Sundry payables	-	-	**11.25**	-	-	-	-	-
Trade receivables	-	-	**97.51**	0.61	-	-	-	-
Trade payables	-	-	**18.88**	11.66	-	-	-	-

Refer Note 39 (ii) for details of guarantee provided by the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

39 DISCLOSURE AS PER SECTION 186(4) OF COMPANIES ACT, 2013

The Company has made investments in, provided guarantee and inter corporate deposit which are disclosed below as required by section 186(4) of the Companies Act, 2013.

	Note	As at March 31, 2026	As at March 31, 2025
(i) Details of Investment			
Unquoted fully paid equity shares	15		
TCI Sanmar Chemicals S.A.E.		0.04	0.04
March 31, 2026 : 2 (March 31, 2025 : 2) Equity shares, fully paid up, par value EGP 1000 each			
Chemplast Cuddalore Vinyls Limited		126.98	300.35
March 31, 2026: 30,30,30,303 (March 31, 2025: 30,30,30,303) Equity shares, fully paid up, par value ₹ 10 each (Net of impairment - Refer Note 51)			
JSW Green Energy Nine Limited		5.35	-
March 31, 2026 : 53,45,000 (March 31, 2025: Nil) Shares of face value ₹ 10 each			
The Company has pledged the entire investment held in the equity shares of TCI Sanmar Chemicals S.A.E. in favour of investee's lenders pursuant to the contractual requirements contained in respect of the borrowings availed by the investee.			
Compulsorily Convertible Debentures (CCD)	15		
Chemplast Cuddalore Vinyls Limited		530.70	1,255.33
March 31, 2026: 12,55,33,516 (March 31, 2025: 12,55,33,516) Compulsorily Convertible Debentures (CCD) of ₹ 100 each (Net of impairment - Refer Note 51)			
(ii) Guarantees provided			
The Company has provided corporate guarantee to State Industries Promotion Council of Tamil Nadu for ₹ 331.86 Crores towards the outstanding soft loan of ₹ 76.79 Crores (March 31, 2025 : ₹ 100.26 Crores) availed by the subsidiary company, Chemplast Cuddalore Vinyls Limited.			
(iii) Loans given*	21		
Chemplast Cuddalore Vinyls Limited		34.34	-

*Current interest rate on the loan is 9.00% p.a (March 31, 2025: Nil)

40 SEGMENT REPORTING

The Company's operations predominantly relate to manufacture and sales of Speciality Chemicals. The Board of Directors of the Company who have been identified as the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind-AS 108 "Operating Segments". The Company's operations are predominantly conducted in India and accordingly, there are no separate reportable geographic segment.

The Company's revenue from one customer contributing to more than 10% amounts to ₹ 291.60 Crores (Previous year one customer contributing to more than 10% amounted to ₹ 263.25 Crores).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

41 CONTINGENT LIABILITIES AND GUARANTEES

Particulars	As at March 31, 2026	As at March 31, 2025
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts:*		
On account of Direct Taxes	55.23	62.29
On account of Indirect Taxes	21.98	27.73
On account of other disputes	15.97	15.97
B. Guarantees		
Corporate guarantee given to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) in respect of soft loan availed by Chemplast Cuddalore Vinyls Limited from SIPCOT	76.79	100.26
- (Total amount of the corporate guarantee given by Chemplast Sanmar Ltd to SIPCOT for the soft loan facility is ₹ 331.86 Crores – Actual amount of the Loan drawn by CCVL against this facility is ₹ 76.79 Crores (Previous year ₹ 100.26 Crores)		

*The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

It is not practicable for the Company to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

The Company does not expect any reimbursement in respect of the above contingent liabilities.

42 CAPITAL COMMITMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	301.74	286.38
	301.74	**286.38**

43 DUES TO MICRO AND SMALL ENTERPRISES

As at March 31, 2026, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 31 and 33 have been determined to the extent such parties have been identified on the basis of information available with the Company.

44 CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Amount required to be spent by the Company during the year	-	2.96
(ii) Amount of expenditure incurred	1.06	2.98
(iii) Shortfall at the end of the year (i-ii)	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Activities mentioned in i, ii,vi,vii, x & xii of Schedule VII of the Companies Act, 2013	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

The above expenditure is spent on purposes other than towards construction / acquisition of any asset.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Excess amount spent on CSR		
Opening balance	0.05	0.03
Amount required to be spent during the year	-	2.96
Amount spent during the year	1.06	2.98
Closing balance	**1.11**	**0.05**

The Company has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2026 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.

45 OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not advanced to or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that such Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

(v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

46 EMPLOYEE BENEFIT COST

Defined benefit plans

Gratuity:

This is a defined benefit plan and the Company's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2026 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.62%	6.98%
Return on plan assets	7.62%	6.98%
Expected rate(s) of salary increase	8.00%	7.00%
Attrition rate	2.00%	2.00%
Average duration of defined benefit obligations (in years)	10.44	9.40

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Particulars	As at March 31, 2026	As at March 31, 2025
Cost of defined benefit plans are as follows:		
Current service cost	2.20	1.94
Past service cost	3.49	-
Interest on obligation	1.29	1.14
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.29)	(1.15)
Net cost recognised in the Statement of profit and loss	**5.69**	**1.93**
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains) / losses recognised in the year	(0.24)	0.52
Net (gain) /loss recognised in the other comprehensive income	**(0.24)**	**0.52**

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	24.67	19.12
Fair value of plan assets	19.23	19.12
Net liability / (asset)	**5.44**	**0.00**

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Movements in the present value of the plan assets in the current year were as follows		
Opening fair value of plan assets	19.12	14.96
Return on plan assets	1.29	1.15
Actuarial gains / (losses)	0.20	(0.05)
Contributions from the employer	0.01	4.62
Transfer of obligations	0.08	(0.03)
Benefits paid	(1.47)	(1.53)
Closing fair value of plan assets	**19.23**	**19.12**

Movements in the present value of the define benefit obligation in the current year were as follows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening defined benefit obligation	19.12	17.12
Current service cost	2.20	1.94
Past service cost	3.49	-
Interest cost	1.29	1.14
Actuarial (gains) / losses	(0.04)	0.48
Transfer of obligations	0.08	(0.03)
Benefits paid	(1.47)	(1.53)
Closing defined benefit obligation	**24.67**	**19.12**
Actuarial (gain) / loss on obligations attributable to change in financial assumptions	0.85	(0.02)
Actuarial (gain) / loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain) / loss attributable to experience adjustments	(1.09)	0.49

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	0.73	1.52
Year 2	3.90	4.06
Year 3	1.68	1.59
Year 4	2.45	0.91
Year 5	1.40	2.31
Years 6 through 10	12.37	6.44

Note:

I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC).

II. The expected / actual return on Plan assets is as furnished by LIC.

III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Company expects to make a contribution of ₹ 8.33 Crores to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1 %	0.39	0.62	(2.18)
Decrease in discount rate by 1 %	1.19	0.49	2.56
Increase in salary escalation by 1 %	1.19	0.76	2.56
Decrease in salary escalation by 1 %	0.38	0.40	(2.22)

47 ANALYTICAL RATIOS

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	0.82	0.96	(14.58%)	
Debt-equity ratio	Total Debt	Shareholder's Equity	0.37	0.24	54.17%	The Company has taken additional debt during the current year for the purpose of project financing and also due to drop in equity on account of increase in loss after tax during the FY 2025-26 resulted in increase in debt-equity ratio
Debt service coverage ratio	Earnings for Debt Service	Debt Service	0.63	1.29	(51.16%)	Drop in earnings for debt service in FY 2025-26 has resulted in drop in debt service coverage ratio
Return on equity ratio	Net Profits after taxes	Avg. Shareholder's Equity	(44.45 %)	(2.39%)	1759.83%	Loss after tax incurred in FY 2025-26 was higher than FY 2024-25 resulting in higher negative return on equity ratio

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Remarks
Inventory turnover ratio	Net Sales	Avg. Inventory	5.51	6.14	(10.26%)	
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivable	13.84	14.63	(5.40%)	
Trade payables turnover ratio	Net Purchases	Avg. Trade Payables	1.70	2.07	(17.87%)	
Net capital turnover ratio	Net Sales	Working Capital	8.69	6.62	31.27%	Drop in Sales and working capital resulted in increase in net capital turnover ratio
Net profit ratio	Net Profits after taxes	Net Sales	(46.24 %)	(2.75%)	1581.45%	Loss after tax incurred in FY 2025-26 was higher than FY 2024-25 resulting in drop in net profit ratio
Return on capital employed	EBIT	Capital Employed	(28.45 %)	(0.61%)	4563.93%	Change due to decrease in earnings in FY 2025-26 compared to FY 2024-25
Return on investment	Net Profit after taxes	Average Total Assets	(23.64 %)	(1.46%)	1519.18%	Loss after tax incurred in FY 2025-26 was higher than FY 2024-25 resulting in drop in return on investment

1 Total Debt = Long-term borrowings (including current maturities of Long-term borrowings), lease liabilities (current and non-current), short-term borrowings and interest accrued on debts

2 Earnings for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + interest + exceptional items + other adjustments like loss on sale of Property, plant and equipment etc.

3 Debt service = Interest and Lease payments + Principal repayments

4 Avg. Shareholder's Equity = Average of opening total equity and closing total Equity excluding revaluation reserve

5 Avg. Inventory = Average of opening inventory and closing inventory

6 Avg. Trade Receivable = Average of Opening Trade Receivables and Closing Trade Receivables

7 Avg. Trade Payables = Average of Opening Trade Payables and Closing Trade Payables

8 Working capital shall be calculated as current assets minus current liabilities (excluding current maturities of long term debt, lease liability and interest accrued on borrowings)

9 EBIT = Earning before interest and taxes

10 Capital Employed = Tangible Net Worth (excluding revaluation reserve) + Total Debt + Deferred Tax Liability

11 Average Total Assets = Average of Opening Total Assets and Closing Assets excluding revaluation impact

48 CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
Projects in Progress	239.18	81.61	13.37	1.46	335.62
Projects temporarily suspended	-	-	-	-	-
Total	**239.18**	**81.61**	**13.37**	**1.46**	**335.62**
As at March 31, 2025					
Projects in Progress	24.13	104.10	2.40	5.06	135.69
Projects temporarily suspended	-	-	-	-	-
Total	**24.13**	**104.10**	**2.40**	**5.06**	**135.69**

Note - There are no assets/ projects forming part of CWIP which have become overdue or where cost is exceeded compared to their original plans.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

49 TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026							
(i) Undisputed Trade receivables – considered good	83.84	85.89	0.07	-	-	-	169.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
As at March 31, 2025							
(i) Undisputed Trade receivables – considered good	139.44	4.39	0.00	0.00	-	-	143.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

50 TRADE PAYABLES AGING SCHEDULE

Particulars	Unbilled	Not Due			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		Less than 60 days	61 days - 90 days	More than 90 days					
As at March 31, 2026									
(i) MSME	-	7.67	0.02	0.12	0.06	-	-	-	7.87
(ii) Others	65.09	366.16	3.60	12.42	132.93	0.50	0.09	0.58	581.37
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-
As at March 31, 2025									
(i) MSME	-	4.40	-	0.09	0.25	-	-	-	4.74
(ii) Others	71.29	71.60	0.10	456.70	21.42	0.31	0.32	2.40	624.14
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Supplier finance arrangement:

Quantitative disclosure of amounts involved:

Particulars	As at March 31, 2026	As at March 31, 2025
A. Carrying amount of financial liabilities		
i) Presented under Trade Payables	255.88	288.29
- of which supplier have received payment from finance provider	218.36	254.49
ii) Balance represents invoices confirmed under the arrangement but not yet settled by the bank	37.52	33.80
B. Range of due dates (due date from invoice dates)		
i) Liabilities under the supplier finance arrangement	Upto 240 days	Upto 240 days
ii) Trade payables not subject to supplier finance arrangements	1 - 180 days	1 - 180 days

Interest / discounting charges for the above arrangement is paid at LIBOR / SOFR + Spread on the outstanding balance.

51 EXCEPTIONAL ITEMS

The Company's wholly owned subsidiary - CCVL is engaged in the production and sale of Suspension PVC (S-PVC). Pursuant to significant regulatory and market developments in the last few months and including non notification of and consequent dropping of the expected anti-dumping duty on S-PVC, removal of customs duty on import of S-PVC, significant reduction in S-PVC prices on account of low priced imports and raw material price volatility due to West-Asia crisis, the Company has revised its budgets / cash flow projections and has done a detailed evaluation of the carrying value of its investment in CCVL as at March 31, 2026 with the help of an independent valuer. Based on such evaluation, the Company has recorded an impairment provision of ₹ 898.00 Crores as an exceptional item for the year ended March 31, 2026. (Also refer to Note 15 for further disclosures relating to the impairment assessment).

52 EMPLOYEES' BENEFITS OBLIGATIONS

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

c. Labour code

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 - 29 existing labour laws, collectively referred to as the "New Labour Codes". For the year ended March 31, 2026, the Company has assessed and recorded the incremental impact of these changes amounting to ₹ 3.49 Crores, determined taking into consideration the best information available read with the FAQs released by Ministry of Labour & Employment and Institute of Chartered Accountants of India. The Company continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/ guidance.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

53 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, 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.

a. Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

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

Further details about defined benefit obligations are given in Note 46.

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 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 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. See Note 36 for further disclosures.

Fair value measurement of property, plant and equipments

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with increase in fair value being recognised in OCI. The Company had engaged independent valuation specialists to assess fair value for revaluation of land, buildings, plant and equipment as at November 30, 2024. Fair value of land was determined by using the market approach, hypothetical layout method and building and plant and equipment was determined by using Depreciated Replacement Cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 14.4.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Revenue from contract with customers

The Company estimates variable considerations to be included in the transaction price for the sale of goods and volume rebates. The Company's expected rebates and discounts are analysed on a per customer basis for contracts that are subject to the applicable thresholds. Determining whether a customer will be likely entitled to rebate and discounts will depend on the customer's rebates entitlement and total purchases to date.

Leases - Estimating the incremental borrowing rate

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 for its borrowings.

Useful life of PPE

Estimated useful life of certain items of PPE are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

INDEPENDENT AUDITOR'S REPORT

To the Members of Chemplast Sanmar Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Timing of revenue recognition

See Note 3.8 and 4 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is derived primarily from sale of speciality chemicals and commodity chemicals. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Group and its external stakeholders focus on revenue as a key performance metric and the Group uses various shipment terms across its operating markets. Timing of revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Group's accounting policy for revenue recognition as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to timing of revenue recognition. • We used statistical sampling and performed substantive testing of selected samples of revenue transactions recorded during the year by verifying the underlying documents such as sale invoice, dispatch document and bill of lading and assessed the accuracy of the period in which revenue was recognised. • Tested manual journal entries posted to revenue based on a specified risk-based criteria to identify unusual items.

Inventory Valuation and Procurement Related Provisions

See Note 3.6, 3.15, 36 and 52 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group is engaged in manufacture and sale of Suspension PVC (S-PVC), where profitability is significantly affected by volatility in key raw material (VCM) prices and S-PVC selling prices. As at the reporting date, the Group has recognised provisions relating to (i) procurement arrangements for raw materials that are onerous in nature, and (ii) write-down of inventory to net realisable value (NRV) in accordance with applicable accounting standards on account of current geopolitical environment. These involve significant judgements relating to impact of regulatory and market developments on the import parity prices, impact on anticipated selling prices, availability and price volatility of raw materials due to geopolitical factors affecting the supply chain etc. Given the aforesaid estimation uncertainty and potential financial impact, this has been identified as a key audit matter.	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Group's accounting policy for onerous contract provision and inventory valuation as per Ind AS. • Assessed the design and implementation of key internal financial controls with respect to inventory valuation and provisions and tested the operating effectiveness of such controls. • Evaluated Group management's assessment of onerous contracts by inspecting key contract terms, committed quantities and prices of non-cancellable procurement arrangements, expected S-PVC prices and contribution margins. • Assessed the methodology used in determining NRV of inventory, including management's assumptions regarding expected selling prices, market demand, contribution margins, and estimated costs to sell • Tested the underlying data used in NRV and onerous contract assessments, such as inventory records, ageing, historical sales, approved annual budgets, recent procurement prices and related data regarding market and regulatory developments. • Assessed the adequacy and completeness of disclosures in the financial statements including manner of presentation relating to the aforesaid items.

OTHER INFORMATION

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

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2026, 11 April 2026, 16 April 2026, 20 April 2026 and 30 April 2026 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2026.

   d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 45(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 45(iii) to the consolidated financial statements, no funds have been received by the Holding Company and its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Holding Company and its subsidiary company have used an 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, we did not come across any instance of audit trail feature being tampered with. Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, audit trail has been preserved by the Group as per the statutory requirements for record retention.

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN: 26203491LPMASV6843

Place: Chennai
Date: 25 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on the Consolidated Financial Statements of Chemplast Sanmar Limited for the year ended 31 March 2026

(REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has certain remarks given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Chemplast Cuddalore Vinyls Limited	U24100TN1991PLC020589	Subsidiary	Clause (i)(c)* Clause (xvii)#

*This clause pertains to title deeds of certain immovable properties not held in the name of the subsidiary.
#This clause pertains to cash losses incurred by the subsidiary in the current and previous financial year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN: 26203491LPMASV6843

Place: Chennai
Date: 25 May 2026

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

on the Consolidated Financial Statements of Chemplast Sanmar Limited for the year ended 31 March 2026

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE AFORESAID CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

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

OPINION

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN: 26203491LPMASV6843

Place: Chennai
Date: 25 May 2026

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	14	4,274.16	4,397.97
Capital work-in-progress	14.1	341.39	137.46
Other Intangible assets	14	4.12	6.63
Right-of-use assets	14.2	107.69	94.63
Financial assets			
(i) Investments	15	7.65	0.04
(ii) Other financial assets	16	45.41	42.35
Non-current tax assets (net)		11.01	11.29
Other non-current assets	17	42.35	37.65
Total Non-current assets		**4,833.78**	**4,728.02**
Current assets			
Inventories	18	601.68	657.29
Financial Assets			
(i) Trade receivables	19	92.22	155.43
(ii) Cash and cash equivalents	20	430.39	554.83
(iii) Bank balances other than (ii) above	21	102.51	169.16
(iv) Derivative assets	33	87.24	-
(v) Other financial assets	22	23.94	29.37
Other current assets	23	143.47	209.09
Total Current assets		**1,481.45**	**1,775.17**
Total Assets		**6,315.23**	**6,503.19**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	79.06	79.06
Instruments entirely equity in nature	25	-	34.32
Other equity	26	1,675.57	1,955.05
Total Equity		**1,754.63**	**2,068.43**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	27	1,104.95	1,102.47
(ii) Other financial liabilities	28	41.33	46.93
Deferred tax liabilities (net)	29	438.82	531.23
Other non-current liabilities	30	37.70	39.29
Total Non-current liabilities		**1,622.80**	**1,719.92**
Current liabilities			
Financial liabilities			
(i) Borrowings	31	846.89	738.13
(ii) Lease liabilities	14.3	-	1.12
(iii) Trade payables	32		
- total outstanding dues of micro enterprises and small enterprises; and		12.39	5.81
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,624.91	1,661.09
(iv) Derivative liabilities	33	-	15.90
(v) Other financial liabilities	34	222.78	207.91
Other current liabilities	35	92.30	67.43
Provisions	36	121.22	-
Current tax liability (net)		17.31	17.45
Total Current liabilities		**2,937.80**	**2,714.84**
Total Liabilities		**4,560.60**	**4,434.76**
Total Equity and Liabilities		**6,315.23**	**6,503.19**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	4	4,223.79	4,346.07
Other income	5	28.14	47.05
Total Income		**4,251.93**	**4,393.12**
Expenses			
Cost of materials consumed	6	2,550.79	2,918.46
Changes in inventories of finished goods and work-in-progress	7	122.70	(165.54)
Employee benefits expense	8	264.93	259.31
Finance costs	9	235.39	235.88
Depreciation and amortisation expense	14	213.15	198.91
Other expenses	10	1,087.46	1,115.17
Total Expenses		**4,474.42**	**4,562.19**
Profit / (Loss) before tax and exceptional items		**(222.49)**	**(169.07)**
Exceptional items	52	149.92	-
Profit / (Loss) before tax		**(372.41)**	**(169.07)**
Tax expense:	11		
Deferred tax		92.54	58.71
Profit / (Loss) after tax		**(279.87)**	**(110.36)**
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		0.52	(1.23)
- Income tax expense relating to remeasurement of defined benefit plans		(0.13)	0.31
- Revaluation of property, plant and equipment		-	417.89
- Income tax expense relating to revaluation of property, plant and equipment	11	-	61.24
Total other comprehensive income		**0.39**	**478.21**
Total comprehensive income for the year		**(279.48)**	**367.85**
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	13	**(17.70)**	**(6.92)**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

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Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
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Place: Chennai

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A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX	(372.41)	(169.07)
Adjustments for:		
Depreciation and amortisation expense	213.15	198.91
Finance costs	235.39	235.87
(Profit) / Loss on sale of property, plant and equipment (net)	(0.05)	(1.39)
Liabilities no longer required written back	(0.14)	(0.38)
Interest income on financial assets at amortised cost	(24.76)	(40.18)
Difference in fair value of derivative instruments	(103.14)	11.02
Exceptional items	149.92	-
Unrealised (gain) / loss of foreign exchange transactions (net)	94.41	(6.84)
Government grant Income	(1.57)	(1.58)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**190.80**	**226.36**
Adjustments for changes in :		
Inventories	19.46	(88.65)
Trade and other receivables	132.13	62.38
Trade and other payables	(48.26)	(54.41)
CASH GENERATED FROM OPERATIONS	**294.13**	**145.68**
Income tax paid (net of refunds)	0.16	25.99
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**294.29**	**171.67**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(316.08)	(382.23)
Proceeds from sale of property, plant and equipment	0.14	22.60
Payment towards purchase of non-current investment	(7.61)	-
Deposits (placed)/ realised (net) (including margin deposit)	66.31	(90.48)
Interest received	25.10	42.74
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	**(232.14)**	**(407.37)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	231.72	183.38
Repayment of long-term borrowings	(205.27)	(178.05)
Proceeds from short-term borrowings	2,953.54	1,658.90
Repayment of short-term borrowings	(2,897.67)	(1,355.99)
Redemption of debentures	(34.32)	-
Payment of lease liability	(1.14)	(4.56)
Interest and finance charges paid	(233.45)	(237.59)
NET CASH FROM / (USED IN) FINANCING ACTIVITES	**(186.59)**	**66.09**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(124.44)**	**(169.61)**
Cash and cash equivalents at beginning of the year	554.83	724.44
Cash and cash equivalents at end of the year	**430.39**	**554.83**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2024	15,81,09,574	79.06
Changes during the year 2024-25	-	-
Balance at March 31, 2025	15,81,09,574	79.06
Changes during the year 2025-26	-	-
Balance at March 31, 2026	**15,81,09,574**	**79.06**

(b) Instruments entirely equity in nature

Particulars	Number of shares	Amount
Balance at April 01, 2024	34,31,984	34.32
Changes during the year 2024-25	-	-
Balance at March 31, 2025	34,31,984	34.32
Changes during the year 2025-26	(34,31,984)	(34.32)
Balance at March 31, 2026	**-**	**-**

(c) Other equity

Particulars	Capital Reserve	Securities Premium	Capital Redemption Reserve	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
Balance at April 01, 2024	(3,230.72)	1,386.28	39.25	1,733.89	147.76	1,510.74	1,587.20
Total Comprehensive Income	-	-	-	(111.28)	-	479.13	367.85
Depreciation on revalued assets	-	-	-	66.50	-	(66.50)	-
Balance at March 31, 2025	**(3,230.72)**	**1,386.28**	**39.25**	**1,689.11**	**147.76**	**1,923.37**	**1,955.05**
Total Comprehensive Income	-	-	-	(279.48)	-	-	(279.48)
Depreciation on revalued assets	-	-	-	68.67	-	(68.67)	-
Balance at March 31, 2026	**(3,230.72)**	**1,386.28**	**39.25**	**1,478.30**	**147.76**	**1,854.70**	**1,675.57**

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

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DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

1 CORPORATE INFORMATION

Chemplast Sanmar Limited ("the Holding Company", "CSL") is a public limited company incorporated and domiciled in Chennai. The Holding Company is listed on Bombay Stock Exchange and National Stock Exchange. The registered office is located at Cathedral Road, Chennai and is into the production and sale of speciality chemicals. As of March 31, 2026, Sanmar Holdings Limited owns majority of Chemplast Sanmar Limited's equity share capital and has the ability to control its operating and financial policies.

2 BASIS OF PREPARATION

2.1 Statement of Compliance:

These Consolidated Financial Statements which comprise the Financial Statements of the Holding Company and its Subsidiary Company (together called as the Group) have been prepared and presented from April 01, 2025 to March 31, 2026 ("year") in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

These Consolidated Financial Statements were authorised for issue by the Holding Company's Board of Directors on May 25, 2026.

Basis of measurement:

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial instruments):

a. Derivative financial instruments

b. Investment in unquoted equity shares

c. Property, plant and equipment under revaluation model

These Consolidated Financial Statements are presented in INR and are rounded off to the nearest Crore, except when otherwise indicated.

2.2 Basis of Consolidation

Control is evidenced 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.

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 Holding Company, its Subsidiary 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.

Consolidated Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Historical Audited 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.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Historical Audited Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any noncontrolling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Particulars of consolidation

The Financial Statements of the Subsidiary was considered for Consolidation

Name of the Company	Percentage of voting power as on	
	March 31, 2026	March 31, 2025
Chemplast Cuddalore Vinyls Limited (CCVL)	100%	100%

2.3 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;
- It is held primarily for the purpose of trading;
- It is 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.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products / activities, the Group has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

2.4 Appropriateness of the Going Concern Assumption in the preparation of the Financial Statements:

During the year ended March 31, 2026, the Group has incurred a Loss before tax of ₹ 372.41 Crores (Loss before tax of ₹ 169.07 Crores for the comparative year ended March 31, 2025) and has net current liabilities of ₹ 1,456.35 Crores as of March 31, 2026 (₹ 939.67 Crores as at March 31, 2025).

The management expects continuity of demand for the Group's products and considering the overall demand for Paste PVC and S-PVC outstripping the installed capacity in India, the Group is confident that it would be able to operate its plant at optimal capacity to generate profitable operations for the foreseeable future. Further, the Subsidiary Company's business witnessed significant regulatory and market developments in the last few months. These factors have also been duly considered in the Group's budgets and projected cash balances remain positive. The Group has not defaulted or delayed payments of any of its borrowings.

Thus, the management is of the view that the Group will be able to meet its liabilities as they fall due on account of projected positive cash balances, and/or utilisation of its unused credit facilities, continued credit arrangements with key suppliers and raise funds as necessary. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

3 MATERIAL ACCOUNTING POLICIES

3.1 Foreign Currency Transactions

The Group's functional currency is Indian Rupees. Foreign currency transactions are recorded at the rate of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currency are converted at year end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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.

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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.
- Quantitative disclosures of fair value measurement hierarchy.
- Investment in unquoted equity shares.

3.3 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. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3.1 Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

a. Debt instruments at amortised cost;

b. Derivatives and equity instruments at Fair Value Through Profit or Loss (FVTPL);

a. Debt instruments at amortised cost:

A 'Debt instrument' 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.

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 profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at FVTPL:

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. All equity investments in scope of Ind AS 109 are measured at fair value. 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. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 37.10

3.3.1.1 Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

- Financial assets that are debt instruments are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance. The

Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.3.1.2 Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

3.3.2 Financial Liabilities and Equity Instruments

3.3.2.1 Classification as Debt or Equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind AS 32.

3.3.2.2 Equity Instruments

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. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.3.2.3 Convertible Debt Instruments

Convertible debt instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debt instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debt instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised. Where a convertible debt instrument meets the criteria of an equity in its entirety, such instruments are classified under "Instruments entirely equity in nature".

3.3.2.4 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

3.3.2.5 Financial Guarantees

Group as a beneficiary: Financial guarantee contracts involving the Group as a beneficiary are accounted as per Ind AS 109. The Group assesses whether the financial guarantee is a separate unit of account (a separate component of the overall arrangement) and recognises a liability as may be applicable.

Group as a guarantor: The Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 117 on Insurance Contracts, respectively. Wherever the Group has regarded its financial guarantee contracts as insurance contracts, at the end of each reporting period the Group performs a liability adequacy test, (i.e., it assesses the likelihood of a payout based on current undiscounted estimates of future cash flows), and any deficiency is recognised in statement of profit and loss. Where they are treated as a financial instrument, the 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.

3.3.2.6 Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 37.10.

3.3.2.7 Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. 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 between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 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.

3.3.4 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant period. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Property, Plant and Equipment and Capital Work-in-Progress are initially recognised at cost when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment were valued at cost model net of accumulated depreciation until March 31, 2019. Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for longterm construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, 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 profit and loss account as incurred. 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.

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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

On March 31, 2019, the Group had elected to change the method of accounting for land, buildings and plant and equipment classified as property, plant and equipment and leasehold land classified as right-of-use assets as the Group believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the land, buildings and plant and equipment's fair value. The Group applied the revaluation model prospectively. After initial recognition, these assets are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in statement of profit and loss. A revaluation deficit if any, is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The fair value changes are effected by eliminating the accumulated depreciation against the gross carrying amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Apart from the above, the Group follows the cost model for Motor cars, Office equipments, Furniture and Fittings. Other assets are measured at cost less deprecation. Freehold land is not depreciated.

The Group, based on technical assessment made by management estimate supported by external Chartered engineer's study, 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 using straight-line method. 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. On addition / deletion, depreciation is charged on prorata basis based on month of addition / deletion.

Particulars	Useful life
Buildings	10 years - 74 years
Plant and equipments	1 year - 65 years
Vehicles	5 years - 13 years
Computers and peripherals	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	1 year - 10 years
Ships	28 years

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

3.5 Intangible Assets

3.5.1 Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.5.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

3.5.3 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Non-compete fees – 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs incurred for bringing the inventories to their present location and condition and includes appropriate overheads wherever applicable.

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. The Group produces certain joint-products which are valued on joint cost basis by apportioning the total costs incurred in the manufacture of those joint-products. By-products are valued at the net realisable value.

3.7 Retirement and Employees Benefits

Short-term employees' benefits including accumulated compensated absence are recognised as an expense as per the Group's scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund / Employee State Insurance:

This is a defined contribution plan and contributions made to the fund are charged to revenue. The Group has no further obligations for future fund benefits other than annual contributions.

Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date. Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit and loss. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Termination benefits:

Termination benefits are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, an appropriate timeline and the employees affected have been notified of the plan's main features.

3.8 Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (primarily upon dispatch or delivery, as per the terms of sale as applicable) at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Contract balances :

i) Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii) Trade receivables:

A receivable represents the Group's right to an amount of consideration that is unconditional and is measured at transactional price. Refer to accounting policies of financial assets in Note 3.3.1.

iii) Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

iv) Variable consideration:

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some contracts provide customers with volume rebate.

Volume rebates / Price concessions / Special discounts:

The Group provides for volume rebates, price concessions, special discounts to certain customers once the quantity of goods sold during a period exceeds an agreed threshold. Rebates are offset against amounts receivable from customers. To estimate the variable consideration, the Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

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. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Service income:

Income from services rendered is recognised at a point in time based on agreements / arrangements with the customers as the service is performed and there are no unfulfilled obligations.

3.9 Other Income

Interest income: Interest income is recognised using the Effective Interest Rate (EIR) method.

3.10 Leases

Group as a lessor:

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

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 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 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.

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.

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 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 of machinery and equipment (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 of office equipment that are considered to be low value. 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.

3.11 Taxes

Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

Current Tax

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of any unused tax losses and unabsorbed depreciation.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised only if there is a reasonable certainty, with respect to unabsorbed depreciation and business loss, that they will be realised.

Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax / deferred 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 establishes provisions where appropriate.

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 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.

Tax assets and tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgment in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group has determined, that it is probable that its tax treatments will be accepted by the taxation authorities.

3.12 Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

3.13 Cash and Cash Equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.14 Provisions and Contingencies

Provisions are recognised when the Group has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

If the effect of the time value of money is material, provisions are discounted using a current pretax 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. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

3.15 Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

3.16 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 relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.18 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. 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 forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to projected 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.

3.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholder of the Group by the weighted average number of equity shareholder outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number

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of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Group and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.20 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In August 2025, MCA has notified the following:

Ind AS 1 - Presentation of Financial Statements

For accounting periods beginning on or after April 01, 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach or gives waiver of the compliance of covenant and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 01 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

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4 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Revenue from contracts with customers*		
Revenue from the sale of manufactured goods	4,210.35	4,319.95
Revenue from the rendering of services	6.13	8.39
Leasing Income	0.15	0.18
(ii) Other operating revenue		
Revenue from sale of scrap	3.97	15.03
Revenue from export incentives	3.19	2.52
	4,223.79	**4,346.07**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	4,392.05	4,475.79
Adjustments towards:		
Volume rebates	111.98	95.23
Price concessions	17.09	15.92
Special discounts	46.51	44.69
Revenue as per statement of profit and loss	4,216.47	4,319.95

Contract balances

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables (including contract asset)	92.22	155.43
Advance from customers (contract liability)	57.24	38.66
Revenue recognised from opening contract liabilities	38.66	26.03
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	316.39	270.27
- Within India	3,907.40	4,075.80

*The entire revenue from contract with customers are recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115

5 OTHER INCOME

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income under effective interest rate method on financial assets at amortised cost	24.76	40.18
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	0.05	1.39
Provisions no longer required written back	0.14	0.39
Amortisation of Government grants	1.57	1.57
Recovery of bad debts	-	1.86
Miscellaneous income	1.62	1.66
	28.14	**47.05**

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6 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories of material at the beginning of the year	323.54	371.30
Add : Purchase	2,606.00	2,870.70
Inventories of material at the end of the year	378.75	323.54
	2,550.79	**2,918.46**

7 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Inventories at the beginning of the year		
Work-in-progress	37.75	25.13
Finished goods	191.30	38.38
	229.05	**63.51**
Inventories at the end of the year		
Work-in-progress	73.23	37.75
Finished goods	33.12	191.30
	106.35	**229.05**
Difference between opening and closing inventories		
Work-in-progress	(35.48)	(12.62)
Finished goods	158.18	(152.92)
	122.70	**(165.54)**

8 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries and wages	242.09	242.18
Contribution to provident fund and others	16.31	10.78
Staff welfare expenses	6.53	6.35
	264.93	**259.31**

9 FINANCE COSTS

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	133.81	128.26
Other finance costs	101.58	107.62
	235.39	**235.88**

*Net off interest capitalised during the year ₹ 12.22 Crores (2024-25: ₹ 7.56 Crores), weighted average rate for capitalisation of interest were approximately 8.80% and 10.92% for the years ended March 31, 2026 and 2025, respectively

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10 OTHER EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power and fuel	598.09	666.18
Stores consumed	101.19	103.08
Commission on sales	5.52	5.69
Rent	8.89	8.58
Insurance	22.16	16.15
Rates and taxes	10.17	7.84
Repairs and maintenance		
Machinery	62.34	60.85
Building	6.26	7.58
Others	20.53	20.06
Freight and handling	44.05	33.68
Difference in foreign exchange (net)*	35.46	31.46
Outside processing expenses	12.35	22.66
Operation & maintenance expenses	20.85	21.01
Legal and professional fees	45.32	28.52
Payment to auditor	1.62	1.19
Miscellaneous expenses	92.66	80.64
	1,087.46	**1,115.17**
Expense relating to short term leases (included in other expenses)	8.89	8.58

*Includes fair value gain on derivative instruments at FVTPL of ₹ 103.76 Crores (2024-25: Loss ₹ 11.02 Crores)

11 INCOME TAXES EXPENSES

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred tax:		
Relating to origination and reversal of temporary differences	92.54	58.71
Income tax expense reported in statement of profit and loss	**92.54**	**58.71**
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
Net loss/(gain) on remeasurements of defined benefit obligations	(0.13)	0.31
Revaluation of property, plant and equipment	-	(76.63)
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	137.87
Income tax charged to OCI	**(0.13)**	**61.55**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2026

During the financial year 2024-25, the Holding Company had opted to exercise the provision under Section 115BAA of the Income Tax Act, 1961, effective from 2023-24. Consequently, the Deferred Tax Liability (net) as of March 31, 2024, along with the tax expense for 2024-25, was remeasured at a lower tax rate. Furthermore, following the amendment in tax rates affecting certain assets with long-term capital gains, as introduced in the Finance Act, 2024, the group reassessed its deferred tax liabilities related to the revaluation of land. The cumulative impact of these adjustments resulted in the reversal of deferred tax liability, which is recognised in the Statement of Profit and Loss and other comprehensive income, amounting to ₹ 18.41 Crores and ₹ 137.87 Crores, respectively.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (25.168%) as follows:

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Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting profit / (loss) before tax	(372.41)	(169.07)
Profit / (Loss) before income tax multiplied by standard rate of corporate tax in India (25.168%) (March 31, 2025: 25.168%) as follows:	93.73	42.55
Effects of:		
Ineligible expenses	(0.28)	(1.66)
Deferred tax impact on account of adoption of new regime		
- on opening deferred tax base	-	18.41
Impact of Government grant being recognised on below-par loan from Government	(0.96)	(0.80)
Differential tax rates on capital gains	-	(0.65)
Others	0.05	0.86
Net effective Income tax	**92.54**	**58.71**

12 COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2026	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	0.39	-	0.39
	0.39	**-**	**0.39**

During the year ended March 31, 2025	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	(0.92)	-	(0.92)
Revaluation of property, plant and equipment (net of taxes)	-	341.26	341.26
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	137.87	137.87
	(0.92)	**479.13**	**478.21**

13 EARNINGS PER SHARE [EPS]

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the holding company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the holding company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Earnings per share :

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (Loss) after tax	(279.87)	(110.36)
Weighted average number of equity shares for Basic and Diluted EPS	15,81,09,574	15,81,09,574
Basic and Diluted earnings per share		
Basic earnings per share (₹)	(17.70)	(6.92)
Diluted earnings per share (₹)	(17.70)	(6.92)

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14 PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Ships	Total	Intangibles
Cost or valuation:									
Balance at April 01, 2024	1,142.07	343.32	2,676.88	14.41	4.94	8.46	-	4,190.08	-
Additions	17.21	62.49	240.61	4.02	0.37	2.05	59.65	386.40	8.23
Disposals	21.05	3.73	18.64	0.18	0.04	0.52	-	44.16	-
Adjustments towards revaluation* (Also refer Note 14.4)	224.11	(13.98)	(234.65)	-	-	-	-	(24.52)	-
Balance as at March 31, 2025	**1,362.34**	**388.10**	**2,664.20**	**18.25**	**5.27**	**9.99**	**59.65**	**4,507.80**	**8.23**
Additions	0.65	6.90	71.02	1.79	0.07	3.72	-	84.15	-
Disposals	-	0.03	3.38	0.09	0.15	0.84	-	4.49	-
Balance as at March 31, 2026	**1,362.99**	**394.97**	**2,731.84**	**19.95**	**5.19**	**12.87**	**59.65**	**4,587.46**	**8.23**
Accumulated depreciation and amortisation:									
Balance at April 01, 2024	-	32.32	301.42	5.15	1.77	3.01	-	343.67	-
Depreciation and amortisation expense	-	16.57	168.98	2.41	0.77	1.00	3.25	192.98	1.60
Eliminated on disposals of assets	-	3.73	18.64	0.17	0.04	0.37	-	22.95	-
Adjustments towards revaluation* (Also refer Note 14.4)	-	(37.62)	(366.25)	-	-	-	-	(403.87)	-
Balance as at March 31, 2025	**-**	**7.54**	**85.51**	**7.39**	**2.50**	**3.64**	**3.25**	**109.83**	**1.60**
Depreciation and amortisation expense	-	18.23	180.38	2.49	0.68	1.27	4.69	207.74	2.51
Eliminated on disposals of assets	-	0.03	3.38	0.09	0.15	0.62	-	4.27	-
Balance as at March 31, 2026	**-**	**25.74**	**262.51**	**9.79**	**3.03**	**4.29**	**7.94**	**313.30**	**4.11**
Net Block									
Balance as at March 31, 2026	**1,362.99**	**369.23**	**2,469.33**	**10.16**	**2.16**	**8.58**	**51.71**	**4,274.16**	**4.12**
Balance as at March 31, 2025	**1,362.34**	**380.56**	**2,578.69**	**10.86**	**2.77**	**6.35**	**56.40**	**4,397.97**	**6.63**

Note:

For details of charge on property, plant & equipment refer Note 27

*The accumulated depreciation of ₹ 403.87 Crores as at the date of revaluation is eliminated against the gross carrying amount of the asset and adjusted for gain on revaluation of PPE amounting to ₹ 379.35 Crores.

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14.1 Capital work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	137.46	189.66
Additions	288.08	342.40
Assets capitalised during the year	84.15	394.60
Balance as at end of the year	341.39	137.46

Also refer Note 49 for Capital work-in-progress ageing schedule

14.2 Carrying amount of Right-Of-Use (ROU) assets recognised and movement during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount		
Balance as at beginning of the year	94.63	60.42
Additions	15.96	-
Adjustments towards revaluation (Also refer Note 14.4)	-	38.54
Depreciation expense	2.90	4.33
Balance as at end of the year	**107.69**	**94.63**

Note: The carrying amount as March 31, 2026 represents Nil (March 31, 2025: ₹ 0.77 Crores) and ₹ 107.69 Crores (March 31, 2025: ₹ 93.86 Crores) towards plant and equipment and leasehold land respectively

14.3 Carrying amounts of lease liability recognised and movement during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	1.12	5.23
Accretion of interest	0.02	0.45
Payments	1.14	4.56
Closing balance	**-**	**1.12**
Current	-	1.12

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	-	1.14
Later than one year and not later than five years	-	-
Total undiscounted lease liabilities	**-**	**1.14**

The following are the amounts recognised in statement of profit and loss relating to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation expense of right-of-use asset	2.90	4.33
Interest expense on lease liabilities	0.02	0.45
Expense relating to short term leases (included in other expenses)	8.89	8.58
Total amount recognised in statement of profit and loss	**11.81**	**13.36**

The following are the amounts recognised in statement of cash flows relating to leases

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total cash outflow towards lease payments (excluding short-term leases)	(1.14)	(4.56)
Total amount recognised in statement of cash flows	**(1.14)**	**(4.56)**

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for the year ended March 31, 2026
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14.4 Revaluation of property, plant and equipment and ROU assets

Fair value of property, plant and equipment was determined by using the market value method for freehold land and leasehold land classified as ROU, depreciable replacement cost method (DRC) for buildings and plant and equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of latest revaluation of November 30, 2024, the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP (for other than land) and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017

Information of revaluation model:

If property, plant and equipment and ROU were measured using the cost model, the carrying amounts would be as follows:

Particulars	Freehold land	Buildings	Plant and equipment	ROU assets	Total
Net book value					
March 31, 2026					
Cost	120.84	307.62	2,290.82	42.11	2,761.39
Accumulated depreciation	-	69.57	690.65	2.69	762.91
Net carrying amount	**120.84**	**238.05**	**1,600.17**	**39.42**	**1,998.48**
March 31, 2025					
Cost	120.20	300.74	2,223.69	44.76	2,689.39
Accumulated depreciation	-	60.41	596.30	19.85	676.56
Net carrying amount	**120.20**	**240.33**	**1,627.39**	**24.91**	**2,012.83**

Fair value hierarchy for property, plant and equipment and ROU under revaluation model:

The Group uses the following hierarchy for determining and disclosing the fair value of its freehold land, buildings and plant and equipment:

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2026				
Revalued property, plant and equipment				
Freehold land	1,362.99	-	240.08	1,122.91
Buildings	369.23	-	-	369.23
Plant and equipment	2,469.33	-	-	2,469.33
Revalued ROU				
Leasehold land	107.69	-	107.69	-
	4,309.24	**-**	**347.77**	**3,961.47**

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2025				
Revalued property, plant and equipment				
Freehold land	1,362.34	-	240.08	1,122.26
Buildings	380.56	-	-	380.56
Plant and equipment	2,578.69	-	-	2,578.69
Revalued ROU				
Leasehold land	93.87	-	93.87	-
Plant and equipment	0.76	-	-	0.76
	4,416.22	**-**	**333.95**	**4,082.27**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Significant Observable and Unobservable Valuation Inputs :

The value of freehold land was determined based on condition, location, demand, supply, plant-layout and other infrastructure facility available at and around the said plot of land.

Right-Of-Use on leasehold land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of buildings and plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (Depreciated Replacement Cost Method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value.

14.5 Title deeds of Immovable property not held in the name of the Group

Freehold land to the extent of 7.56 acres having a carrying value of ₹ 1.51 Crores as at March 31, 2026 (7.56 acres of ₹ 1.51 Crores as at March 31, 2025) are in dispute. Pending resolution of the dispute, related title deeds have not been registered in the name of the Group.

15 INVESTMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Investments at FVTPL		
Unquoted fully paid equity shares		
TCI Sanmar Chemicals S.A.E (2 Equity shares of face value of EGP 1000/- each)	0.04	0.04
Sai Regency Power Corporation Private Limited	-	-
JSW Green Energy Nine Limited (76,07,500 Equity shares of ₹ 10/- each)	7.61	-
	7.65	**0.04**
Aggregate value of unquoted investments	7.65	0.04

(Refer to Note no 40 for details of investments and also refer Note 39)

16 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Security deposits	43.42	40.38
Margin deposits	0.07	0.07
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry receivables	0.58	0.56
Claims receivables	1.33	1.33
	45.41	**42.35**

17 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Capital advances	32.71	24.36
Advances other than capital advances		
Security deposit - Government Authorities	7.87	7.98
Prepaid expenses	1.77	5.31
	42.35	**37.65**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
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18 INVENTORIES

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials and intermediates	378.75	323.54
Work-in-progress	73.23	37.75
Finished goods	33.12	191.30
Stores and spares	116.58	104.70
	601.68	**657.29**
Note (1) Inventories includes goods-in-transit		
Raw materials and intermediates	155.37	106.74
Stores and spares	2.96	0.32
	158.33	**107.06**

19 TRADE RECEIVABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good**		
Receivable from related party (Refer Note 39)	-	-
Receivable from others	92.22	155.43
	92.22	**155.43**

** Trade receivables are generally non interest bearing and have a credit period of 1-180 days
**Also refer Note 50 for trade receivables ageing schedule

20 CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Bank balances		
- in current account	382.49	220.12
- Deposits with original maturity of less than three months	45.03	334.28
Cheques on hand	2.37	0.01
Cash on hand	0.35	0.34
Stamps on hand	0.15	0.08
	430.39	**554.83**

21 OTHER BANK BALANCES

Particulars	As at March 31, 2026	As at March 31, 2025
Margin deposits	100.81	136.82
Deposits with original maturity of more than three months but less than twelve months	1.70	32.34
	102.51	**169.16**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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22 OTHER CURRENT FINANCIAL ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
(Unsecured, considered good)		
Security deposits	6.13	8.36
Sundry receivables (Refer Note 39)	10.65	12.47
Claims receivables	7.16	8.54
	23.94	**29.37**

23 OTHER CURRENT ASSETS

Particulars	As at March 31, 2026	As at March 31, 2025
Advances other than capital advances		
Prepaid expenses	9.03	10.02
Balances with Government Authorities	113.62	162.62
Advance given to suppliers	19.59	36.45
Claims receivables	1.23	-
	143.47	**209.09**

24 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised		
40,00,00,000 equity shares of ₹ 5/- each	200.00	200.00
(Previous year 40,00,00,000 equity shares of ₹ 5/- each)		
35,00,000 cumulative redeemable preference shares of ₹ 100/- each	35.00	35.00
(Previous year 35,00,000 cumulative redeemable preference shares of ₹ 100/- each)		
	235.00	**235.00**
Issued		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each)		
Subscribed and fully paid-up		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each)		
	79.06	**79.06**

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of Shares	Share Capital
Balance as at April 01, 2024	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2025	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2026	**15,81,09,574**	**79.06**

Shares held by holding company and its subsidiaries

Sanmar Holdings Limited and its nominees hold 8,69,45,065 equity shares (Previous Year 8,69,45,065 equity shares)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Holding Company has one class of equity shares having a par value of ₹ 5 per share (March 31, 2025: ₹ 5 per share). Each shareholder is eligible for one vote per share held. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B. Details of Shareholders holding more than 5% shares in the Holding Company

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Sanmar Holdings Limited and its nominees	8,69,45,065	54.99%	8,69,45,065	54.99%
SBI Long Term Equity Fund	1,55,76,336	9.85%	1,55,27,811	9.82%
Amansa Holdings Private Limited	1,05,06,509	6.65%	1,10,71,308	7.00%
ICICI Prudential India opportunities fund	91,24,142	5.77%	78,59,602	4.97%

C. Details of Shares held by promoters

Promoter name	As at March 31, 2026		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99%	-

Promoter name	As at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99%	-

25 INSTRUMENTS ENTIRELY EQUITY IN NATURE

A. Reconciliation of Instruments entirely equity in nature outstanding at the beginning and at the end of the year

	No. of CCD	Amount
Balance as at April 01, 2024	34,31,984	34.32
Changes during the year	-	-
Balance as at March 31, 2025	34,31,984	34.32
Changes during the year	(34,31,984)	(34.32)
Balance at March 31, 2026	**-**	**-**

Rights, Preferences and Restrictions attached to Compulsorily Convertible Debentures ('CCD')

(i) Nil CCD (March 31, 2025: 7,35,000 CCD) issued are compulsorily convertible into equity shares of the Subsidiary Company, at par, anytime as may be decided by the Company, but not later than March 31, 2029. Refer note below on modification in terms of CCD.

(ii) Nil CCD (March 31, 2025: 12,00,000 CCD) issued are compulsorily convertible into equity shares of the Subsidiary Company, at par, anytime as may be decided by the Company, but not later than March 31, 2029. Refer note below on modification in terms of CCD.

(iii) Nil CCD (March 31, 2025: 14,96,984 CCD) issued are compulsorily convertible into equity shares of the Subsidiary Company, at par, anytime as may be decided by the Company, but not later than March 20, 2029. Refer note below on modification in terms of CCD.

(iv) The CCDs shall not carry any interest.

(v) The CCDs are not marketable securities and can be transferred only at the discretion of the issuer company of the Group.

(vi) The application for CCD shall be deemed to be the application for Shares when the conversion takes place.

(vii) The CCD being unsecured shall rank pari passu with all other unsecured borrowings, existing and future.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(viii) The equity shares to be issued on conversion shall rank pari passu in all respects with the equity shares existing on the date of conversion.

(ix) The application for CCD shall be deemed to be the application for shares when the conversion takes place.

B. Details of Debenture holders of the group

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Debentures	% of holding	No. of Debentures	% of holding
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited) (Ultimate Holding Company) of face value of ₹ 100 each	-	-	34,31,984	100.00 %
	-	**-**	**34,31,984**	**100.00%**

Note on Modification in terms of CCDs:

The Subsidiary Company had 34,31,984 zero coupon compulsorily convertible unsecured debentures (CCDs) of ₹100 each, aggregating ₹34.32 crore, held by Sanmar Chemical Enterprises Limited (SCEL). On March 18, 2026, SCEL requested a modification of the CCD terms to enable repurchase at par by the Subsidiary Company and repay the outstanding balance, which was approved by the Board of Directors on March 20, 2026. After obtaining the requisite approvals, the Subsidiary Company repurchased the CCD instruments at par and repaid ₹34.32 Crores to SCEL on March 30, 2026.

26 OTHER EQUITY

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	(3,230.72)	(3,230.72)
Capital redemption reserve	39.25	39.25
Securities premium	1,386.28	1,386.28
Asset revaluation reserve (Refer A below)	1,854.70	1,923.37
General reserve	147.76	147.76
Retained earnings (Refer B below)	1,478.30	1,689.11
	1,675.57	**1,955.05**

(A) Asset revaluation reserve

Particulars	As at March 31, 2026	As at March 31, 2025
Balances at the beginning of the year	1,923.37	1,510.74
Depreciation on revalued assets	(68.67)	(66.50)
Other comprehensive income	-	479.13
Balances at the end of the year	**1,854.70**	**1,923.37**

(B) Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Balances at the beginning of the year	1,689.11	1,733.89
Profit / (Loss) for the year	(279.87)	(110.36)
Other comprehensive income	0.39	(0.92)
Depreciation on revalued assets	68.67	66.50
Balances at the end of the year	**1,478.30**	**1,689.11**

Nature and purpose of reserves:

Capital reserve:

The Group recognises the difference between the net assets less reserves acquired or transferred by the Group and as reduced by the share capital issued or received respectively, pursuant to a common control business combination is adjusted to capital reserve.

Capital redemption reserve:

The Group had created Capital redemption reserve in respect of redemption of preference shares in accordance with Companies Act, 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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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, adjustment of share issue expenses, etc in accordance with the provisions of the Companies Act, 2013.

Asset revaluation reserve:

The Group has recognised the surplus arising out of revaluation of property, plant and equipment to asset revaluation reserve in accordance with Ind AS 16.

General reserve:

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

27 NON CURRENT BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
Secured – at amortised cost		
Term Loans		
Term loan from banks	1,257.65	1,229.04
SIPCOT soft loan	41.11	59.17
Buyer's credit (Also refer Note 31)	20.28	-
	1,319.04	**1,288.21**
Less: Current maturities of borrowings		
Term loan from banks	214.09	172.68
SIPCOT soft loan	-	13.06
	214.09	**185.74**
	1,104.95	**1,102.47**

A) Summary of borrowing arrangements

Term loan from bank

a) Term loan of holding company from bank amounting to ₹ 772.94 Crores (March 31, 2025: ₹ 637.61 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.

b) Vehicle loan of holding company from bank amounting to ₹ 0.23 Crores (March 31, 2025: ₹ 0.30 Crores) is secured by hypothecation of the vehicle purchased out of the loan financed.

c) Term loan of holding company from bank amounting to ₹ 12.91 Crores (March 31, 2025: ₹ 19.31 Crores) is secured by exclusive charge on ship.

d) Term loan of subsidiary company from bank amounting to ₹ 452.51 Crores (March 31, 2025: ₹ 546.97 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company, second pari passu charge over current assets and exclusive charge over debt service reserve bank account of the Company.

e) Vehicle loan of subsidiary company from bank amounting to ₹ 0.16 Crores (March 31, 2025: ₹ 0.21 Crores) is secured by hypothecation of the vehicle purchased out of the loan financed.

f) Term loan of subsidiary company from bank amounting to ₹ 18.90 Crores (March 31, 2025: ₹ 24.65 Crores) is secured by exclusive charge on ship.

g) Corporate Guarantee provided by Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited) for ₹ 1,006.45 Crores towards the term loan, but limited to current outstanding of ₹ 452.51 Crores.

Soft loan from SIPCOT

A. Term loans of subsidiary company from SIPCOT amounting to ₹ 41.11 Crores (March 31, 2025: ₹ 59.17 Crores) is secured by first pari passu charge on specific land, buildings and plant and machinery of the Company. (Refer Note 3.14).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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Repayment of loans

a) Term loan of holding company amounting to ₹ 772.94 Crores are repayable in 25 structured quarterly installments commencing from March 2024.

Current interest rate on the above term loan ranges from 7.12% to 9.50% p.a (March 31, 2025: 8.05% to 9.65% p.a)

b) Vehicle loan of holding company amounting to ₹ 0.23 Crores are repayable in 60 structured quarterly installments commencing from January 2024.

Current interest rate on the above term loan is 7.60% p.a (March 31, 2025: 8.85% p.a)

c) Term loan of holding company amounting to ₹ 12.91 Crores are repayable in 36 structured monthly installments commencing from April 2025.

Current interest rate on the above term loan is 8.75% p.a (March 31, 2025: 9.05% p.a)

d) Repayment of term loan of subsidiary company amounting to ₹ 452.51 Crores in 9 - 40 structured quarterly installments, commencing from February 2020.

Current interest rate on the above term loan ranges from 7.35% to 8.65% p.a (March 31 2025: 8.35% to 9.65% p.a)

i) In relation to term loan from banks amounting to ₹ 357.76 Crores the Bank has a put option at the end of 7 years from the period of first disbursement being December 2019.

ii) In relation to term loan from banks amounting to ₹ 47.12 Crores the Bank has a put option at the end of 34th month (November 2026) from the period of first disbursement being March 2024.

iii) In relation to term loan from banks amounting to ₹ 47.63 Crores the Bank has a put option at the end of 26th month (November 2026) from the period of first disbursement being September 2024.

e) Vehicle loan of subsidiary company amounting to ₹ 0.16 Crores are repayable in 60 equal monthly installments commencing from January 2024.

Current interest rate on the above term loan is 7.60% p.a (March 31, 2025: 8.85% p.a)

f) Term loan of subsidiary company amounting to ₹ 18.90 Crores are repayable in 18 structured quarterly installments commencing from April 2025.

Current interest rate on the above term loan is 8.63% p.a (March 31, 2025: 9.38% p.a)

g) Soft loan from SIPCOT repayable in the 10th year from drawal.

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2025	552.38	1,288.22	1,840.60
Proceeds from borrowings	2,953.54	231.72	3,185.26
Repayment of borrowings	(2,897.67)	(205.27)	(3,102.94)
Repayment of redeemable debentures	(34.32)	-	(34.32)
Interest payments and non-cash movements (net) (including effect of amortisation of transaction costs and foreign exchange translation)	58.87	4.37	63.24
Debt as at March 31, 2026	**632.80**	**1,319.04**	**1,951.84**

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Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2024	258.15	1,284.13	1,542.28
Proceeds from borrowings	1,658.90	183.38	1,842.28
Repayment of borrowings	(1,355.99)	(178.05)	(1,534.04)
Interest payments and non-cash movements (net) (including effect of amortisation of transaction costs and foreign exchange translation)	(8.68)	(1.24)	(9.92)
Debt as at March 31, 2025	**552.38**	**1,288.22**	**1,840.60**

C) The outstanding term loans from banks as at March 31, 2026, amounting to ₹1,257.65 Crores (March 31, 2025: ₹ 1,229.04 Crores), are subject to various financial covenants such as Total Debt / Tangible Net Worth ('TNW'), Debt Service Coverage Ratio, Asset Coverage Ratio, Earnings before Interest, Depreciation & Amortisation and Tax ('EBITDA') / Net Interest Expense, Total Debt / Adjusted TNW, Total Debt / EBITDA, Interest Cover, Fixed Asset Coverage Ratio, Total outside liabilities /Adjusted TNW. These covenants are tested annually as at March 31.

D) In relation to the outstanding term loans from banks as at March 31, 2026, the Group has complied with all material terms of the loan agreement, including financial covenants, or has obtained applicable waiver letters / other relevant confirmations from the respective lenders prior to the year-end, regarding continued repayment as per original sanction letters.

E) Where the Group cannot meet the financial covenant compliance requirements in the ensuing twelve months period, it is confident of obtaining appropriate waiver letter / other relevant confirmations from the lenders. Also refer note 2.4

28 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Trade deposits	4.69	4.55
Accrued salaries and benefits	20.71	26.38
Other payables	15.93	16.00
	41.33	**46.93**

29 DEFERRED TAX LIABILITIES / (ASSETS) (NET)

Particulars	As at March 31, 2026	As at March 31, 2025
Difference between book and tax written down value of property, plant and equipment	638.57	643.94
Payments allowable in full under Income Tax but amortised over a period in books	3.39	3.81
MTM/Forward Premium claimable in future	(0.13)	(3.24)
Difference in allowable expenditure on foreign exchange contracts	(2.04)	(2.04)
Unabsorbed Depreciation / Carried Forward Business Losses	(176.79)	(86.26)
Expenses allowable on payment basis	(23.94)	(24.72)
Employees Separation Scheme	(0.31)	(0.31)
Others	0.07	0.05
	438.82	**531.23**
Reconciliation of deferred tax liabilities (net)		
Opening balance	531.23	651.49
Change in statement of profit and loss	(92.54)	(58.71)
Change in other comprehensive income	0.13	(61.55)
Closing balance	**438.82**	**531.23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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30 OTHER NON-CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Government grant*	27.23	28.81
Other liabilities	10.47	10.48
	37.70	**39.29**

* Note: Government Grant have been received for investment in property, plant & equipments. Grants are initially recognised where there is a reasonable assurance that the Group will comply with all attached conditions.

31 CURRENT BORROWINGS

Particulars	As at March 31, 2026	As at March 31, 2025
Secured – at amortised cost		
Current maturities of long-term borrowings		
-Term loan from banks	214.09	172.68
-SIPCOT Soft loan	-	13.06
Buyer's credit*	520.34	552.39
Unsecured		
Others	112.46	-
	846.89	**738.13**

*Interest rate of the buyer's credit denominated in USD ranges from 3.91% to 5.35% p.a (March 31, 2025: 4.56% to 6.03% p.a).

Security Particulars

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts. Second pari passu charge on Property, Plant & Equipment of the Group (excluding specifically charged land and buildings).

The quarterly return submitted by the Group to its Bankers are in agreement with the books of accounts.

Working capital facilities including buyer's credit aggregating to ₹ 785 Crores are secured by corporate guarantee provided by Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited).

Supplier finance arrangement

a) Description of arrangement

The Group participates in a supply chain financing ('SCF') arrangement, which is disclosed under "Others" category of borrowings. Under this arrangement, a financial institution (factor) agrees to pay participating suppliers the amounts due from the Group on the original due dates of the invoices. The Group subsequently settles these amounts with the factor based on extended payment terms, over and above the normal credit terms originally agreed with the suppliers.

b) Quantitative disclosure of amounts involved

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of financial liabilities under SCF		
Presented under Borrowings	112.19	-
- of which suppliers have received payment from finance providers	112.19	-

Range of payment due dates

Further to the credit period for trade payables mentioned in Note 51 B (ii), additional credit period availed as per the above arrangement is upto 120 days.

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32 TRADE PAYABLES

Particulars	As at March 31, 2026	As at March 31, 2025
Payable to related parties (Refer note 39)	-	-
Total outstanding dues of creditors*	1,637.30	1,666.90
	1,637.30	**1,666.90**

* General Terms: The average credit period varies for each product between 1 and 240 days. In general - No interest is charged for the initial period of 60 days. Thereafter interest / discounting charges is paid at LIBOR / SOFR + Spread on the outstanding balance.

* The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Includes dues for payment to Micro and Small enterprises ₹ 12.39 Crores (March 31, 2025: ₹ 5.81 Crores) (Also refer Note 43)

* Also refer Note 51 for Trade payable ageing schedule

33 DERIVATIVE INSTRUMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Derivative Liability	-	15.90
Derivative Asset	87.24	-

While the Group entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

34 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Payable / Accrual towards capital expenditure*	42.65	46.47
Accrued salaries and benefits	113.67	86.62
Trade deposits	0.06	0.06
Other payables	66.40	74.76
	222.78	**207.91**

* Includes dues for payment to Micro and Small enterprises ₹ 5.14 Crores (March 31, 2025: ₹ 5.40 Crores) (Also refer Note 43)

35 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2026	As at March 31, 2025
Government grant	1.57	1.57
Advance from customers	57.24	38.66
Withholding and other tax payables	13.83	7.88
Other liabilities	19.66	19.32
	92.30	**67.43**

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36 CURRENT PROVISIONS

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	7.45	-
Provision for onerous contract (Refer Note 52)	113.77	-
	121.22	**-**
Movement in provision for onerous contract		
Opening balance	-	-
Recognised during the year	113.77	-
Reversed during the year	-	-
Closing balance	**113.77**	**-**

37 FINANCIAL INSTRUMENTS

37.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings (Note 27 and 31), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Holding company, comprising issued capital, premium, and retained earnings.

Gearing ratio

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. The gearing ratios at March 31, 2026 and March 31, 2025 were as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (i)	1,951.84	1,840.60
Cash and Cash Equivalents	430.39	554.83
Net debt	**1,521.45**	**1,285.77**
Equity (ii)	1,754.63	2,068.43
Gearing Ratio	**0.87**	**0.62**

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives)

(ii) Equity includes all capital, compulsorily convertible debentures and reserves of the Group that are managed as capital.

37.2 Categories of financial assets and liabilities carried at amortised cost

37.2.1 Financial assets at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents (Note 20)	430.39	554.83
Other bank balances (Note 21)	102.51	169.16
Trade receivables (Note 19)	92.22	155.43
Other financial assets (Note 16 and 22)	69.35	71.72
Total	**694.47**	**951.14**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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37.2.2 Financial liabilities at amortised cost

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowings (Note 27 and 31)	1,951.84	1,840.60
Trade payables (Note 32)	1,637.30	1,666.90
Other financial liabilities (Note 28 and 34)	264.11	254.84
Lease liability (Note 14.3)	-	1.12
Total	**3,853.25**	**3,763.46**

37.3 Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets trade and other receivables, cash & cash equivalents that derive directly from its operations.

The Group's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

There has been no change to the Group's exposure to market risk or the manner in which these risks are managed and measured.

37.4 Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

37.5 Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD) and EURO. The Group may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Group. Exchange rate exposures are managed with in approved policy parameters.

37.5.1 Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2026		As at March 31, 2025	
	Change in currency exchange rate	Impact on post tax profits and equity	Change in currency exchange rate	Impact on post tax profits and equity
USD	1%	4.34	1%	3.49
EURO	1%	0.03	1%	0.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

37.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. It also uses sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans. Wherever the Group has fixed interest borrowings there is no exposure to risk of changes in market rates.

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit / (loss) would increase or decrease as below:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Increase / (Decrease) in basis points	Impact on post tax profits and equity	Increase / (Decrease) in basis points	Impact on post tax profits and equity
INR	100	9.41	100	9.20

37.7 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Group's cash and cash equivalents, including time deposits with banks, trade receivables and other receivables, and other loans or receivables have an expected credit loss as at March 31, 2026

37.7.1 Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed economically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired Less than 180 days	Past due but not impaired More than 180 days	Total
Trade Receivables as of March 31, 2026	92.16	0.00	0.05	92.21
Trade Receivables as of March 31, 2025	148.07	7.36	0.00	155.43

37.7.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

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37.8 Liquidity risk management

The Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Group can be required to pay.

March 31, 2026	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	2,099.13	24.50	2,123.63
Interest bearing	886.52	1,121.78	2,008.30
	2,985.65	**1,146.28**	**4,131.93**

March 31, 2025	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	1,913.93	2.45	1,916.38
Interest bearing	179.12	1,123.19	1,302.31
	2,093.05	**1,125.64**	**3,218.69**

37.9 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Compiled into Level 1 to Level 3, as described below.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy as at March 31, 2026

Particulars	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	7.65	-	-	7.65
Derivative assets	87.24	-	87.24	-

Fair value hierarchy as at March 31, 2025

Particulars	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	0.04	-	-	0.04
Financial Liabilities measured at fair value				
Derivative liabilities	15.90	-	15.90	-

Derivative instruments classified under Level 2 are valued using the quotes obtained by aggregators based on deals entered between market participants. Investments in unquoted equity shares classified under Level 3 are valued using DCF method. Long-term growth rate and weighted average cost of capital are significant unobservable inputs whose sensitivity does not significantly affect the carrying values of such investments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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37.10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial assets				
Investments	7.65	0.04	7.65	0.04
Other financial assets				
Deposits	152.14	217.97	152.14	217.97
Sundry receivables	11.23	13.03	11.23	13.03
Claims receivable	8.49	9.87	8.49	9.87
Trade receivables	92.22	155.43	92.22	155.43
Cash and cash equivalents	430.38	554.84	430.38	554.84
Derivatives not designated as hedge				
Derivative asset	87.24	-	87.24	-
	789.35	**951.18**	**789.35**	**951.18**

Particulars	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	1,257.65	1,229.04	1,257.65	1,229.04
Fixed rate borrowings	694.19	611.56	694.19	611.56
Trade payables	1,637.29	1,666.90	1,637.29	1,666.90
Other financial liabilities				
Accrued salaries and benefits	134.38	112.99	134.38	112.99
Payable / Accrual towards Capital Expenditure	42.65	46.47	42.65	46.47
Other payables	87.08	95.37	87.08	95.37
Lease Liability	-	1.12	-	1.12
Derivatives not designated as hedge				
Derivative liability	-	15.90	-	15.90
	3,853.24	**3,779.35**	**3,853.24**	**3,779.35**

i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities, other current financial assets, current sundry receivables, current deposits, accrued salaries and benefits approximate their carrying amounts largely due to their short-term nature.

ii. 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.

iii. Fixed rate Borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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38 COMMODITY PRICE RISK

The Group imports Ethylene, Ethylene Dichloride (EDC), VCM for manufacture of PVC, Methanol for manufacture of Chloromethanes and Coal for its Captive Power Plant. The subsidiary company imports Vinyl Chloride Monomer (VCM) for the manufacture of S-PVC.

A) Ethylene, EDC, VCM:

Prices of PVC manufactured by the Group are monitored by Group's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of Ethylene/EDC/VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore, under normal circumstances, the Group is not significantly exposed to the variation in commodity prices over a period for the above products.

B) Coal, Methanol:

The following table shows the effect of price changes for Coal, Methanol for the year 2025-26:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Change in Price	Impact on post tax profit and equity	Change in Price	Impact on post tax profit and equity
Coal	5%	6.38	5%	6.88
Methanol	5%	1.21	5%	1.06
Total		**7.59**		**7.94**

39 RELATED PARTY TRANSACTIONS

List of parties where control exists

Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	Ultimate Holding Company
Sanmar Holdings Limited	Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow Subsidiaries

Sanmar Group International Limited

TCI Sanmar Chemicals S.A.E.

Sanmar Overseas Investments AG

Other related party

Sanmar Shipping Limited

Directors

Vijay Sankar

S Ganeshkumar (Managing Director) (from April 01, 2026)

Ramkumar Shankar (Managing Director) (upto March 31, 2026)

Chandran Ratnaswami (Upto May 10, 2024)

Dr. (Mrs) Lakshmi Vijayakumar

Aditya Jain

Sanjay Vijay Bhandarkar

Prasad Raghava Menon

Vikram Taranath Hosangady

Sumit Maheshwari (from May 20, 2024) (upto April 09, 2026)

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Terms and conditions of transactions with related parties:

All 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 interest free, unsecured and settlement occurs in cash.

For the year ended March 31, 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

This assessment is undertaken in each financial year through examining the financial position of related party and the market in which the related party operates.

Description	Parties where control exists		Fellow Subsidiaries		Other related party		Directors	
Transactions during the year	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25	April 25 to March 26	April 24 to March 25
Purchase of MEIS Scrips								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	0.10	-	-	-	-	-	-
Reimbursement of expenses - Received								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	**0.00**	0.10	-	-	-	-	-	-
TCI Sanmar Chemicals S.A.E	-	-	**3.59**	-	-	-	-	-
Sanmar Shipping Limited	-	-	-	-	-	0.33	-	-
Reimbursement of expenses - Paid								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	0.01	-	-	-	-	-	-
Sanmar Shipping Limited	-	-	-	-	**0.00**	0.26	-	-
Redemption of Redeemable Debentures								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	**34.32**	-	-	-	-	-	-	-
Remuneration								
Ramkumar Shankar	-	-	-	-	-	-	**2.83**	4.63
Sitting Fees								
Dr. (Mrs) Lakshmi Vijayakumar	-	-	-	-	-	-	**0.07**	0.09
Aditya Jain	-	-	-	-	-	-	**0.09**	0.09
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	**0.07**	0.08
Prasad Raghava Menon	-	-	-	-	-	-	**0.05**	0.06
Vikram Taranath Hosangady	-	-	-	-	-	-	**0.06**	0.05
Commission								
Dr. (Mrs) Lakshmi Vijayakumar	-	-	-	-	-	-	**0.08**	0.08
Aditya Jain	-	-	-	-	-	-	**0.08**	0.08
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	**0.08**	0.08
Prasad Raghava Menon	-	-	-	-	-	-	**0.08**	0.08
Balances as at year end	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Investments	-	-	**0.04**	0.04	-	-	-	-

Refer Note 27, 31 & 41 for details of guarantee provided on behalf of the Group.

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40 DISCLOSURE AS PER SECTION 186(4) OF COMPANIES ACT, 2013

The Group has made investments which are disclosed below as required by section 186(4) of the Companies Act, 2013.

	Note	As at March 31, 2026	As at March 31, 2025
Unquoted fully paid equity shares	15		
TCI Sanmar Chemicals S.A.E.*		0.04	0.04
March 31, 2026 : 2 (March 31, 2025 : 2) Equity shares, fully paid up, par value EGP 1000 each			
Sai Regency Power Corporation Private Limited		-	-
March 31, 2026 : 6,00,000 (March 31, 2025: 6,00,000) Shares of face value ₹ 10 each			
JSW Green Energy Nine Limited		7.61	-
March 31, 2026 : 76,07,500 (March 31, 2025 : Nil) Shares of face value ₹ 10 each			

*The Group has pledged the entire investment held in the equity shares of TCI Sanmar Chemicals in favour of investee's lenders pursuant to the contractual requirements contained in respect of the borrowings availed by the investee.

41 CONTINGENT LIABILITIES AND GUARANTEES

Particulars		As at March 31, 2026	As at March 31, 2025
A.	**Contingent Liabilities**		
	Claims against the Group not acknowledged as debts:*		
	On account of Direct Taxes	55.50	62.56
	On account of Indirect Taxes	29.10	34.89
	On account of other disputes	15.97	15.97
B.	**Guarantees**		
	Corporate guarantee given to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) - (Total amount of the corporate guarantee given by the Holding Company to SIPCOT for the soft loan facility is ₹ 331.86 Crores – Actual amount of the loan outstanding in the books of Subsidiary Company against this facility is ₹ 76.79 Crores (Previous year ₹ 100.26 Crores)	76.79	100.26

*The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

It is not practicable for the Group to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

The Group does not expect any reimbursement in respect of the above contingent liabilities.

42 CAPITAL COMMITMENTS

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	318.75	301.86
	318.75	**301.86**

43 DUES TO MICRO AND SMALL ENTERPRISES

As at March 31, 2026, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 32 and 34 have been determined to the extent such parties have been identified on the basis of information available with the Group.

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44 CORPORATE SOCIAL RESPONSIBILITY

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Amount required to be spent by the Group during the year	-	4.94
(ii) Amount of expenditure incurred	1.10	5.08
(iii) Shortfall at the end of the year (i-ii)	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Activities mentioned in i, ii,vi,vii, x & xii of Schedule VII of the Companies Act, 2013	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Excess amount spent on CSR		
Opening balance	0.18	0.04
Amount required to be spent during the year	-	4.94
Amount spent during the year	1.10	5.08
Closing balance	**1.28**	**0.18**

The Group has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2026 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.

45 OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property. No proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not advanced to or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that such the Intermediary shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(v) The Group has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

46 SEGMENT REPORTING

Operating segments are those components of the business whose operating results are regularly reviewed by the management to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently. The Operating segments have been identified on the basis of the nature of products.

a. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including intersegment revenue.

b. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.

c. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

d. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

e. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

The Board of Directors of the Group whom have been identified as the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicators of the Group into manufacture and sale of speciality chemicals and commodity chemicals as per the requirement of Ind AS 108 "Operating Segments". The Group's operations are predominantly conducted in India and accordingly, there are no separate reportable geographic segment.

Description	Specialities		Commodity		Inter segment elimination		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
External revenue	2,037.80	2,087.20	2,186.00	2,258.87	-	-	4,223.79	4,346.07
Inter segment revenue	132.18	300.41	75.64	39.02	(207.83)	(339.43)	-	-
Segment revenue	**2,169.98**	**2,387.61**	**2,261.64**	**2,297.89**	**(207.83)**	**(339.43)**	**4,223.79**	**4,346.07**
Other income	14.57	21.13	13.59	25.92	(0.02)	-	28.14	47.05
Segment results	**2,184.55**	**2,408.74**	**2,275.23**	**2,323.81**	**(207.85)**	**(339.43)**	**4,251.93**	**4,393.12**
Segment result (Profit before interest, exceptional item and tax)	(33.64)	(25.09)	45.71	92.90	0.83	(1.01)	12.90	66.81
Less: Finance Cost	106.91	86.81	128.50	149.07	(0.02)	-	235.39	235.88
Exceptional item	898.00	-	149.92	-	(898.00)	-	149.92	-
Profit before tax	**(1,038.55)**	**(111.90)**	**(232.71)**	**(56.16)**	**898.85**	**(1.01)**	**(372.41)**	**(169.07)**
Provision for tax								
Deferred	35.16	46.33	57.38	12.38	-	-	92.54	58.71
Profit / (Loss) after tax	**(1,003.39)**	**(65.57)**	**(175.33)**	**(43.78)**	**898.85**	**(1.01)**	**(279.87)**	**(110.36)**
Other comprehensive income								
Items that will not be reclassified to Profit or Loss in subsequent years								
- Remeasurement of defined benefit plans	0.24	(0.52)	0.28	(0.71)	-	-	0.52	(1.23)
- Deferred tax expense on the above items	(0.06)	0.13	(0.07)	0.18	-	-	(0.13)	0.31
- Revaluation of property, plant and equipment	-	351.66	-	66.23	-	-	-	417.89

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Description	Specialities		Commodity		Inter segment elimination		Total	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
- Income tax expense relating to revaluation of property,plant and equipment	-	70.72	-	(9.48)	-	-	-	61.24
Other comprehensive income	**0.18**	**421.99**	**0.21**	**56.22**	**-**	**-**	**0.39**	**478.21**
Total comprehensive income	**(1,003.21)**	**356.42**	**(175.12)**	**12.44**	**898.85**	**(1.01)**	**(279.48)**	**367.85**
Other information								
Segment assets	4,920.55	4,881.97	1,559.59	1,633.45	(164.91)	(12.23)	6,315.23	6,503.19
Total assets	**4,920.55**	**4,881.97**	**1,559.59**	**1,633.45**	**(164.91)**	**(12.23)**	**6,315.23**	**6,503.19**
Segment liabilities	2,385.11	2,242.17	2,340.40	2,204.82	(164.91)	(12.23)	4,560.60	4,434.76
Total liabilities	**2,385.11**	**2,242.17**	**2,340.40**	**2,204.82**	**(164.91)**	**(12.23)**	**4,560.60**	**4,434.76**
Capital expenditure	80.95	357.92	3.20	36.71	-	-	84.15	394.63
Depreciation	156.38	148.16	56.77	50.75	-	-	213.15	198.91

47 EMPLOYEE BENEFIT COST

Defined benefit plans

Gratuity:

This is a defined benefit plan and the Group's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2026 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate(s)	7.62%	6.98%
Return on plan assets	7.62%	6.98%
Expected rate(s) of salary increase	8.00%	7.00%
Attrition rate	2.00%	2.00%
Average duration of defined benefit obligations (in years)	10.44	9.40

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Particulars	As at March 31, 2026	As at March 31, 2025
Cost of defined benefit plans are as follows.		
Current service cost	3.11	2.69
Past service cost	4.86	-
Interest on obligation	1.99	1.76
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.98)	(1.78)
Net cost recognised in the statement of profit and loss	**7.98**	**2.67**
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains) / losses recognised in the year	(0.52)	1.23
Net (gain) / loss recognised in the other comprehensive income	**(0.52)**	**1.23**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of funded defined benefit obligation	36.64	29.75
Fair value of plan assets	29.19	29.75
Net liability / (asset)	**7.45**	**-**

Movements in the present value of the plan assets in the current year were as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening fair value of plan assets	29.75	23.14
Return on plan assets	1.98	1.78
Actuarial gains / (losses)	0.30	(0.06)
Contributions from the employer	0.01	7.04
Transfer of obligations	(0.17)	0.09
Benefits paid	(2.68)	(2.24)
Closing fair value of plan assets	**29.19**	**29.75**

Movements in the present value of the defined benefit obligation in the current year were as follows

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening defined benefit obligation	29.75	26.28
Current service cost	3.11	2.69
Past service cost	4.86	-
Interest cost	1.99	1.76
Actuarial (gains) / losses	(0.22)	1.17
Transfer of obligations	(0.17)	0.09
Benefits paid	(2.68)	(2.24)
Closing defined benefit obligation	**36.64**	**29.75**
Actuarial (gain) / loss on obligations attributable to change in financial assumptions	1.18	(0.02)
Actuarial (gain) / loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain) / loss attributable to experience adjustments	(1.70)	1.19

Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Year 1	1.28	2.11
Year 2	5.92	5.36
Year 3	3.08	2.67
Year 4	3.52	2.41
Year 5	2.74	3.26
Years 6 through 10	17.40	11.83

Notes:

I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC)
II. The expected / actual return on Plan assets is as furnished by LIC
III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Group expects to make a contribution of ₹ 11.48 Crores to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease / increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1%	0.55	0.86	(3.02)
Decrease in discount rate by 1%	1.58	0.64	3.52
Increase in salary escalation by 1%	1.58	1.03	3.53
Decrease in salary escalation by 1%	0.54	0.53	(3.08)

48 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2026 and March 31, 2025.

Name of the entity	For the year ended March 31, 2026							
	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Consolidated Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit and Loss	Amount	as a % of Consolidated Other comprehensive income	Amount	as a % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	182.00%	3,193.47	358.52 %	(1,003.39)	46.13 %	0.18	358.95 %	(1,003.21)
Subsidiary								
Chemplast Cuddalore Vinyls Limited	(82.00%)	(1,438.84)	(258.52 %)	723.52	53.87 %	0.21	(258.95 %)	723.73
Total	**100.00%**	**1,754.63**	**100.00%**	**(279.87)**	**100.00%**	**0.39**	**100.00%**	**(279.48)**

Name of the entity	For the year ended March 31, 2025							
	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Consolidated Total Comprehensive Income	
	as % of Consolidated net assets	Amount	as % of Consolidated Profit and Loss	Amount	as a % of Consolidated Other comprehensive income	Amount	as a % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	202.89%	4,196.68	59.41%	(65.57)	88.24%	421.99	96.89%	356.42
Subsidiary								
Chemplast Cuddalore Vinyls Limited	(102.89%)	(2,128.25)	40.59%	(44.79)	11.76%	56.22	3.11%	11.43
Total	**100.00%**	**2,068.43**	**100.00%**	**(110.36)**	**100.00%**	**478.21**	**100.00%**	**367.85**

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for the year ended March 31, 2026
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

49 CAPITAL WORK-IN-PROGRESS AGEING SCHEDULE

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2026					
Projects in progress	244.85	81.71	13.37	1.46	341.39
Projects temporarily suspended	-	-	-	-	-
Total	**244.85**	**81.71**	**13.37**	**1.46**	**341.39**
As at March 31, 2025					
Projects in progress	25.84	104.16	2.40	5.06	137.46
Projects temporarily suspended	-	-	-	-	-
Total	**25.84**	**104.16**	**2.40**	**5.06**	**137.46**

Note - There are no assets/ projects forming part of CWIP which have become overdue or where cost is exceeded compared to their original plans.

50 TRADE RECEIVABLES AGEING SCHEDULE

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Inter-Company Elimination	Total
As at March 31, 2026								
(i) Undisputed Trade receivables - considered good	105.50	103.05	0.05	-	-	-	(116.39)	92.21
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
As at March 31, 2025								
(i) Undisputed Trade receivables – considered good	160.34	7.36	0.00	0.00	-	-	(12.27)	155.43
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

51 TRADE PAYABLE AGEING SCHEDULE

Particulars	Unbilled	Not Due			Less than 1 year	1-2 years	2-3 years	More than 3 years	Inter-Company Elimination	Total
		Less than 60 days	61 days - 90 days	More than 90 days						
As at March 31, 2026										
(i) MSME	-	12.13	0.04	0.16	0.06	-	-	-	-	12.39
(ii) Others	89.57	1,417.11	3.63	14.36	215.36	0.58	0.10	0.58	(116.39)	1,624.90
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-	-
As at March 31, 2025										
(i) MSME	-	5.45	-	0.10	0.25	-	-	-	-	5.80
(ii) Others	95.57	1,091.56	0.14	458.22	24.78	0.36	0.33	2.41	(12.27)	1,661.10
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-	-

Supplier finance arrangement:

Quantitative disclosure of amounts involved:

Particulars	As at March 31, 2026	As at March 31, 2025
A. Carrying amount of financial liabilities		
i) Presented under Trade Payables	1,272.06	1,294.93
- of which supplier have received payment from finance provider	864.19	968.83
ii) Balance represents invoices confirmed under the arrangement but not yet settled by the bank	407.87	326.10
B. Range of due dates (due date from invoice dates)		
i) Liabilities under the supplier finance arrangement	Upto 240 days	Upto 240 days
ii) Trade payables not subject to supplier finance arrangements	1 - 180 days	1 - 180 days

Interest / discounting charges for the above arrangement is paid at LIBOR / SOFR + Spread on the outstanding balance.

52 EXCEPTIONAL ITEMS

Pursuant to the West-Asia crisis and anticipated challenges in availability of raw materials, the Subsidiary Company has entered into certain non-cancellable procurement arrangements in March 2026 that are onerous in nature. In view of the applicable accounting standards, the Subsidiary Company has recorded an aggregate charge of ₹ 149.92 Crores as exceptional items for the year ended March 31, 2026, comprising provision for onerous contracts amounting to ₹ 113.77 Crores and related writedown of ₹ 36.15 Crores in the carrying value of raw materials to the levels corresponding to the expected net realisable value of finished goods.

53 EMPLOYEES' BENEFITS OBLIGATIONS

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

c. Labour code

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 - 29 existing labour laws, collectively referred to as the "New Labour Codes". For the year ended March 31, 2026, the Group has assessed and recorded the incremental impact of these changes amounting to ₹ 4.86 Crores, determined taking into consideration the best information available read with the FAQs released by Ministry of Labour & Employment and Institute of Chartered Accountants of India. The Group continues to monitor developments on the rules to be notified by regulatory authorities, including clarifications/ additional guidance from authorities and will continue to assess the accounting implications basis such developments/ guidance.

54 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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.

a. Judgements

In the process of applying the Group's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

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

Further details about defined benefit obligations are given in Note 47.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 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 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. See Note 37 for further disclosures.

Fair value measurement of property, plant and equipments

The Group measures land, buildings, plant and machinery classified as property, plant and equipment and leasehold land classified as right-of-use assets at revalued amounts with increase in fair value being recognised in OCI. The Group had engaged independent valuation specialists to assess fair value for revaluation of land, buildings, plant and equipment as at November 30, 2024. Fair value of land was determined by using the market approach, hypothetical layout method and building and plant & equipment was determined by using Depreciated Replacement Cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 14.4

Revenue from contract with customers

The Group estimates variable considerations to be included in the transaction price for the sale of goods and volume rebates. The Group's expected rebates and discounts are analysed on a per customer basis for contracts that are subject to the applicable thresholds. Determining whether a customer will be likely entitled to rebate and discounts will depend on the customer's rebates entitlement and total purchases to date.

Leases - Estimating the incremental borrowing rate

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 for its borrowings.

Useful life of PPE

Estimated useful life of certain items of PPE are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place: Chennai

S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Paris, France

A R Balaji
Chief Financial Officer
Place: Chennai
Date: May 25, 2026

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

Notes

SANMAR
CHEMPLAST SANMAR LIMITED

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