

Independent Auditor's Report

To the Members of Chemplast Cuddalore Vinyls Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Chemplast Cuddalore Vinyls Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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 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 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 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 directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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

Registered Office

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063



Independent Auditor's Report (Continued)

Chemplast Cuddalore Vinyls Limited

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements, including the disclosures, and whether the 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

Independent Auditor's Report (Continued)

Chemplast Cuddalore Vinyls Limited

safeguards.

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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid 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 1 April 2026 and 11 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 financial statements - Refer Note 42 to the 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 46(ii) to the 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 46(iii) to the 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.



Independent Auditor's Report (Continued)

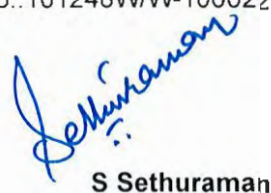
Chemplast Cuddalore Vinyls Limited

- (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.
- 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 Company has not paid any remuneration to its directors during the year. 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.:101246W/W-100022



S Sethuraman

Partner

Place: Chennai

Date: 25 May 2026

Membership No.: 203491

ICAI UDIN:26203491SADOVZ4821

Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls 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 does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (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 financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Land at Cuddalore- 0.91 acres (Survey No. 166/9)	0.18 crores	Ms. Sumathi	No	From 2007-2008	Title under dispute
Land at Cuddalore- 5.65 acres (Survey No. 139/11), 178/1-5)	1.13 crores	Mr. Jagadeesan	No	From 2007-2008	
Land at Cuddalore- 1.00 acres (Survey No. 177/2)	0.20 crores	Ms. Senthambizh Selvi	No	From 2007-2008	

- (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



Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026 (Continued)

(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 guarantee or security or granted any loans or 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 in companies, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity
- (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 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, the Company has not given any loans and advances in the nature of loans to any party. Accordingly, provisions of clause 3(iii)(c) of the Order are not applicable to 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 given any loans and advances in the nature of loans to any party. Accordingly, there are no amounts overdue and provisions of clause 3(iii)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any loans or advances in the nature of loans that have fallen due during the year. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- (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. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026 (Continued)

of the records of the Company, the Company has not given any loans or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made by the Company, in our opinion the provisions of Section 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 or other statutory dues have 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 or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to 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.
- (d) According to the information and explanations given to us and on an overall examination of the 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) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.



**Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026
(Continued)**

- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (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) According to the information and explanation given to us and based on our examination of the books of accounts of the Company, transactions entered by the Company with the related parties during the year are in compliance with section 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is not applicable to the Company.
- (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 incurred cash losses of Rs 25.49 crores in the current financial year and Rs 5.63 crores in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause

Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026 (Continued)

- 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 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

Place: Chennai

Membership No.: 203491

Date: 25 May 2026

ICAI UDIN:26203491SADOVZ4821

Annexure A to the Independent Auditor's Report on the Financial Statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026 (Continued)

Appendix I to Annexure A to the Independent auditor's report to the Members of Chemplast Cuddalore Vinyls 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
Customs Act, 1962	Customs Duty	2.09	2013-14 and 2016-17	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Excise duty/ Service Tax/ Penalty	0.00*	2016-17	Commissioner (Appeals)
Electricity Act, 2003	Electricity Tax	0.87	2016-17	Honourable High Court of Madras
Central Excise Act, 1944	Excise duty/ Penalty	0.14	2014-15	Central Excise and Service Tax Appellate Tribunal (CESTAT)
Goods and Services tax Act, 2017	Goods and Services Tax	2.47	2018-24	Joint Commissioner (ST), GST Appeals

*Represents an amount less than INR 1 lakh, rounded off to zero in accordance rounding off norm adopted by the Company.

Annexure B to the Independent Auditor's Report on the financial statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid 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 Cuddalore Vinyls Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the 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 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



**Annexure B to the Independent Auditor's Report on the financial statements of Chemplast Cuddalore Vinyls Limited for the year ended 31 March 2026
(Continued)**

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

Place: Chennai

Date: 25 May 2026

Membership No.: 203491

ICAI UDIN:26203491SADOVZ4821

Chemplast Cuddalore Vinyls Limited

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	890.66	943.36
Capital work-in-progress	14.1	5.77	1.77
Right-of-use assets	14.2	85.36	86.36
Financial assets			
(i) Investments	15	2.26	-
(ii) Other financial assets	16	13.25	11.88
Non-current tax assets (net)		3.80	4.84
Other non-current assets	17	2.65	2.68
Total Non-current assets		1,003.75	1,050.89
Current assets			
Inventories	18	210.63	262.72
Financial assets			
(i) Trade receivables	19	38.81	23.87
(ii) Cash and cash equivalents	20	154.53	150.44
(iii) Bank balances other than (ii) above	21	69.63	120.38
(iv) Derivative assets	33	57.30	-
(v) Other financial assets	22	17.32	15.15
Other current assets	23	7.62	10.00
Total Current assets		555.84	582.56
Total Assets		1,559.59	1,633.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	303.03	303.03
Instruments entirely equity in nature	25	1,255.34	1,289.66
Other equity	26	(2,339.18)	(2,164.06)
Total Equity		(780.81)	(571.37)
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	27	416.57	521.25
(ii) Other financial liabilities	28	3.83	3.83
Deferred tax liabilities (net)	29	121.38	178.69
Other non-current liabilities	30	27.23	28.81
Total Non-current liabilities		569.01	732.58
Current liabilities			
Financial liabilities			
(i) Borrowings	31	389.73	329.93
(ii) Trade payables	32		
- total outstanding dues of micro enterprises and small enterprises; and		4.52	1.07
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,159.92	1,049.21
(iii) Derivative liabilities	33	-	6.14
(iv) Other financial liabilities	34	71.36	58.47
Other current liabilities	35	30.08	27.29
Provisions	36	115.78	-
Current tax liability (net)		-	0.13
Total Current liabilities		1,771.39	1,472.24
Total Liabilities		2,340.40	2,204.82
Total Equity and Liabilities		1,559.59	1,633.45

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 Sathuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 25, 2026

For and on behalf of the Board of Directors of

Chemplast Cuddalore Vinyls Limited

S Ganeshkumar

Managing Director

DIN: 00088163

Place: Chennai

A R Balaji

Chief Financial Officer

Place: Chennai

Date: May 25, 2026

Lakshmi Vijayakumar

Director

DIN: 09115998

Place: Chennai

P Srinivasan

Company Secretary

Memb No. ACS 10129

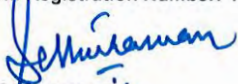
Place: Chennai

Chemplast Cuddalore Vinyls Limited
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	2,261.64	2,297.89
Other income	5	13.59	25.91
Total Income		2,275.23	2,323.80
Expenses			
Cost of materials consumed	6(a)	1,670.86	1,945.74
Purchase of stock-in-trade	6(b)	42.44	13.74
Changes in inventories of finished goods and work-in-progress	7	100.06	(121.07)
Employee benefits expense	8	85.86	75.27
Finance costs	9	128.50	149.06
Depreciation expense	14	56.77	50.75
Other expenses	10	273.53	266.47
Total Expenses		2,358.02	2,379.96
Profit / (Loss) before tax and exceptional items		(82.79)	(56.16)
Exceptional items	52	149.92	-
Profit / (Loss) before tax		(232.71)	(56.16)
Tax expense:	11		
Deferred tax		57.38	12.38
Profit / (Loss) after tax		(175.33)	(43.78)
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		0.28	(0.71)
- Income Tax expense relating to remeasurement of defined Benefit Plans		(0.07)	0.18
- Revaluation of property, plant and equipment		-	66.23
- Income Tax expense relating to revaluation of property, plant and equipment	11	-	(9.48)
Total other comprehensive income		0.21	56.22
Total comprehensive income for the year		(175.12)	12.44
Basic and Diluted earnings per share (equity shares, par value ₹ 10/- each)	13	(1.10)	(0.27)

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

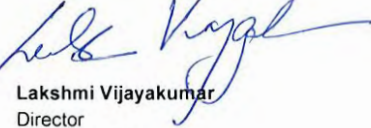
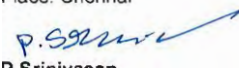

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited


S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai


A R Balaji
Chief Financial Officer
Place: Chennai

Date: May 25, 2026


Lakshmi Vijayakumar
Director
DIN: 09115998
Place: Chennai

P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

Chemplast Cuddalore Vinyls Limited

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 FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX	(232.71)	(56.16)
Adjustments for:		
Depreciation expense	56.77	50.75
Finance costs	128.50	149.06
Liabilities no longer required written back	(0.03)	(0.03)
Interest income on financial assets at amortised cost	(11.92)	(24.27)
Difference in fair value of derivative instruments	(63.44)	2.44
Exceptional items	149.92	-
Unrealised (gain) / loss of foreign exchange transactions (net)	56.85	(2.65)
Government grant income	(1.57)	(1.58)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	82.37	117.56
Adjustments for changes in:		
Inventories	15.95	(75.58)
Trade and other receivables	(17.13)	(10.21)
Trade and other payables	92.62	(102.64)
CASH GENERATED FROM OPERATIONS	173.81	(70.87)
Income tax paid (net of refunds)	0.91	23.69
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	174.72	(47.18)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(7.86)	(36.46)
Payment towards purchase of non-current investments	(2.26)	-
Deposits (placed) / realised (net) (including margin deposit)	49.93	(46.33)
Interest received	12.74	24.81
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	52.55	(57.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	26.39
Repayment of long-term borrowings	(121.05)	(131.76)
Proceeds of loan from related party	34.32	-
Proceeds from short-term borrowings	1,601.60	871.72
Repayment of short-term borrowings	(1,573.87)	(798.15)
Redemption of debentures	(34.32)	-
Interest and finance charges paid	(129.86)	(154.34)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	(223.18)	(186.14)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4.09	(291.30)
Cash and cash equivalents at beginning of the year	150.44	441.74
Cash and cash equivalents at end of the year	154.53	150.44

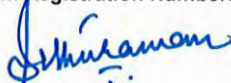
The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W/W-100022



S. Sethuraman

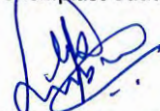
Partner

Membership No. 203491

Place: Chennai

Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited

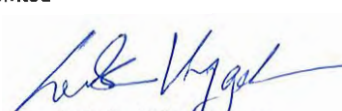


S. Ganeshkumar

Managing Director

DIN: 00088163

Place: Chennai

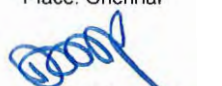


Lakshmi Vijayakumar

Director

DIN: 09115998

Place: Chennai

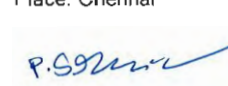


A. R. Balaji

Chief Financial Officer

Place: Chennai

Date: May 25, 2026



P. Srinivasan

Company Secretary

Memb No. ACS 10129

Place: Chennai

Chemplast Cuddalore Vinyls Limited
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 1, 2024	303,030,303	303.03
Changes during the year 2024-25	-	-
Balance at March 31, 2025	303,030,303	303.03
Changes during the year 2025-26	-	-
Balance at March 31, 2026	303,030,303	303.03

(b) Instruments entirely equity in nature

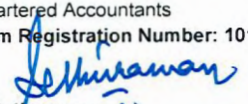
Particulars	Number of shares	Amount
Balance at April 1, 2024	128,965,500	1,289.66
Changes during the year 2024-25	-	-
Balance at March 31, 2025	128,965,500	1,289.66
Changes during the year 2025-26	(3,431,984)	(34.32)
Balance at March 31, 2026	125,533,516	1,255.34

(c) Other equity

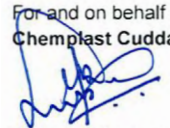
Particulars	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Asset Revaluation Reserve	Total
Balance at April 1, 2024	(3,313.09)	0.07	709.43	427.09	(2,176.50)
Total comprehensive income	-	-	(44.31)	56.75	12.44
Depreciation on revalued assets	-	-	18.92	(18.92)	-
Balance at March 31, 2025	(3,313.09)	0.07	684.04	464.92	(2,164.06)
Total comprehensive income	-	-	(175.12)	-	(175.12)
Depreciation on revalued assets	-	-	26.84	(26.84)	-
Balance at March 31, 2026	(3,313.09)	0.07	535.76	438.08	(2,339.18)

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 Setthuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 25, 2026

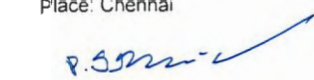
For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited


S Ganeshkumar
Managing Director
DIN: 00088163
Place: Chennai


A R Balaji
Chief Financial Officer
Place: Chennai

Date: May 25, 2026


Lakshmi Vijayakumar
Director
DIN: 09115998
Place: Chennai


P Srinivasan
Company Secretary
Memb No. ACS 10129
Place: Chennai

Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

1 Corporate Information

Chemplast Cuddalore Vinyls Limited ("the Company") is a public limited company incorporated and domiciled in Chennai. The registered office is located at Cathedral Road, Chennai. The Company is primarily engaged in the business of manufacture and sale of Suspension PVC. The Company is a wholly owned subsidiary of Chemplast Sanmar Limited.

2 Basis of Preparation

2.1 Statement of Compliance:

These Financial Statements of the Company have been prepared and presented from April 1, 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 are authorised for issue by the Company's Board of Directors on May 25, 2026.

Basis of measurement:

These 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):

- Derivative financial instruments
- Investment in unquoted equity shares
- Property, plant and equipment under revaluation model

These 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;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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 ₹ 232.71 Crores (Loss before tax of ₹ 56.16 Crores for the year ended March 31, 2025) and has net current liabilities of ₹ 1,215.55 Crores as of March 31, 2026 (₹ 889.68 Crores as at March 31, 2025).

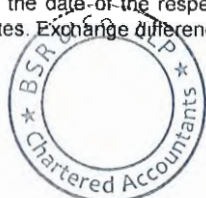
The Company's business witnessed significant regulatory and market developments in the last few months and including non-notification of and consequent dropping of the expected anti-dumping duty on S- PVC, removal of customs duty on import of S-PVC, significant reduction in S-PVC prices on account of low priced imports and raw material price volatility due to West-Asia crisis. These factors have been duly considered in the Company's budgets and projected cash balances remain positive. Further, the management expects continuity of demand for the Company's products and considering the overall demand for S-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 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, financial support from parent companies 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 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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 37.09.

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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 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) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the 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 profit or 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 or 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 periods.

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

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

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 37.09

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.



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Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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 realize 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 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 recognized 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 long-term 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 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.

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 and leasehold land classified as right-of-use assets 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 or loss. A revaluation deficit if any is recognised in the statement of profit or 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 depreciation. 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.4 Property, Plant and Equipment (Continued)

Particulars	Useful life
Buildings	20 years - 50 years
Plant and equipments	1 years - 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 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.

3.6 Retirement and Employees benefits

Short-term employees' benefits including accumulated compensated absence are recognized 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 recognized 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 or 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.7 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.8 Other Income

Interest income

Interest income is recognized using the Effective Interest Rate (EIR) method.

3.9 Leases

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.

3.10 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.10 Taxes (Continued)

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 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.

3.11 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.

3.12 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.13 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 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.

3.14 Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Company 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 Company recognises any impairment loss on the assets associated with that contract.

3.15 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.

3.16 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.

3.17 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

3.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity share holder of the Company by the weighted average number of equity shares and instruments held entirely equity in nature outstanding during the year. 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.

3.19 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 1 April 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 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements 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
4 Revenue from operations		
(i) Revenue from contracts with customers *		
Revenue from the sale of manufactured goods	2,208.98	2,277.86
Revenue from the sale of stock-in-trade	42.44	13.74
Revenue from the rendering of services	9.81	5.43
(ii) Other operating revenue		
Revenue from sale of scrap	0.41	0.86
	2,261.64	2,297.89

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Revenue as per contracted Price	2,402.15	2,410.85
Adjustments towards:		
Volume rebates	86.90	77.48
Price concessions	8.23	5.17
Special discounts	45.79	36.60
Revenue as per statement of profit and loss	2,261.23	2,291.60

Contract balances

Particulars		
Trade receivables (including contract asset)	38.81	23.87
Advance from customers (contract liability)	15.39	18.75
Revenue recognised from opening contract liabilities	18.75	12.49
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	-	-
- Within India	2,261.64	2,297.89

*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

Interest income under effective interest rate method on financial assets at amortised cost	11.92	24.27
Other non-operating income		
Provisions no longer required written back	0.03	0.03
Amortization of Government grant	1.57	1.57
Miscellaneous income	0.07	0.04
	13.59	25.91

6 Cost of materials consumed

(a) Inventories of material at the beginning of the year	122.06	158.23
Add: Purchase	1,709.94	1,909.57
Inventories of material at the end of the year	161.14	122.06
	1,670.86	1,945.74
(b) Purchase of stock-in-trade	42.44	13.74
	42.44	13.74



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements 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
7 Changes in inventories of finished goods and work-in-progress		
Inventories at the beginning of the year		
Work-in-progress	2.25	1.28
Finished goods	121.41	1.31
	<u>123.66</u>	<u>2.59</u>
Inventories at the end of the year		
Work-in-progress	17.16	2.25
Finished goods	6.44	121.41
	<u>23.60</u>	<u>123.66</u>
Difference between opening and closing inventories		
Work-in-progress	(14.91)	(0.97)
Finished goods	114.97	(120.10)
	<u>100.06</u>	<u>(121.07)</u>
8 Employee benefits expense		
Salaries and wages	80.09	71.09
Contribution to provident fund and others	4.65	3.15
Staff welfare expenses	1.12	1.03
	<u>85.86</u>	<u>75.27</u>
9 Finance costs		
Interest expense on financial liabilities measured at amortised cost using effective interest rate method	61.09	71.56
Other finance costs	67.41	77.50
	<u>128.50</u>	<u>149.06</u>
10 Other expenses		
Power and fuel	93.73	97.13
Stores consumed	63.57	66.15
Commission on sales	5.40	5.50
Rent	4.22	3.78
Insurance	9.03	6.54
Rates and taxes	1.36	1.31
Repairs and maintenance		
Machinery	11.83	10.22
Building	1.25	0.76
Others	6.49	6.43
Freight and handling	3.11	2.99
Difference in foreign exchange (net)*	21.18	21.41
Operation and maintenance expenses	12.13	13.64
Legal and professional fees	14.06	10.50
Payment to auditor^	0.50	0.41
Miscellaneous expenses	25.67	19.70
	<u>273.53</u>	<u>266.47</u>
Expense relating to short-term leases (included in other expenses)	4.22	3.78
*Includes fair value gain on derivative instruments at FVTPL of ₹ 63.44 Crores (FY 2024-25: Loss ₹ 2.44 Crores)		
^Payment to auditor		
Statutory audit	0.33	0.33
Limited review	0.06	0.06
Certification services	0.08	0.01
Reimbursement of expenses	0.03	0.01
	<u>0.50</u>	<u>0.41</u>



Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements 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
11 Income taxes expenses		
Deferred tax:		
Relating to origination and reversal of temporary differences	57.38	12.38
Income tax expense reported in statement of profit and loss	57.38	12.38
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	(0.07)	0.18
Revaluation of property, plant and equipment	-	(12.26)
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	2.78
Income tax charged to OCI	(0.07)	(9.30)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2026

During the financial year 2024-25, 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 this adjustment resulted in the reversal of deferred tax liability, which is recognized in other comprehensive income amounting to ₹ 2.78 Crores.

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 (25.1680%) as follows:

Accounting profit / (loss) before tax	(232.71)	(56.16)
Profit / (Loss) before income tax multiplied by standard rate of corporate tax in India (25.168%) (March 31, 2025: 25.168%) as follows:	58.57	14.14
Effects of:		
Impact of Government grant being recognised on below-par loan from Government	(0.96)	(0.80)
Ineligible expenses	(0.01)	(0.91)
Others	(0.22)	(0.05)
Net effective income tax expense	57.38	12.38

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	0.21	-	0.21
	0.21	-	0.21
During the year ended March 31, 2025	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	(0.53)	-	(0.53)
Revaluation of property, plant and equipment (net of taxes)	-	53.97	53.97
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	2.78	2.78
	(0.53)	56.75	56.22

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.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2026	For the year ended March 31, 2025
Earnings per share:		
Profit / (Loss) after tax	(175.33)	(43.78)
Weighted average number of equity shares for Basic and Diluted EPS	1,592,497,249	1,592,685,303
Basic and Diluted earnings per share		
Basic earnings per share (₹)	(1.10)	(0.27)
Diluted earnings per share (₹)	(1.10)	(0.27)



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

14 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Ships	Total
Cost or valuation:								
Balance as at April 01, 2024	55.78	60.47	914.40	1.36	0.55	2.72	-	1,035.28
Additions	-	-	6.10	0.26	0.14	0.74	29.47	36.71
Disposals	-	-	4.63	-	-	-	-	4.63
Adjustments towards revaluation* (Also refer Note 14.3)	2.62	(2.70)	(97.49)	-	-	-	-	(97.57)
Balance as at March 31, 2025	58.40	57.77	818.38	1.62	0.69	3.46	29.47	969.79
Additions	-	-	1.43	0.29	0.07	1.41	-	3.20
Disposals	-	-	-	-	0.12	0.22	-	0.34
Balance as at March 31, 2026	58.40	57.77	819.81	1.91	0.64	4.65	29.47	972.65
Accumulated depreciation:								
Balance as at April 01, 2024	-	6.82	97.84	0.98	0.29	0.92	-	106.85
Depreciation expense	-	3.37	44.59	0.21	0.14	0.36	1.43	50.10
Eliminated on disposals of assets	-	-	4.63	-	-	-	-	4.63
Adjustments towards revaluation* (Also refer Note 14.3)	-	(8.89)	(117.00)	-	-	-	-	(125.89)
Balance as at March 31, 2025	-	1.30	20.80	1.19	0.43	1.28	1.43	26.43
Depreciation expense	-	3.39	49.42	0.20	0.04	0.46	2.26	55.77
Eliminated on disposals of assets	-	-	-	-	0.12	0.09	-	0.21
Balance as at March 31, 2026	-	4.69	70.22	1.39	0.35	1.65	3.69	81.99
Net Block								
Balance as at March 31, 2026	58.40	53.08	749.59	0.52	0.29	3.00	25.78	890.66
Balance as at March 31, 2025	58.40	56.47	797.58	0.43	0.26	2.18	28.04	943.36

Note:

For details of charge on property, plant and equipment refer Note 27 and 31

*The accumulated depreciation of ₹ 125.89 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 ₹ 28.32 Crores.



Chemplast Cuddalore Vinyls Limited

Notes to financial statement for the year March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

14.1 Capital in work-in-progress

Particulars	As at March 31, 2026	As at March 31, 2025
Balance as at beginning of the year	1.77	4.01
Additions	7.20	34.46
Assets capitalised during the year	3.20	36.70
Balance as at end of the year	5.77	1.77

Also refer Note 49 for Capital work-in-progress ageing schedule

14.2 Carrying amounts 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	86.36	49.09
Adjustments towards revaluation (Also refer Note 14.3)	-	37.92
Depreciation expense	1.00	0.65
Balance as at end of the year	85.36	86.36

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	1.00	0.65
Expense relating to short term leases (included in other expenses)	4.22	3.78
Total amount recognised in statement of profit and loss	5.22	4.43

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

14.3 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	55.64	35.68	467.06	18.44	576.82
Accumulated depreciation	-	16.31	187.93	1.35	205.59
Net carrying amount	55.64	19.37	279.13	17.09	371.23
March 31, 2025					
Cost	55.64	35.68	465.63	18.44	575.39
Accumulated depreciation	-	15.18	171.11	1.18	187.47
Net carrying amount	55.64	20.50	294.52	17.26	387.92

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	58.40	-	58.40	-
Buildings	53.08	-	-	53.08
Plant and equipment	749.59	-	-	749.59
Revalued ROU				
Leasehold land	85.36	-	85.36	-
	946.43	-	143.76	802.67



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

14.3 Revaluation of property, plant and equipment and ROU assets (Continued)

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
As at March 31, 2025				
Revalued property, plant and equipment				
Freehold land	58.40	-	58.40	-
Buildings	56.47	-	-	56.47
Plant and equipment	797.58	-	-	797.58
Revalued ROU				
Leasehold land	86.36	-	86.36	-
	998.81	-	144.76	854.05

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.

14.4 Title deeds of Immovable property not held in the name of the Company

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 Company.

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
15 Investments		
Investments in the shares of bodies corporate at FVTPL		
Unquoted fully paid equity shares		
Sai Regency Power Corporation Private Limited	-	-
JSW Green Energy Nine Limited	2.26	-
	<u>2.26</u>	<u>-</u>
Aggregate value of unquoted investments is ₹ 2.86 crores (March 31, 2025: ₹ 0.60 Crores) and aggregate amount of impairment in value of investments is ₹ 0.60 crores (March 31, 2025: ₹ 0.60 Crores) (Refer to Note No.40 for details of investments)		
16 Other non-current financial assets		
(Unsecured, considered good)		
Security deposits	13.25	11.88
	<u>13.25</u>	<u>11.88</u>
17 Other non-current assets		
Capital advances	0.47	0.43
Advances other than capital advances		
Security deposit - Government Authorities	1.52	1.45
Prepaid expenses	0.66	0.80
	<u>2.65</u>	<u>2.68</u>
18 Inventories		
Raw materials and intermediates	161.14	122.06
Work-in-progress	17.16	2.25
Finished goods	6.44	121.41
Stores and spares	25.89	17.00
	<u>210.63</u>	<u>262.72</u>
Note (1) Inventories includes goods-in-transit		
Raw materials and intermediates	144.57	86.00
Stores and spares	0.08	-
	<u>144.65</u>	<u>86.00</u>
19 Trade receivables		
Unsecured, considered good**		
Receivable from related party (Refer Note 39)	18.88	11.66
Receivable from others	19.93	12.21
	<u>38.81</u>	<u>23.87</u>
** Trade receivables are generally non interest bearing and have a credit period of 1-60 days.		
** Also refer Note 50 for trade receivable aging schedule.		
20 Cash and cash equivalents		
Bank balances		
- in current account	134.01	79.67
- Deposits with original maturity of less than three months	20.01	70.71
Cheques on hand	0.44	-
Cash on hand	0.07	0.06
	<u>154.53</u>	<u>150.44</u>



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
21 Other bank balances		
Margin deposits	67.95	88.05
Deposits with original maturity of more than three months but less than twelve months	1.68	32.33
	69.63	120.38
22 Other current financial assets		
(Unsecured, considered good)		
Security deposits	0.92	1.52
Sundry receivable (Refer Note 39)	13.07	9.42
Claims receivable	3.33	4.21
	17.32	15.15
23 Other current assets		
Advances other than capital advances		
Prepaid expenses	2.96	4.11
Balances with Government Authorities	-	3.04
Advance given to suppliers	4.66	2.85
	7.62	10.00

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
24 Equity Share Capital		
Authorised		
30,40,00,000 equity shares of ₹ 10/- each	304.00	304.00
(Previous Year 30,40,00,000 Equity shares of ₹ 10/- each)		
8,000 cumulative redeemable preference shares of ₹ 100/- each	0.08	0.08
(Previous Year 8,000 cumulative redeemable preference shares of ₹ 100/- each)		
	304.08	304.08
Issued		
30,30,30,303 equity shares of ₹ 10/- each	303.03	303.03
(Previous Year 30,30,30,303 equity shares of ₹ 10/- each)		
Subscribed and fully paid-up		
30,30,30,303 equity shares of ₹ 10/- each	303.03	303.03
(Previous Year 30,30,30,303 equity shares of ₹ 10/- each)		
	303.03	303.03

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	303,030,303	303.03
Issued during the year	-	-
Balance as at March 31, 2025	303,030,303	303.03
Issued during the year	-	-
Balance as at March 31, 2026	303,030,303	303.03

Shares held by holding Company and its subsidiaries

Chemplast Sanmar Limited and its nominees hold 100% share capital of the Company.

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share (March 31, 2025: ₹ 10 per share). Each share holder 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 Share holders holding more than 5% shares in the Company

Name of the Share holder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of holding	No. of Shares	% of holding
Chemplast Sanmar Limited and its nominees	303,030,303	100 %	303,030,303	100 %

C. Details of Shares held by promoters

Promoter name	As at March 31, 2026		
	No. of Shares	% of total shares	% change during the year
Chemplast Sanmar Limited	303,030,303	100.00 %	-

Promoter name	As at March 31, 2025		
	No. of Shares	% of total shares	% change during the year
Chemplast Sanmar Limited	303,030,303	100.00 %	-

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

25 Instruments entirely equity in nature
A. Reconciliation of Compulsorily Convertible Debenture (CCD) outstanding at the beginning and at the end of the year

	No. of CCD	Amount
Balance as at April 01, 2024	128,965,500	1,289.66
Changes during the year	-	-
Balance as at March 31, 2025	128,965,500	1,289.66
Changes during the year	(3,431,984)	(34.32)
Balance as at March 31, 2026	125,533,516	1,255.34

Rights, Preferences and Restrictions attached to Zero Coupon Compulsorily Convertible Debentures

- (i) The Zero Coupon Compulsorily Convertible Debentures shall not carry any interest.
- (ii) 1,81,89,562 CCD (March 31, 2025: 1,81,89,562 CCD) issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 30, 2030
- (iii) 3,23,43,954 CCD (March 31, 2025: 3,23,43,954 CCD) issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 30, 2030
- (iv) 3,75,00,000 CCD (March 31, 2025: 3,75,00,000 CCD) issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 29, 2030
- (v) 3,75,00,000 CCD (March 31, 2025: 3,75,00,000 CCD) issued are compulsorily convertible into equity shares of the Company, at par, anytime as may be decided by the Company, but not later than March 29, 2030
- (vi) Nil CCD (March 31, 2025: 7,35,000 CCD) issued are compulsorily convertible into equity shares of the 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.
- (vii) Nil CCD (March 31, 2025: 12,00,000 CCD) issued are compulsorily convertible into equity shares of the 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.
- (viii) Nil CCD (March 31, 2025: 14,96,984 CCD) issued are compulsorily convertible into equity shares of the 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.
- (ix) The application for CCD shall be deemed to be the application for Shares when the conversion takes place.
- (x) The CCD being unsecured shall rank pari passu with all other unsecured borrowings, existing and future.
- (xi) The CCD are not marketable securities and can be transferred only at the discretion of the Company.
- (xii) 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.

B: Details of Debenture holders in the Company

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Debentures	% of holding	No. of Debentures	% of holding
Chemplast Sanmar Limited (Holding Company) of face value of ₹ 100 each	125,533,516	100.00 %	125,533,516	97.34 %
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited) (Ultimate Holding Company) of face value of ₹ 100 each	-	-	3,431,984	2.66 %
	125,533,516	100%	128,965,500	100%

Note on Modification in terms of CCDs:

The 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 Company and repay the outstanding balance, which was approved by the Board of Directors on March 20, 2026. After obtaining the requisite approvals, the Company repurchased the CCD instruments at par and repaid ₹34.32 crore to SCEL on March 30, 2026.

Particulars	As at March 31, 2026	As at March 31, 2025
26 Other Equity		
Capital reserve	(3,313.09)	(3,313.09)
Capital redemption reserve	0.07	0.07
Asset revaluation reserve (Refer A below)	438.08	464.92
Retained earnings (Refer B below)	535.76	684.04
	(2,339.18)	(2,164.06)
(A) Asset revaluation reserve		
Balances at the beginning of the year	464.92	427.09
Depreciation on revalued assets	(26.84)	(18.92)
Other comprehensive income	-	56.75
Balance at the end of the year	438.08	464.92
(B) Retained earnings		
Balances at the beginning of the year	684.04	709.43
Profit / (Loss) for the year	(175.33)	(43.78)
Other comprehensive Income	0.21	(0.53)
Depreciation on revalued assets	26.84	18.92
Balance at the end of the year	535.76	684.04



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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.

Asset revaluation reserve:

The Company has recognised the surplus arising out of revaluation of property, plant and equipment and Right-of-Use asset to asset revaluation reserve in accordance with Ind AS 16.

Particulars	As at March 31, 2026	As at March 31, 2025
27 Non current borrowings		
Secured – at amortized cost		
Term Loans		
Term loan from banks	471.57	571.83
SIPCOT soft loan	41.11	59.17
	512.68	631.00
Less: Current maturities of borrowings		
Term loan from banks	96.11	96.69
SIPCOT soft loan	-	13.06
	96.11	109.75
	416.57	521.25

A) Summary of borrowing arrangements**Term loan from banks**

- a) Term loan from bank amounting to ₹ 452.51 Crore (March 31, 2025: ₹ 546.97 Crore) is secured by first pari passu charge over moveable and immovable 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.
- b) Vehicle loan from bank amounting to ₹ 0.16 Crore (March 31, 2025: ₹ 0.21 Crore) is secured by hypothecation of the vehicle purchased out of the loan financed.
- c) Term loan from bank amounting to ₹ 18.90 Crore (March 31, 2025: ₹ 24.65 Crore) is secured by exclusive charge on ship.
- d) Corporate Guarantee of Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited) for ₹ 1006.45 Crores towards the term loan, but limited to current outstanding of ₹ 452.51 Crores.

Soft loan from SIPCOT

- A. Term loans 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 and Corporate Guarantee given by Chemplast Sanmar Limited to SIPCOT for the soft loan facility is ₹ 331.86 Crores but limited to the loan outstanding – Soft loan drawn down as on 31st March, 2026 is ₹ 76.79 Crores (March 31, 2025: ₹ 100.26 Crores).

Repayment of loans

- a) Repayment of term loan 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.
- b) Vehicle loan amounting to ₹ 0.16 crore 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)
- c) Term loan amounting to ₹ 18.90 crore 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)
- d) Soft loan from SIPCOT repayable in the 10th year from drawal.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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	220.18	631.00	851.18
Proceeds from borrowings	1,601.60	-	1,601.60
Repayment of borrowings	(1,573.87)	(121.05)	(1,694.92)
Proceeds of loan from related party	34.32	-	34.32
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)	45.71	2.73	48.44
Debt as at March 31, 2026	293.62	512.68	806.30

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2024	150.01	741.50	891.51
Proceeds from borrowings	871.72	26.39	898.11
Repayment of borrowings	(798.15)	(131.75)	(929.90)
Interest payments and non-cash movements (net) (including effect of amortisation of transaction costs and foreign exchange translation)	(3.40)	(5.14)	(8.54)
Debt as at March 31, 2025	220.18	631.00	851.18

C) The outstanding term loans from banks as at March 31, 2026, amounting to ₹ 471.57 crores (March 31, 2025: ₹ 571.83 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

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
28 Other non-current financial liabilities		
Trade deposits	2.35	2.35
Other payables	1.48	1.48
	3.83	3.83
29 Deferred tax liabilities / (assets) (net)		
Difference between book and tax written down value of depreciable property, plant and equipment	196.46	205.65
Payments allowable in full under Income Tax but amortised over a period in books	3.39	3.81
MTM / forward premium claimable in future	(0.89)	(1.70)
Difference in allowable expenditure on foreign exchange contracts	(1.31)	(1.31)
Unabsorbed depreciation / carried forward business losses	(63.54)	(17.88)
Expenses allowable on payment basis	(12.80)	(9.93)
Others	0.07	0.05
	121.38	178.69
Reconciliation of deferred tax liabilities (net)		
Opening balance	178.69	181.77
Change in statement of profit and loss	(57.38)	(12.38)
Change in other comprehensive income	0.07	9.30
Closing balance	121.38	178.69
30 Other non-current liabilities		
Government grant*	27.23	28.81
	27.23	28.81
31 Current borrowings		
Secured – at amortized cost		
Current maturities of long-term borrowings		
- Term loan from banks	96.11	96.69
- SIPCOT soft loan	-	13.06
Buyer's credit*	249.66	220.18
Unsecured		
Loan from related party (Refer Note 39)**	34.34	-
Others	9.62	-
	389.73	329.93

*Interest rate of the buyer's credit denominated in USD ranges from 3.97% to 4.75% p.a (March 31, 2025: 4.64% to 6.03% p.a).

**Current interest rate on the loan is 9.00% p.a (March 31, 2025: Nil)

Security Particulars:

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts of the Company. Second pari passu charge on Property, Plant & Equipment of the Company (excluding specifically charged land and buildings).

The quarterly return submitted by the Company to its Bankers are in agreement with the books of accounts.

Working capital facilities including buyer's credit aggregating to ₹ 1,075 Crores are secured by corporate guarantee / letter of comfort provided by Sanmar Chemical Enterprises Limited (formerly known as Sanmar Engineering Services Limited) and Chemplast Sanmar Limited.

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Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Supplier finance arrangement**a. 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.

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	9.35	-
- of which suppliers have received payment from finance providers	9.35	-

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.

32 Trade payables

Payable to related party (Refer Note 39)	97.51	0.61
Payable to others*	1,066.93	1,049.67
	1,164.44	1,050.28

* 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 ₹ 4.52 Crores (March 31, 2025: ₹ 1.07 Crores) (Also refer note 44)

* Also refer Note 51 for Trade payables ageing schedule

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
33 Derivative instruments #		
Derivative liability	-	6.14
Derivative assets	57.30	-
	57.30	6.14

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

34 Other current financial liabilities		
Payable / Accrual towards capital expenditure *	1.90	2.65
Accrued salaries and benefits	42.06	29.86
Other payables	27.40	25.96
	71.36	58.47

* Includes dues for payment to Micro and Small enterprises ₹ 0.04 Crores (March 31, 2025: ₹ 0.04 Crores) (Also refer Note 44)

35 Other current liabilities		
Government grant	1.57	1.57
Advance from customers	15.39	18.75
Withholding and other tax payables	8.49	2.45
Other liabilities	4.63	4.52
	30.08	27.29

36 Current provisions		
Provision for employee benefits	2.01	-
Provision for onerous contract (Refer Note 52)	113.77	-
	115.78	-

Movement in provision for onerous contract		
Opening balance	-	-
Recognised during the year	113.77	-
Reversed during the year	-	-
Closing balance	113.77	-

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Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

37 Financial instruments**37.1 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 27 and 31), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Company, comprising issued capital, compulsorily convertible debentures, 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)	806.30	851.18
Cash and cash equivalents	154.53	150.44
Net debt	651.77	700.74
Equity (ii)	(780.81)	(571.37)
Gearing ratio	(0.83)	(1.23)

(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 Company 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**

Cash and cash equivalents (Note 20)	154.53	150.44
Other bank balances (Note 21)	69.63	120.38
Trade receivables (Note 19)	38.81	23.87
Other financial assets (Note 16 and 22)	30.57	27.03
Total	293.54	321.72

37.2.2 Financial liabilities- At amortised cost

Borrowings (Note 27 and 31)	806.30	851.18
Trade payables (Note 32)	1,164.44	1,050.28
Other financial liabilities (Note 28 and 34)	75.19	62.30
Total	2,045.93	1,963.76

37.3 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 include investment, trade and other receivables, cash and cash equivalents 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.

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.

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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 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). 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.

37.5.1 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 of post tax profits and equity	Change in currency exchange rate	Impact of post tax profits and equity
USD	1 %	9.52	1 %	9.23

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 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	3.53	100	4.28

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 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



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

37.7.1 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	21.65	17.16	-	38.81
Trade receivables as of March 31, 2025	20.90	2.97	-	23.87

37.7.2 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.

37.8 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)	1,349.57	3.83	1,353.40
Interest bearing	389.73	416.57	806.30
	1,739.30	420.40	2,159.70

March 31, 2025	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	1,114.92	3.83	1,118.75
Interest bearing	329.93	521.25	851.18
	1,444.85	525.08	1,969.93

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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
- 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	2.26	-	-	2.26
Derivative assets	57.30	-	57.30	-

Fair value hierarchy as at March 31, 2025

Particulars	Carrying value	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Investments	-	-	-	-
Financial liabilities measured at fair value				
Derivative liabilities	6.14	-	6.14	-

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.

37.10 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 Carrying Value	As at March 31, 2025 Carrying Value	As at March 31, 2026 Fair Value	As at March 31, 2025 Fair Value
Financial assets				
Investments	2.26	-	2.26	-
Other financial assets				
Deposits	83.80	133.78	83.80	133.78
Sundry receivables	13.07	9.42	13.07	9.42
Claims receivable	3.33	4.21	3.33	4.21
Trade receivables	38.81	23.87	38.81	23.87
Cash and cash equivalents	154.53	150.44	154.53	150.44
Derivatives not designated as hedge				
Derivative asset	57.30	-	57.30	-
	353.10	321.72	353.10	321.72

Particulars	As at March 31, 2026 Carrying Value	As at March 31, 2025 Carrying Value	As at March 31, 2026 Fair Value	As at March 31, 2025 Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	471.57	571.83	471.57	571.83
Fixed rate borrowings	334.73	279.35	334.73	279.35
Trade payables	1,164.44	1,050.28	1,164.44	1,050.28
Other financial liabilities				
Accrued salaries and benefits	42.06	29.86	42.06	29.86
Other payables	33.13	32.44	33.13	32.44
Derivatives not designated as hedge				
Derivative liability	-	6.14	-	6.14
	2,045.93	1,969.90	2,045.93	1,969.90

- 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.



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

38 Commodity price risk

The Company imports Vinyl Chloride Monomer (VCM) for the manufacture of S-PVC.

Prices of S-PVC manufactured by the Company are monitored by Company's management and adjusted to respond to change in import parity price of S-PVC in Indian market. The prices of VCM (Input) and S-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 Company is not significantly exposed to the variation in commodity prices over a period for the above products

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

39 Related party transactions
List of parties where control exists

Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	Ultimate holding Company
Chemplast Sanmar Limited	Holding Company

Fellow Subsidiaries

Sanmar Group International Limited
Sanmar Overseas Investments AG
TCI Sanmar Chemicals S.A.E.

Other related party

Sanmar Shipping Limited

Directors

S Ganeshkumar (Managing Director) (from April 01, 2026)
Ramkumar Shankar (Managing Director) (upto March 31, 2026)
Dr. Amarnath Ananthanarayanan
Aditya Jain
Dr. (Mrs) Lakshmi Vijayakumar

Terms and conditions of transactions with related parties:

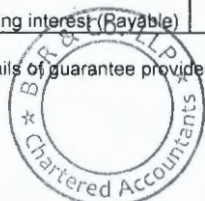
All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are interest free, unsecured and settlement occurs in cash.

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 period 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	
	Apr 25 to Mar 26	Apr 24 to Mar 25	Apr 25 to Mar 26	Apr 24 to Mar 25	Apr 25 to Mar 26	Apr 24 to Mar 25	Apr 25 to Mar 26	Apr 24 to Mar 25
Sales of materials								
Chemplast Sanmar Limited	44.37	15.34	-	-	-	-	-	-
Sales of services								
Chemplast Sanmar Limited	7.67	5.13	-	-	-	-	-	-
Sales of steam								
Chemplast Sanmar Limited	23.61	18.56	-	-	-	-	-	-
Purchase of materials								
Chemplast Sanmar Limited	132.18	300.00	-	-	-	-	-	-
Purchases of service								
Chemplast Sanmar Limited	-	0.41	-	-	-	-	-	-
Purchase of MEIS Scrips								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	0.10	-	-	-	-	-	-
Rent Received								
Chemplast Sanmar Limited	0.18	0.11	-	-	-	-	-	-
Redemption of Redeemable Debentures								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	34.32	-	-	-	-	-	-	-
Inter corporate deposit received								
Chemplast Sanmar Limited	34.32	-	-	-	-	-	-	-
Interest on Inter corporate deposit								
Chemplast Sanmar Limited	0.02	-	-	-	-	-	-	-
Reimbursement of expenses - Received								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	0.00	-	-	-	-	-	-
Sanmar Shipping Limited	-	-	-	-	-	0.05	-	-
Chemplast Sanmar Limited	18.75	7.88	-	-	-	-	-	-
Reimbursement of expenses - Paid								
Sanmar Shipping Limited	-	-	-	-	-	0.06	-	-
Chemplast Sanmar Limited	5.74	9.19	-	-	-	-	-	-
Sitting Fee								
Dr. (Mrs) Lakshmi Vijayakumar	-	-	-	-	-	-	0.03	0.04
Aditya Jain	-	-	-	-	-	-	0.03	0.03
Balances as at year end	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Trade receivables	18.88	11.66	-	-	-	-	-	-
Sundry receivable	11.25	-	-	-	-	-	-	-
Trade payables	97.51	0.61	-	-	-	-	-	-
Sundry payables	2.93	-	-	-	-	-	-	-
Inter corporate deposit including interest (Payable)	34.34	-	-	-	-	-	-	-

Refer Note 27 and 31 for details of guarantee provided on behalf of the Company



Chemplast Cuddalore Vinyls Limited**Notes forming part of financial statements for the year ended March 31, 2026**

(All amounts are in Indian Rupees in Crores unless otherwise stated)

40 Disclosure as per Section 186(4) of Companies Act, 2013

The Company has made investments which are disclosed below as required by section 186(4) of the Companies Act, 2013

Details of Investment	Note	As at March 31, 2026	As at March 31, 2025
Unquoted fully paid equity shares	15		
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 March 31, 2026: 22,62,500 (March 31, 2025: Nil) Shares of face value ₹ 10 each		2.26	-

41 Segment Reporting

The Company's operations predominantly relate to manufacture and sales of Suspension Grade PVC Resin. 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 revenues from three customers contributing to more than 10% amounts to ₹ 998.18 Crores (In previous year there were four customers contributing to more than 10% amounting to ₹ 1,164.54 Crores)

42 Contingent liabilities**Particulars**

A. Claims against the Company not acknowledged as debts:*

On account of Direct Taxes	0.27	0.27
On account of Indirect Taxes	7.12	7.16

*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.

43 Capital commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17.01	15.48
	17.01	15.48

44 Dues to micro and small enterprises

As at 31st March, 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 Company.

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

45 Corporate Social Responsibility

Particulars	As at March 31, 2026	As at March 31, 2025
(i) Amount required to be spent by the Company during the year	-	1.98
(ii) Amount of expenditure incurred	0.04	2.10
(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.	-	-
The above expenditure is spent on purposes other than towards construction / acquisition of any asset.		
Excess amount spent on CSR		
Opening balance	0.13	0.01
Amount required to be spent during the year	-	1.98
Amount spent during the year	0.04	2.10
Closing balance	0.17	0.13

The Company had 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.

46 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.

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

47 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 a 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)	8.20	7.80

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Cost of defined benefit plans are as follows.

Current service cost	0.91	0.75
Past service cost	1.37	-
Interest on obligation	0.69	0.62
Return on plan assets (to the extent it represents an adjustment to interest cost)	(0.69)	(0.63)
Net cost recognised in the statement of profit and loss	2.28	0.74

Return on plan assets (to the extent it does not represent an adjustment to interest cost)

	-	-
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Actuarial (gains)/losses recognised in the year	(0.28)	0.71
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Net (gain) /loss recognised in the other comprehensive income

	(0.28)	0.71
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The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows

Present value of funded defined benefit obligation	11.97	10.63
Fair value of plan assets	9.96	10.63
Net liability / (asset)	2.01	-

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	10.63	8.18
Return on plan assets	0.69	0.63
Actuarial gains / (losses)	0.10	(0.02)
Contributions from the employer	-	2.42
Transfer of obligations	(0.25)	0.13
Benefits paid	(1.21)	(0.71)
Closing fair value of plan assets	9.96	10.63

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements 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
Movements in the present value of the define benefit obligation in the current year were as follows		
Opening defined benefit obligation	10.64	9.16
Current service cost	0.91	0.75
Past service cost	1.37	-
Interest cost	0.69	0.62
Actuarial (gains) / losses	(0.18)	0.69
Transfer of obligations	(0.25)	0.13
Benefits paid	(1.21)	(0.71)
Closing defined benefit obligation	11.97	10.64
Actuarial (gain) / loss on obligations attributable to change in financial assumptions	0.33	(0.01)
Actuarial (gain) / loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain) / loss attributable to experience adjustments	(0.61)	0.70
Projected Undiscounted Expected Benefit Outgo		
[Mid Year Cash Flows]		
Year 1	0.55	0.59
Year 2	2.02	1.30
Year 3	1.40	1.08
Year 4	1.07	1.50
Year 5	1.34	0.96
Years 6 through 10	5.03	5.39

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 Company expects to make a contribution of ₹ 3.15 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 %	0.16	0.24	(0.84)
Decrease in discount rate by 1 %	0.39	0.15	0.96
Increase in salary escalation by 1 %	0.39	0.27	0.97
Decrease in salary escalation by 1 %	0.16	0.13	(0.86)

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Chemplast Cuddalore Vinyls Limited
Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

48 Analytical ratios

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	0.31	0.40	(22.50%)	
Debt-equity ratio	Total Debt	Shareholder's Equity	(1.03)	(1.49)	(30.87%)	Change is due to drop in borrowings and increase in loss incurred during the FY 2026-27.
Debt service coverage ratio	Earning for Debt Service	Debt Service	0.38	0.54	-29.63%	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	15.55 %	4.28%	263.32%	Change is due to increase in loss after tax incurred in FY 2025-26
Inventory turnover ratio	Net Sales	Avg. Inventory	9.56	10.22	-6.46%	
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivable	72.17	118.73	(39.22%)	Increase in average trade receivables balance has resulted in lower trade receivables ratio
Trade payables turnover ratio	Net Purchases	Avg. Trade Payables	1.58	1.74	(9.20%)	
Net capital turnover ratio	Net Sales	Working Capital	(2.74)	(4.11)	(33.33%)	Change is due to drop in Sales and working capital
Net profit ratio	Net Profits after taxes	Net Sales	(7.75 %)	(1.91%)	305.76%	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	35.78 %	(1443.07%)	(102.48%)	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	(17.47 %)	(3.94 %)	343.40%	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 Earning for Debt Service = Net Profit after taxes + non-cash operating expenses like depreciation and other amortizations + interest + exceptional items + other adjustments like loss on sale of fixed assets etc.
- 3 Debt service = Interest & 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



Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

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	5.67	0.10	-	-	5.77
Projects temporarily suspended	-	-	-	-	-
Total	5.67	0.10	-	-	5.77
As at March 31, 2025					
Projects in progress	1.71	0.06	-	-	1.77
Projects temporarily suspended	-	-	-	-	-
Total	1.71	0.06	-	-	1.77

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	Total
As at March 31, 2026							
(i) Undisputed trade receivables – considered good	21.65	17.16	-	-	-	-	38.81
(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	20.90	2.97	0.00	0.00	-	-	23.87
(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	-	-	-	-	-	-	-

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Chemplast Cuddalore Vinyls Limited

Notes forming part of financial statements for the year ended March 31, 2026

(All amounts are in Indian Rupees in Crores unless otherwise stated)

51 Trade payable ageing 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	-	4.46	0.02	0.04	-	-	-	-	4.52
(ii) Others	24.49	1,050.94	0.03	1.94	82.43	0.08	0.01	0.00	1,159.92
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-
As at March 31, 2025									
(i) MSME	-	1.05	-	0.01	-	-	-	-	1.06
(ii) Others	24.27	1,019.96	0.04	1.52	3.37	0.05	0.00	0.01	1,049.22
(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 under supplier finance arrangements		
i) Presented under Trade Payables	1,016.18	1,006.64
- of which supplier have received payment from finance provider	645.83	714.34
ii) Balance represents invoices confirmed under the arrangement but not yet settled by the bank	370.35	292.30
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.

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52 Exceptional items -

Pursuant to the West-Asia crisis and anticipated challenges in availability of raw materials, the 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 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 realizable 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 Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Company recognizes 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 ₹ 1.37 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.

54 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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.

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54 Significant accounting judgements, estimates and assumptions (Continued)

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 47.

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 equipment's

The Company 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 Company had engaged an independent valuation specialist 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 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 14.3

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

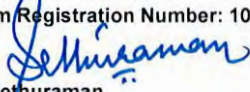
Estimated useful life of certain items of PPE are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year 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

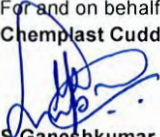
Partner

Membership No. 203491

Place: Chennai

Date: May 25, 2026

For and on behalf of the Board of Directors of
Chemplast Cuddalore Vinyls Limited


S Ganeshkumar

Managing Director

DIN: 00088163

Place: Chennai


A R Balaji

Chief Financial Officer

Place: Chennai

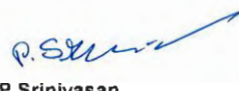
Date: May 25, 2026


Lakshmi Vijayakumar

Director

DIN: 09115998

Place: Chennai


P Srinivasan

Company Secretary

Memb No. ACS 10129

Place: Chennai