Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

1 Corporate information

BirlaNu Limited (formerly HIL Limited) ('the Company' or 'the Holding Company') is a Company domiciled in India, with its registered office situated at Level 7, SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated as a public limited company under the provisions of Companies Act, 2013 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as "the Group") and the Group's interest in joint ventures.

The following subsidiaries and joint ventures are considered in the consolidated financial statements of the Company:

Name of the Company	Country of incorporation	% of equity interest
Subsidiary		
BirlaNu International GmbH	Germany	100%
Clean Coats Private Limited	India	100%
Step down subsidiaries		
Parador Holding GmbH	Germany	100%
Parador GmbH	Germany	100%
Parador Parkettwerke GmbH	Austria	100%
Parador UK Limited	England	100%
Parador INC.	United States of America	100%
Joint ventures		
Parador (Shanghai) Trading Co., Ltd.	China	50%

Note: In addition to above, the Company has a 33% equity interest in Supercor Industries Limited, Nigeria. The same has not been consolidated in these consolidated financial statements for the reasons described in note 53(a).

The Group operations are broadly classified into Roofs, Walls, Pipes & Construction chemicals, Floors and Others.

Roofs consists of manufacturing, selling and distribution of Fiber Cement Sheets, Colored Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Walls broadly classifies into Wet-Walling Solutions and Dry-Walling Solutions, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels, and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar, Balasore and Cuttack.

Pipes & Construction chemicals consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan, Jhajjar and Patna. It includes the trading of Construction Chemicals consisting of Ready-mix Plasters, Primers, Block Joining Mortars and Tile Adhesives.

Floors consists of Laminate, ClickBoard, Panels and Mouldings, Engineered, Resilient and Designer with manufacturing facilities located at Coesfeld, Germany and Gussing, Austria.

Others includes Material Handling and Processing related to plant and equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2 Basis of preparation

A. Statement of compliance

a) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 12 May 2026.

c) Details of the Group's material accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts presented in Indian Rupees have been rounded-off to two decimal places to the nearest Lakhs except share data or as otherwise stated.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

2. Basis of preparation (Contd..)

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement basis
- Certain financial assets and liabilities (including derivative instruments)	Fair value
- Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Non-current assets held for sale	The assets classified as held for sale are measured at lower of carrying amounts and fair value less costs to sell at the time of classification.

Further, Net identifiable assets, goodwill and other intangibles recognised on business acquisition are measured at fair values on the date of business acquisition.

D. Use of estimates and judgment

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

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

- Note 54 – leases: whether an arrangement contains a lease;
- Note 54 – lease term: Whether the Company is reasonably certain to excise extension options.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 06 – impairment test of goodwill and intangible asset with indefinite life: key assumptions used in recoverable value;
- Note 10 – impairment test of financial assets.
- Note 11 – impairment test of other assets;
- Note 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 – fair value consideration transferred on business acquisition and fair value of net identifiable assets on acquisition date;
- Note 34 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 56 – measurement of ECL allowance for trade receivables and finance receivables, loans and contract assets;

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

2. Basis of preparation (Contd..)

E. Measurement of fair values (Contd..)

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 05 – investment property;
- Note 42 – share based payment arrangements;
- Note 56 – financial instruments
- Note 33 – business acquisition.
- Note 36 – Fair value of planned assets.
- Note 56 – Fair value of non-current assets held for sale.

F. Current/ Non-current classification

The Group classifies an asset as current asset when:

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Basis of consolidation

i. *Business combination*

(i) Other than common control Business Combination

In accordance with Ind AS 103, Business Combination, the Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(h)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as

3 Material accounting policies (contd..)

a. Basis of consolidation (Contd..)

i. *Business combination (Contd..)*

(i) Other than common control Business Combination (Contd..)

incurred, except to the extent related to the issue of debt or equity securities.

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

(ii) Common control Business Combination

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the Company in the same form in which they appeared in the consolidated financial statements of the Group. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

ii. *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. *Non-controlling interests ("NCI")*

NCI are initially measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

iv. *Loss of control*

When the Group loses control over the subsidiaries, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date on which control is lost. Any resulting gain or loss is recognised in profit or loss.

v. *Equity accounted investees*

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases.

vi. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Material accounting policies (Contd..)

b. Foreign currency

i. *Foreign currency transactions*

Transactions in foreign currencies are translated into functional currency of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency that are measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the following items which are recognised in OCI.
- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

ii. *Foreign operations*

The assets and liabilities of foreign operations (subsidiaries and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

The foreign currency translation differences in respect of foreign operations are recognised in OCI and accumulated in equity (as exchange differences on translation of foreign operations), except to the extent that the exchange differences are allocated to NCI.

c. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

At the time of initial recognition, these financial assets (unless it is a trade receivable without a significant financing component) or financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. A trade receivable without a significant financing component is initially measured at transaction price.

ii. *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets in which case all affected financial assets are re-classified on first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value

3. Material accounting policies (Contd..)

c. Financial instruments (Contd..)

ii. *Classification and subsequent measurement* (Contd..)

in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, gain or loss on derecognition and foreign exchange gains and losses, are recognised in profit or loss.

iii. *Derecognition*

Financial assets

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

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

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Material accounting policies (Contd..)

c. Financial instruments (Contd..)

v. *Derivative financial instruments*

The Group holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

d. Property, plant and equipment

i. *Recognition and measurement*

Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment including capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates), including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Freehold land is carried at historical cost less any accumulated impairment losses.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advance in other non-current assets.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are depreciated over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 4 years to 25 years as against 15 years

Certain buildings: 25 years as against 30 years

Certain moulds and dies: 6 / 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

The estimated useful lives of items of property, plant and equipment acquired in business combination (see note 33) have been considered at the remaining useful life on acquisition date (as per books of account of the acquiree).

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates

3. Material accounting policies (Contd..)

d. Property, plant and equipment (Contd..)

iii. *Depreciation (Contd..)*

of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from / (upto) the date on which asset is ready for use / (disposed off).

e. Goodwill and other intangible assets

i. *Recognition and measurement*

Goodwill

Acquisition method as per Ind AS 103 'Business Combinations' is used for valuation of goodwill arising on business acquisition see note 3(a)(i). Subsequent to initial recognition, goodwill is measured at cost, less accumulated impairment losses (see note 3(h) (ii)), if any .

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Other intangible assets

Other intangible assets including acquired by the Group in a business combination are initially measured at cost if it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Such intangible assets with definite lives, are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Goodwill and intangible assets with indefinite life are not amortized but tested for impairment annually, or more frequently when there is an indication that the value of cash generating unit to which these assets have been allocated, may be impaired.

ii. *Subsequent expenditure*

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

iii. *Amortisation*

Goodwill and intangible assets with indefinite life, is not amortised as per Ind AS 103 and is tested for impairment annually, or more frequently when there is an indication that the value of cash-generating unit to which these assets have been allocated, may be impaired.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Assets	Years
- Service concession arrangement	25
- Computer software	3 - 5
- Patents	7
- Brand	5 - 15
- Distribution Network	5
- Non-compete	5

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly

3 Material accounting policies (contd..)

f. Investment property (contd..)

attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

Investment property is derecognised either when it has been disposed off or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

Transfers to (or from) investment property are made only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads on normal operating capacity. In the case of raw materials, stores and spares and stock-in-trade, cost comprises of cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated selling expenses necessary to make the sale. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. Further, goods in transit are accounted at cost.

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

h. Impairment

i. *Impairment of financial assets*

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables, loans, contract assets are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is

3 Material accounting policies (contd..)

h. Impairment (Contd..)

i. *Impairment of financial assets (Contd..)*

the maximum contractual period over which the Group is exposed to credit risk.

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

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. *Impairment of non-financial assets*

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying value of goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU or prorata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i. Employee benefits

i. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

3 Material accounting policies (contd..)

i. Employee benefits (Contd..)

i. *Short-term employee benefits (Contd..)*

ii. *Share-based payment arrangements*

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and / or service conditions are fulfiled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share. Incase of cancellation of options granted before the completion of vesting period the cost is reversed in the statement of profit and loss.

iii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Group providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Group has no obligation, other than the contribution payable to the funds.

iv. *Defined benefit plans*

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

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Discount rate is determined by reference to market yields government bonds, at the end of the reporting period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

v. *Compensated absences*

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the related benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. Such entitlement is discounted to determine its present value. The obligation is measured semi-annually by a qualified

3 Material accounting policies (contd..)

i. Employee benefits (Contd..)

v. *Compensated absences (Contd..)*

actuary on the basis of actuarial valuation using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Group does not have the right at the end of the reporting period to defer the settlement for at least twelve months after the reporting date.

vi. *Other long-term employee benefits including pension*

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

j. Revenue

Revenue from contract with customers

The Group generates revenue from its ordinary activities i.e., from sale of goods and services. A contract in this context shall fulfil all of the following conditions:

- Both the parties to the contract agree on the contract terms.
- Performance obligations of each of the parties is identifiable and there exists a commitment to perform their respective obligations; and
- The commercial substance or the purchase consideration is measurable and the collectability is probable.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofs, walls, pipes and construction chemical, floors and others and geographic market. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Group classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration adjusted with discounts and incentives, if any, as specified in a contracts with customers. Revenue is recognised to the extent of fulfilment of each of the performance obligations to the contract. The Group recognises revenue when it transfers control over the goods or services to the customers. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. *Sale of products*

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

b. *Customer loyalty programmes*

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Group's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

3 Material accounting policies (contd..)

j. Revenue (Contd..)

b. *Customer loyalty programmes (Contd..)*

(ii) The Group allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

c. *Sale of services*

Revenue from sale of services/ service concession agreement (i.e., spply of electricity) is recognised at the point in time when electricity is supplied to the customer when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

k. Recognition of dividend income, rental income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Rental income from investment property is recognised as part of other income in the Statement of profit or loss on a straight-line basis over the term of the lease.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

m. Leases

i. *Leases as lessee*

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Group decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right of use asset reflects that the Group will exercise the purchase option. In that case, estimated useful lives of right-of-use assets are determined on

3 Material accounting policies (contd..)

m. Leases (contd..)

i. *Leases as lessee (Contd..)*

the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

a. Fixed payments including in-substance fixed payments

b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

c. Amounts expected to be payable under a residual value guarantee

d. The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with the leases as an expense in the profit and loss on a straight line basis over lease term.

The Group presents right-of-use assets that donot meet the definition of Investment property in 'Property, plant and equipment' and lease liabilities in 'Financial liabilities' in the consolidated balance sheet.

ii. *Leases as lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

n. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the

3 Material accounting policies (contd..)

m. Leases (contd..)

ii. *Leases as lessor (Contd..)*

extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. *Current tax*

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

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

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

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

Current tax and deferred tax impact arising on account of merger is accounted for in the period in which the approval for scheme of merger/amalgamation is received.

o. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3 Material accounting policies (contd..)

p. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract which is determined based on the incremental cost of fulfiling the obligation under the contract and an allocation of other cost directly related to fulfiling the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events, the occurrence or non-occurrence of which is dependent on the happening of one or more uncertain future events not wholly within the control of the entity; or a present obligation arising from past events with no probability of future outflow of economic benefits or the outflow cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date.

q. Earnings per share (“EPS”)

Basic earnings per share is computed by dividing the net profit (or loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit (considered in determination of basic earnings per share) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit / (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

s. Cash and cash equivalents

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

3 Material accounting policies (contd..)

t. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated. These assets are classified separately from the other assets / liabilities in the balance sheet.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Recent pronouncements

Standards/ Specific amendments issued but not yet effective:

Key requirements

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 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, ounting Estimates and Errors.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

4. Property, plant and equipment

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and equipment (refer note (b) below)	Furniture and fittings	Office equipment	Vehicles	Right of use assets (refer note (e) below)	Total	Capital work-in-progress (refer note (f) below)
A. Cost or Deemed cost (Gross carrying amount)											
As at 01 April 2024	8,201.89	75.43	40,284.02	0.63	90,650.78	830.20	4,326.17	499.30	27,254.70	1,72,123.12	4,186.08
Acquisitions through business combination (refer note 33)	464.00	-	3,631.21	-	9,837.49	8.00	37.00	96.00	1,143.92	15,217.62	-
Additions	-	-	3,830.39	-	6,212.17	283.61	424.79	9.51	3,178.62	13,939.09	11,804.56
Disposals	(6.74)	-	(23.55)	-	(1,758.18)	(20.62)	(89.70)	(12.63)	(864.24)	(2,775.66)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(10,495.87)
Exchange differences on translation of foreign operations	115.99	-	489.75	-	577.21	-	91.18	4.69	612.00	1,890.82	5.69
Reclassification to non-current assets held for sale	(24.30)	-	(44.36)	-	-	-	-	-	-	(68.66)	-
As at 31 March 2025	**8,750.84**	**75.43**	**48,167.46**	**0.63**	**1,05,519.47**	**1,101.19**	**4,789.44**	**596.87**	**31,325.00**	**2,00,326.33**	**5,500.46**
As at 01 April 2025	8,750.84	75.43	48,167.46	0.63	1,05,519.47	1,101.19	4,789.44	596.87	31,325.00	2,00,326.33	5,500.46
Acquisitions through business combination (refer note 33)	-	-	584.40	-	171.43	14.04	0.50	21.09	1,949.77	2,741.23	-
Additions	-	-	2,706.51	-	7,393.78	26.58	248.36	31.00	900.22	11,306.45	9,381.06
Disposals	-	-	(33.59)	-	(1,254.47)	(28.14)	(119.23)	(4.20)	(2,812.51)	(4,252.14)	-
Transfers to Property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(10,900.40)
Exchange differences on translation of foreign operations	897.98	-	3,911.66	-	4,583.87	-	729.63	37.45	4,685.48	14,846.07	13.34
Reclassification to non-current assets held for sale	(38.73)	-	(1,602.22)	-	-	-	-	-	(3.86)	(1,644.81)	
As at 31 March 2026	**9,610.09**	**75.43**	**53,734.22**	**0.63**	**1,16,414.08**	**1,113.67**	**5,648.70**	**682.21**	**36,044.10**	**2,23,323.13**	**3,994.46**
B. Accumulated depreciation											
As at 01 April 2024	-	75.43	8,924.35	0.51	41,627.50	540.31	3,057.29	363.77	2,142.17	56,731.33	-
For the period ended 31 March 2025	-	-	1,881.95	-	8,185.19	67.79	513.45	62.27	2,288.44	12,999.09	-
Disposals	-	-	(1.63)	-	(1,343.01)	(14.82)	(88.84)	(10.77)	(828.15)	(2,287.22)	-
Exchange differences on translation of foreign operations	-	-	110.93	-	377.63	-	66.43	4.66	53.83	613.48	-
Reclassification to non-current assets held for sale	-	-	(12.68)	-	-	-	-	-	-	(12.68)	-
As at 31 March 2025	**-**	**75.43**	**10,902.92**	**0.51**	**48,847.31**	**593.28**	**3,548.33**	**419.93**	**3,656.29**	**68,044.00**	**-**
As at 01 April 2025	-	75.43	10,902.92	0.51	48,847.31	593.28	3,548.33	419.93	3,656.29	68,044.00	-
Acquisitions through business combination (refer note 33)	-	-	23.08	-	37.31	4.31	0.35	12.54	52.29	129.88	-
For the period ended 31 March 2026	-	-	2,127.06	-	8,671.80	72.50	510.38	57.26	2,560.98	13,999.98	-
Disposals	-	-	(31.97)	-	(1,175.42)	(6.90)	(112.90)	(2.79)	(1,059.81)	(2,389.79)	-
Exchange differences on translation of foreign operations	-	-	985.49	-	3,183.86	-	560.59	35.63	590.27	5,355.84	-
Reclassification to non-current assets held for sale	-	-	(305.36)	-	-	-	-	-	(0.27)	(305.63)	-
As at 31 March 2026	**-**	**75.43**	**13,701.22**	**0.51**	**59,564.86**	**663.19**	**4,506.75**	**522.57**	**5,799.75**	**84,834.28**	**-**
C. Net carrying amounts (A-B)				-							
As at 31 March 2025	**8,750.84**	**-**	**37,264.54**	**0.12**	**56,672.16**	**507.91**	**1,241.11**	**176.94**	**27,668.71**	**1,32,282.33**	**5,500.46**
As at 31 March 2026	**9,610.09**	**-**	**40,033.00**	**0.12**	**56,849.22**	**450.48**	**1,141.95**	**159.64**	**30,244.35**	**1,38,488.85**	**3,994.46**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

4. Property, plant and equipment (Contd..)

Note:

a) Title deeds of immovable properties not held in the name of the Group

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
Freehold Land	1.27	Faridabad Complex Administration (now known as Municipal Corporation of Faridabad)	No	1964	Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad.
Freehold land	464.00	Aditya Polytechnic Private Limited	No	2026	Transferred to BirlaNu Limited pursuant to the Merger of Crestia group entities with NCLT order dated 10 March 2026. The management is in the process of transferring these in the name of the Company.
Building	1220.96	Aditya Polytechnic Private Limited	No	2026	
Building	219.67	Aditya Polytechnic Private Limited	No	2026	
Building	1321.93	Crestia Polytech Private Limited	No	2026	
Building	580.96	Prabhu Sainath Polymers Private Limited	No	2026	
Building	120.92	Topline Industries Private Limited	No	2026	
ROU	367.68	Crestia Polytech Private Limited	No	2026	
ROU	104.49	Prabhu Sainath Polymers Private Limited	No	2026	
ROU	385.22	Bihar Industrial Area Development Authority	No	2026	

The Company has changed its name on 19 March 2025 and all the immovable properties/right of use assets prior to the change in name is held in the erstwhile names of the Company.

b) Refer note 46 for details of assets purchased for Research and Development.

c) Refer note 17 for details of assets pledged against borrowings.

d) The Group has not revalued any property, plant and equipment after initial recognition, during the year ended 31 March 2026 and 31 March 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

4. Property, plant and equipment (contd..)

e) Right of use assets comprise of the following assets:

Particulars	Buildings	Land	Vehicles	Plant and equipment	Office equipment	Total
A. Cost or Deemed cost (Gross carrying amount)						
As at 01 April 2024	23,122.05	1,820.62	1,034.24	1,213.35	64.44	27,254.70
Acquisitions through business combination	20.06	1,123.86	-	-	-	1,143.92
Additions	1,444.58	287.05	1,086.69	360.30	-	3,178.62
Disposals	(583.19)	-	(198.45)	(82.60)	-	(864.24)
Exchange differences on translation of foreign operations	539.03	-	37.96	33.45	1.56	612.00
As at 31 March 2025	24,542.53	3,231.53	1,960.44	1,524.50	66.00	31,325.00
As at 01 April 2025	24,542.53	3,231.53	1,960.44	1,524.50	66.00	31,325.00
Acquisitions through business combination (refer note 33)	89.77	1,860.00	-	-	-	1,949.77
Additions	226.53	230.09	172.82	270.78	-	900.22
Disposals	(2,264.78)	(8.30)	(422.16)	(43.82)	(73.45)	(2,812.51)
Exchange differences on translation of foreign operations	4,057.79	-	343.57	276.67	7.45	4,685.48
Reclassification to assets held for sale	-	(3.86)	-	-	-	(3.86)
As at 31 March 2026	26,651.84	5,309.46	2,054.67	2,028.13	-	36,044.10
B. Accumulated depreciation						
As at 01 April 2024	686.55	131.04	510.34	792.75	21.49	2,142.17
For the period ended 31 March 2025	1,594.72	46.40	361.93	252.81	32.58	2,288.44
Disposals	(547.11)	-	(198.45)	(82.59)	-	(828.15)
Exchange differences on translation of foreign operations	16.40	-	14.75	21.69	0.99	53.83
As at 31 March 2025	1,750.56	177.44	688.57	984.66	55.06	3,656.29
As at 01 April 2025	1,750.56	177.44	688.57	984.66	55.06	3,656.29
Acquisitions through business combination (refer note 33)	29.29	23.00	-	-	-	52.29
For the period ended 31 March 2026	1,654.77	145.00	395.30	353.66	12.25	2,560.98
Disposals	(121.15)	(5.93)	(422.17)	(437.05)	(73.51)	(1,059.81)
Exchange differences on translation of foreign operations	288.39	-	124.50	171.18	6.20	590.27
Reclassification to assets held for sale	-	(0.27)	-	-	-	(0.27)
As at 31 March 2026	3,601.86	339.24	786.20	1,072.45	-	5,799.75
C. Net carrying amounts (A-B)						
As at 31 March 2025	22,791.97	3,054.09	1,271.87	539.84	10.94	27,668.71
As at 31 March 2026	23,049.98	4,970.22	1,268.47	955.68	-	30,244.35

f) Aging details of capital work-in-progress (CWIP) is as below*

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,907.36	37.88	16.33	32.89	3,994.46
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2026	3,907.36	37.88	16.33	32.89	3,994.46
Projects in progress	4,990.74	490.84	18.88	-	5,500.46
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025	4,990.74	490.84	18.88	-	5,500.46

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026
(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

4. Property, plant and equipment (contd..)

f) Aging details of capital work-in-progress (CWIP) is as below*(Contd..)

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

CWIP Projects in progress	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	120.42	-	-	-	120.42
As at 31 March 2026	120.42	-	-	-	120.42
Blocks Packing Automation	108.17	-	-	-	108.17
Others	191.05	-	-	-	191.05
As at 31 March 2025	299.22	-	-	-	299.22

No projects have been temporarily suspended as at 31 March 2026 and 31 March 2025.

CWIP includes total interest expense capitalised during the year amounting to INR 28.63 lakhs (31 March 2025: INR 96.72 lakhs).

5 Investment property

A. Reconciliation of carrying amount

Particulars	As at 31 March 2026	As at 31 March 2025
Cost or Deemed cost (Gross carrying amount) (a)		
Opening balance	2,204.89	2,204.89
Acquisitions through business combination (refer note 33)	280.00	-
Deletion	(280.00)	-
Reclassification to non-current assets held for sale	(1,537.53)	-
Closing balance	667.36	2,204.89
Accumulated depreciation (b)		
Opening balance	323.91	293.54
Depreciation for the year	27.07	30.37
Reclassification to non-current assets held for sale	(287.11)	-
Closing balance	63.87	323.91
Net carrying amounts (a-b)	603.49	1,880.98
Fair value	5,960.00	8,229.00

B. Amounts recognised in profit or loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Rental income derived from investment properties (refer note 24)	525.63	565.24
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	525.63	565.24
Less: Depreciation	27.07	30.37
Profit arising from investment properties before indirect expenses	498.56	534.87

C. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuer is a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

Discounted cash flows method and Market comparable method have been used for valuation. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

5 Investment property (Contd..)

D. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of INR 427.60 Lakhs (31 March 2025: INR 427.60 Lakhs) in the name of the Company is pending. Refer details below:

Title deeds not held in the name of the Company:

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or their employee	Property held since which date	Reason for not being held in the name of the Company
Land as at 31 March 2026 and 31 March 2025	427.60	The Embassy of Union of Soviet Socialist Republics	No	1989	The process of transfer of property in the name of the Company, is in progress.

(ii) The Group has given the investment properties located in New Delhi on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3 to 5 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements on realisability of the investment property. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date. During the current year, property at Hyderabad have been classified as asset held for sale.

E. Refer note 44 for details of future minimum lease receipts.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets

Particulars	Goodwill	Other intangible assets										Intangible assets under development (refer note (a) below
		Softwares	Brand	Customer contracts	Customer relationships	Product Formulations	Non-compete	Patents	Service concession arrangements	Distribution network	Total	
Reconciliation of carrying amount												
Cost or Deemed cost (Gross carrying amount) (A)												
As at 01 April 2024	14,310.54	3,749.21	6,810.12	-	-	-	27.35	1,708.04	1,997.94	-	14,292.66	518.51
Acquisitions through business combination (refer note 33)	8,323.79	-	1,550.00	-	-	-	430.00	-	-	950.00	2,930.00	-
Additions	-	267.41	-	-	-	-	-	-	-	-	267.41	
Disposals	-	(1,002.07)	-	-	-	-	-	-	-	-	(1,002.07)	(129.63)
Transfers to Intangible assets	-	-	-	-	-	-	-	-	-	-	-	(236.40)
Exchange differences on translation of foreign operations	328.91	38.52	161.32	-	-	-	-	41.42	-	-	241.26	-
As at 31 March 2025	**22,963.24**	**3,053.07**	**8,521.44**	**-**	**-**	**-**	**457.35**	**1,749.46**	**1,997.94**	**950.00**	**16,729.26**	**152.48**
Balance at 01 April 2025	22,963.24	3,053.07	8,521.44	-	-	-	457.35	1,749.46	1,997.94	950.00	16,729.26	152.48
Acquisitions through business combination (refer note 33)	2,647.35	9.59	965.49	85.11	637.15	2,898.93	-	-	-	-	4,596.27	-
Additions	-	394.37	-	-	-	-	-	-	-	-	394.37	286.48
Disposals	-	(124.22)	-	-	-	-	-	-	-	-	(124.22)	(6.28)
Transfers to Intangible assets	-	-	-	-	-	-	-	-	-	-	-	(388.61)
Reclassification to non-current assets held for sale	-	-	-	-	-	-	-	-	(1,144.00)		(1,144.00)	-
Exchange differences on translation of foreign operations	2,546.26	293.29	1,248.86	-	-	-	-	320.65	-	-	1,862.80	0.79
As at 31 March 2026	**28,156.85**	**36,26.10**	**10,735.79**	**85.11**	**637.15**	**2,898.93**	**457.35**	**2,070.11**	**853.94**	**950.00**	**2,2314.48**	**44.86**
Accumulated amortisation (B)												
Balance at 01 April 2024	-	2,732.71	51.17	-	-	-	8.87	1,362.37	727.15	-	4,882.27	-
Amortisation for the year	-	628.16	134.88	-	-	-	91.47	246.35	87.64	190.00	1,378.50	-
Disposals	-	(923.21)	-	-	-	-	-	-	-	-	(923.21)	-

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets (Contd..)

Particulars	Goodwill	Other intangible assets										Intangible assets under development (refer note (a) below
		Softwares	Brand	Customer contracts	Customer relationships	Product Formulations	Non-compete	Patents	Service concession arrangements	Distribution network	Total	
Exchange differences on translation of foreign operations	-	35.28	-	-	-	-	-	36.56	-	-	71.84	-
As at 31 March 2025	-	2,472.94	186.05	-	-	-	100.34	1,645.28	814.79	190.00	5,409.40	-
Balance at 01 April 2025	-	2,472.94	186.05	-	-	-	100.34	1,645.28	814.79	190.00	5,409.40	-
Acquisitions through business combination (refer note 33)		3.32	-	-	-	-	-	-	-	-	3.32	
Amortisation for the year	-	347.87	161.73	25.03	25.49	80.53	91.47	115.94	75.29	190.00	1,113.35	-
Disposals	-	(124.23)	-	-	-	-	-	-	-	-	(124.23)	-
Reclassification to non-current assets held for sale									(523.32)	-	(523.32)	
Exchange differences on translation of foreign operations	-	283.14	-	-	-	-	-	308.84	-	-	591.98	-
As at 31 March 2026	-	2,983.04	347.78	25.03	25.49	80.53	191.81	2,070.06	366.76	380.00	6,470.50	-
Net carrying amounts (A-B)												
As at 31 March 2025	22,963.24	580.13	8,335.39	-	-	-	357.01	104.18	1,183.15	760.00	11,319.86	152.48
As at 31 March 2026	28,156.85	643.06	10,388.01	60.08	611.66	2,818.40	265.54	0.05	487.18	570.00	15,843.98	44.86

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets (Contd..)

Notes:

(a) Ageing details of intangible assets under development (IAUD) is as below*

Particulars	Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	44.86	-	-	-	44.86
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2026	**44.86**	**-**	**-**	**-**	**44.86**
Projects in progress	127.91	16.73	7.84	-	152.48
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025	**127.91**	**16.73**	**7.84**	**-**	**152.48**

*It includes projects whose completion is overdue or has exceeded its cost compared to its original plan. Following is the completion schedule of such projects:

Particulars	IAUD to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Others	30.80	-	-	-	30.80
As at 31 March 2026	**30.80**	**-**	**-**	**-**	**30.80**
Others	20.67	-	-	-	20.67
As at 31 March 2025	**20.67**	**-**	**-**	**-**	**20.67**

No projects have been temporarily suspended as at 31 March 2026 and 31 March 2025

(b) Impairment

See accounting policy in note 3(h).

Impairment testing for cash generating units containing goodwill

The Group has identified its reportable segments Roofs, Walls, Pipes & Construction chemicals and Floors as the CGUs. For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment.

The goodwill and brand (with indefinite life) acquired through business combination with BirlaNu International GmbH (Formerly HIL International GmbH) has been allocated to CGU ""Floors "" segment of the Group. The carrying amount of goodwill as at 31 March 2026 is INR 16,438.46 Lakhs (31 March 2025: INR 13,892.20 Lakhs) and brand (with indefinite life) as at 31 March 2026 is INR 8,062.55 Lakhs (31 March 2025: INR 6,785.40 Lakhs).

The goodwill acquired through business combination during the earlier year by the Holding company has been allocated to CGU ""Cuttack unit"" which is part of the Walls segment of the Company.The carrying amount of goodwill as at 31 March 2026 is INR 747.25 Lakhs (31 March 2025 is INR 747.25 Lakhs).

The goodwill acquired through business combination during the previus year by the Holding company has been allocated to CGU ""Crestia Group"" which is part of the Pipes & Construction chemicals segment of the Company. The carrying amount of goodwill as at 31 March 2026 is INR 8,323.79 Lakhs.

The goodwill acquired through business combination during the current year by the Holding company with Clean Coats Private Limited has been allocated to CGU ""Clean Coats"" which is part of the Pipes & Construction chemicals segment of the Company (See note 33 for details). The carrying amount of goodwill as at 31 March 2026 is INR 2,647.35 Lakhs.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

6 Goodwill and other intangible assets (Contd..)

Following key assumptions were considered while performing impairment testing:

Particulars	For the year ended 31 March 2026				For the year ended 31 March 2025			
	Floors	Cuttack Unit	Crestia Group	Clean coats	Floors	Cuttack Unit	Crestia Group	Clean coats
Annual growth rate for 5 years (Average)	11.41%	9.15%	34.50%	16.90%	11.30%	18.15%	38.00%	NA
Terminal value growth rate	1.00%	5.00%	5.00%	5.00%	1.00%	5.00%	5.00%	NA
Budgeted EBITDA margins for 5 years (Average)	6.08%	6.68%	6.52%	16.78%	7.65%	9.53%	6.38%	NA
Weighted average cost of capital % (WACC) post tax	16.20%	14.33%	16.50%	13.13%	14.90%	14.29%	16.20%	NA

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = (We*Re)+(Wd*Rd)

Re = Risk free return + (market premium x beta for the Company)+ additional risk premium.

Rd = Cost of debt *(1-tax rate)

We,Wd = Average debt to capital ratio

No impairment charges were recognised for the year ended 31 March 2026 and 31 March 2025. The Holding company has performed sensitivity analysis around the base assumptions and a reasonably possible change in key assumption would cause the Cuttack unit's and Floors segment carrying amount to exceed its recoverable amount as below:

Assumption	Change	Cuttak unit Increase / (Decrease)	Change	Floors Increase / (Decrease)
Terminal growth rate	Decrease to 3% from 5%	(252.63)	Decrease to 0.5%	(1,631.58)
WACC	Decrease by 0.5%	(162.15)	Increase by 1%	(2,851.95)
EBITDA Margin	NA	NA	Decrease by 5% i.e., margin reduced to 5.78%	(823.46)
Revenue Growth rate	Decrease by 5%	(78.92)	Decrease by 5% i.e., growth rate reduced to 10.26%	(20,890.34)

(c) The Group has not revalued any intangible assets after initial recognition, during the year ended 31 March 2026 and 31 March 2025.

7 Investments

Particulars	As at 31 March 2026	As at 31 March 2025
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5,000 equity shares of INR 10 each fully paid	42.57	40.89
(31 March 2025 : 5,000 equity shares of INR 10 each fully paid)		
VR- Bank Westmünsterland eG - One share of Euro 450 each	0.49	0.41
(31 March 2025 : One share of Euro 450 each)		
	43.06	41.30
Aggregate book value of unquoted non-current investments	43.06	41.30

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

7 Investments(Contd..)

(a) Equity shares designated as at fair value through other comprehensive income

The Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold long-term for strategic purposes.

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2026	As at 31 March 2025
Fair value at beginning of the year	40.89	33.73
Dividend income recognised during the respective year (refer note 24)	0.50	0.38
Fair value at end of the year	42.57	40.89

No strategic investments were disposed off during the year ended 31 March 2026 and 31 March 2025, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

The Group has not traded or invested in Crypto currency or Virtual currency during the year ended 31 March 2026 and 31 March 2025.

Refer note 56(A) and 56 (C) for the Group's exposure to fair value measurement, credit risk and market risk.

8 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Secured	23.30	20.30
Unsecured	1,203.20	851.19
	1,226.50	871.49
Less: Provision for impairment	(1,192.15)	(851.19)
	34.35	20.30
Current		
Secured	1,545.97	1,657.05
Unsecured	20,719.43	19,255.12
	22,265.40	20,912.17
Less: Provision for impairment	(1,580.54)	(954.92)
	20,684.86	19,957.25

Refer note 17 for details of trade receivables pledged against borrowings.

There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at 31 March 2026 and as at 31 March 2025.

8 Trade receivables (Contd..)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	6,229.69	12,431.88	568.57	689.64	730.24	34.84	20,684.86
– credit impaired	41.37	284.54	390.93	442.48	292.62	128.60	1,580.54
Total undisputed trade receivables (A)	6,271.06	12,716.42	959.50	1,132.12	1,022.86	163.44	22,265.40
Disputed trade receivables							
– considered good	-	6.00	5.05	3.00	-	20.30	34.35
– credit impaired	-	0.02	101.32	275.35	156.43	659.03	1,192.15
Total disputed trade receivables (B)	-	6.02	106.37	278.35	156.43	679.33	1,226.50
As at 31 March 2026 (A+B)	6,271.06	12,722.44	1,065.87	1,410.47	1,179.29	842.77	23,491.90

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables							
– considered good	6,766.41	12,166.15	415.81	83.73	305.72	219.43	19,957.25
– credit impaired	42.16	292.19	268.05	198.85	46.70	106.97	954.92
Total undisputed trade receivables (A)	6,808.57	12,458.34	683.86	282.58	352.42	326.40	20,912.17
Disputed trade receivables							
– considered good	-	-	-	-	20.00	0.30	20.30
– credit impaired	-	1.60	46.81	150.99	53.27	598.52	851.19
Total disputed trade receivables (B)	-	1.60	46.81	150.99	73.27	598.82	871.49
As at 31 March 2025 (A+B)	6,808.57	12,459.94	730.67	433.57	425.69	925.22	21,783.66

8 Trade receivables (Contd..)

There were no unbilled trade receivables as at 31 March 2026 and as at 31 March 2025.

Refer note 56 (C) for the Company's exposure to credit risk and market risk.

Trade receivables of BirlaNu International GmbH (Formerly HIL International GmbH) Group entities are factored and the receivables from factored banks are disclosed under other financial assets.

9 Loans

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Unsecured, considered good	3,083.68	2,692.88
	3,083.68	2,692.88

10 Other financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Unsecured, considered good		
Security deposits	1,693.50	1,717.21
Bank deposits due to mature after 12 months from the reporting date*	276.01	264.87
Derivative assets	-	382.65
	1,969.51	2,364.73
Doubtful		
Security deposits	25.00	25.00
Other receivables	644.68	644.68
	669.68	669.68
Less: Provision for doubtful other financial assets	(669.68)	(669.68)
	-	-
	1,969.51	2,364.73

* It includes bank deposits held against bank guarantees amounting to INR 6.79 Lakhs (31 March 2025: INR 9.92 Lakhs).

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Unsecured, considered good		
Interest accrued on security deposits	83.00	73.79
Contract assets	15.75	17.37
Other receivables	2,724.20	4,388.33
	2,822.95	4,479.49
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivables (refer note 40)	(9.01)	(9.01)
	-	-
	2,822.95	4,479.49

11 Other assets

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Unsecured, considered good		
Capital advances	1,533.14	406.26
Advances other than capital advances		
- Balance with government authorities	722.39	1,152.94
Prepayments	37.21	54.56
	2,292.74	1,613.76
Doubtful		
Advance to suppliers and service providers	160.62	160.62
	160.62	160.62
Less: Allowance for doubtful advances	(160.62)	(160.62)
	-	-
	2,292.74	1,613.76
Current		
Unsecured, considered good		
Advances other than capital advances		
- Advance to suppliers and service providers	6,005.82	5,690.01
- Advance to employees	270.44	245.36
- Balance with government authorities	2,192.62	2,124.03
Prepayments	1,399.01	1,220.63
Others		
Non-current assets classified as held for sale	-	55.99
	9,867.89	9,336.02

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

12 Inventories

Particulars	As at 31 March 2026	As at 31 March 2025
(Valued at lower of cost and net realisable value)		
Raw materials	29,690.27	26,881.87
Work-in-progress	4,335.57	4,190.81
Finished goods	27,837.12	28,454.91
Stock-in-trade	1,400.43	1,543.63
Stores and spares	1,713.50	1,440.20
	64,976.89	62,511.42
Inventories in transit		
Raw materials	3,249.26	4,897.26
Finished goods	422.94	754.78
Stock-in-trade	0.10	129.81
Stores and spares	7.73	30.41
	3,680.03	5,812.26
	68,656.92	68,323.68

The write down of finished goods to net realisable value during the year amounted to INR 351.53 Lakhs (31 March 2025: INR 300.90 Lakhs). The write down are included in changes in inventories of finished goods.

Refer note 17 for details of inventories pledged against borrowings.

13 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	16.40	12.09
Balances with banks		
- on current accounts	4,876.65	7,616.88
	4,893.05	7,628.97

14 Bank balances other than Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Unpaid dividend accounts	73.67	76.68
Deposits with banks with original maturity of more than 3 months but remaining maturity of less than 12 months *	535.64	374.44
	609.31	451.12

* It includes bank deposits held against bank guarantees amounting to INR 273.89 Lakhs (31 March 2025: INR 115.16 Lakhs).

15 Share capital

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised share capital		
95,00,000 (31 March 2025 : 95,00,000) equity shares of INR 10 each	950.00	950.00
50,000 (31 March 2025: 50,000) preference shares of INR 100 each	50.00	50.00
	1,000.00	1,000.00
Issued, subscribed and fully paid-up capital		
75,40,899 (31 March 2025: 75,40,899) equity shares of INR 10 each fully paid-up	754.09	754.09
Forfeited shares (amount originally paid-up)	2.72	2.72
	756.81	756.81

15 Share capital (Contd..)

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2026		31 March 2025	
	Number of shares	Amount INR In Lakhs	Number of shares	Amount INR In Lakhs
Shares outstanding at the beginning of the year	75,40,899	754.09	75,40,899	754.09
Shares issued on exercise of Employee Stock Option Scheme	-	-	-	-
Shares outstanding at the end of the year	75,40,899	754.09	75,40,899	754.09

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of equity shares having a face value of INR 10 each. Accordingly, all equity shares rank equal with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders 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.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

15 Share capital (Contd..)

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of INR 10 each, fully paid-up	31 March 2026		31 March 2025	
	Number of shares	% of Holding	Number of shares	% of Holding
Mr. Chandra Kant Birla*	30,59,212	40.57%	51,376	0.68%
Central India Industries Limited	NA	NA	10,74,634	14.25%
Orient Paper and Industries Limited	NA	NA	9,06,360	12.02%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownerships of shares.

*Shareholding less than 5% in previous year.

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Schemes of the Company, refer note 42.

(v) Equity shares of INR 10 each, held by promoters at the end of the year

Sl. No.	Name of the promoter	31 March 2026			31 March 2025		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Mr. Chandrakant Birla	30,59,212	40.57%	5,854.55%	51,376	0.68%	-
2	Amer Investments (Delhi) Limited	-	-	-100.00%	3,08,763	4.09%	-
3	Hitaishi Investments Limited	-	-	-100.00%	67,066	0.89%	-
4	Hyderabad Agencies Private Limited	-	-	-100.00%	4,100	0.05%	-
5	Orient Paper and Industries Limited	-	-	-100.00%	9,06,360	12.02%	-
6	Universal Trading Company Limited	-	-	-100.00%	4,000	0.05%	-
7	Central India Industries Limited	-	-	-100.00%	10,74,634	14.25%	-
8	Gwalior Finance Corporation Limited	-	-	-100.00%	96,200	1.28%	-
9	Ranchi Enterprises and Properties Limited	-	-	-100.00%	4,500	0.06%	-
10	Ashok Investment Corporation Limited	-	-	-100.00%	3,17,743	4.21%	-
11	Shekhavati Investments and Traders Limited	-	-	-100.00%	2,24,470	2.98%	-
		30,59,212	40.57%	0.00%	30,59,212	40.57%	-

16 Other equity

(A) Reserves and surplus

(i) Securities premium

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the commencement of the year	1,649.96	1,649.96
Add: Premium received on exercise of employee stock options	-	-
	1,649.96	1,649.96

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) General reserve

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the commencement of the year	44,100.00	44,100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	-	-
	44,100.00	44,100.00

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

16 Other equity (Contd..)

(A) Reserves and surplus (Contd..)

(iii) Capital redemption reserve

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(iv) Share options outstanding account

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the commencement of the year	678.70	345.92
Less: Transferred to securities premium on exercise of stock options	-	-
Add: Share based payment expenses	(2.93)	332.78
	675.77	**678.70**

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 42 for further details on these plans.

(v) Retained earnings

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the commencement of the year	69,459.69	74,607.56
Add: Profit for the year	(11,956.12)	(3,290.35)
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of defined benefit (asset) / liability, net of tax	362.95	(160.82)
Amount available for appropriations	**57,866.52**	**71,156.39**
Less : Appropriations		
Final dividend on equity shares (amount per share INR 30.00 (31 March 2025: INR 22.50))	(2,262.27)	(1,696.70)
Total appropriations	**(2,262.27)**	**(1,696.70)**
Total retained earnings	**55,604.25**	**69,459.69**
Total reserves and surplus (A)	**1,02,064.98**	**1,15,923.35**

(B) Other comprehensive income ("OCI")

Particulars	As at 31 March 2026	As at 31 March 2025
Equity investments through OCI		
Balance at the commencement of the year	31.02	24.88
Changes in fair value	1.44	6.14
	32.46	**31.02**
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	4,433.60	3,763.76
Add: Movement during the year	3,750.20	669.84
	8,183.80	**4,433.60**
Total other comprehensive income (B)	**8,216.26**	**4,464.62**
Total (A+B)	**1,10,281.24**	**1,20,387.97**

Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

Particulars	As at 31 March 2026	As at 31 March 2025
Dividend on equity shares (amount per equity share INR 15.00 (31 March 2025: INR 30.00))	1,131.13	2,262.27

Dividend paid during the year ended 31 March 2026 includes an amount of INR 30.00 per equity share towards final dividend for the year ended 31 March 2025. Dividend paid during the year ended 31 March 2025 includes an amount of INR 22.50 per equity share towards final dividend for the year ended 31 March 2024.

The Board of Directors of the Company have recommended a final dividend of INR 15.00 per share (150%) on 12 May 2026 for the financial year ended 31 March 2026. There was no interim dividend declared during the financial year ended 31 March 2026.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

17 Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current borrowings		
Secured		
Term loan from banks	30,100.05	25,655.39
	30,100.05	25,655.39
Current borrowings		
Secured		
From banks		
- Working capital loan	28,543.00	16,256.40
From banks		
- Interest accrued but not due on long term borrowings	107.28	172.67
Term loan from banks		
- Current maturities of long-term debt*	11,268.53	7,923.53
	39,918.81	24,352.60
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan	15,214.04	20,019.29
From banks		
- Buyers' credit	-	971.11
	15,214.04	20,990.40
	55,132.85	45,343.00
Total Borrowing	85,232.90	70,998.39

*Includes an amount of INR 43.25 Lakhs for year ended 31 March 2026 (31 March 2025: INR 36.68 Lakhs), towards the interest accrued but not due.

17 Borrowings (Contd..)

Borrower	Lender	Nature of loan	Amount As at		Interest rate		Repayment terms	Security	Remarks
			31 March 2026	31 March 2025	31 March 2026	31 March 2025			
BirlaNu Limited (formerly HIL Limited)	Federal bank	Term loan	2,842.50	3,790.00	7.43%	8.40%	12 quarterly instalments of INR 236.87 lakhs each from June 2026 to March 2029	Charge on identified fixed assets	The Company has partly prepaid the loan amounting to INR 3,600 lakhs
	HDFC Bank	Term loan	3,750.00	4,750.00	7.13%	8.14%	15 quarterly instalments of INR 250 lakhs each from April 2026 to October 2029	Charge on identified fixed assets	
	RBL Bank	Term loan	10,354.17	-	7.88%	-	15 quarterly instalments of INR 164 to 802 lakhs each from May 2026 to October 2031	Charge on identified fixed assets - Yet to registered.	
	HSBC Limited	Working Capital loan	2,500.00	-	6.87%	7.26% - 8.90%	Range from 7 to 90 days	Unsecured	
	HDFC Bank	Working Capital loan	-	4,000.00	7.34%	7.36% -8.18%	Range from 7 to 90 days	Unsecured	Repaid during the year
	Kotak Mahindra bank	Working Capital loan	4,500.00	2,000.00	7.19%	7.75% - 8.35%	Range from 7 to 90 days	Unsecured	
	Federal bank	Working Capital loan	4,500.00	8,000.00	7.26%	7.75% - 8.25%	Range from 7 to 90 days	Unsecured	
	RBL Bank	Working Capital loan	2,500.00	-	6.80%	7.75% - 8.25%	Range from 7 to 90 days	Unsecured	
	ICICI bank	Working Capital loan	-	3,450.00	7.36%	7.40% - 8.07%	Range from 7 to 90 days	Unsecured	
	YES bank	Working Capital loan	-	2,500.00	7.04%	7.50% - 8.27%	Range from 7 to 90 days	Unsecured	
	HDFC bank	Buyer's credit	-	971.11	-	4.82%- 5.92%	120 to 150 days	Unsecured	
	Axis Bank	Working Capital loan	794.88	792.65	7.75%	9.00%	Repayable on demand	Secured against Stock & Receivables	
	State Bank of India	Term loan	78.98	195.51	9.15%	10.15%	Repayable in remaining 09 instalments, with the final instalment due by December 2026.	Secured against fixed assets	

17 Borrowings (Contd..)

Borrower	Lender	Nature of loan	Amount As at		Interest rate		Repayment terms	Security	Remarks
			31 March 2026	31 March 2025	31 March 2026	31 March 2025			
	State Bank of India	Term loan	23.34	60.19	8.65%	10.15%	Repayable in remaining 08 instalments, with the final instalment due by November 2026.	Secured against fixed assets	
	State Bank of India	Cash Credit	397.23	300.10	9.15%	10.15%	Repayable on demand	Secured against Stock & Receivables	
	ICICI Bank	RTL-LC	733.68	-	8.60%	-	16 quarterly instalments ranging INR 36.68 lakhs to INR 55.03 lakhs from November 2026 to August 2030	Movables Fixed Assets of the Company both present and future with minimum security cover of 1.25 times	
	ICICI Bank	RTL	500.00	-	8.60%	-	16 quarterly instalments ranging INR 25 lakhs to INR 37.50 lakhs from November 2026 to August 2030	Movables Fixed Assets of the Company both present and future with minimum security cover of 1.25 times	
	ICICI Bank	RTL	400.00	-	8.60%	-	16 quarterly instalments ranging INR 20 lakhs to INR 30 lakhs from November 2026 to August 2030	Movables Fixed Assets of the Company both present and future with minimum security cover of 1.25 times	
	State Bank of India	Cash Credit	495.26	253.52	9.15%	10.15%	Repayable on demand	Secured against Stock & Receivables	
	State Bank of India	Term loan	1,049.78	1,347.51	9.15%	10.15%	Repayable in remaining 42 instalments, with the final instalment due by September 2029	Secured against Fixed assets	
	Small Industries Bank of India (SIDBI)	Term loan	230.78	307.70	9.46%	8.25%	Repayable in remaining 36 instalments, with the final instalment due by March 2029	Secured against Machinery	
	Small Industries Bank of India (SIDBI)	Term loan	81.46	125.95	8.55%	8.45%	Repayable in remaining 16 instalments, with the final instalment due by July 2027	Secured against Machinery	

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

17 Borrowings (Contd..)

Borrower	Lender	Nature of loan	Amount As at		Interest rate		Repayment terms	Security	Remarks
			31 March 2026	31 March 2025	31 March 2026	31 March 2025			
	Small Industries Bank of India (SIDBI)	Term loan	53.17	79.81	8.50%	8.45%	Repayable in remaining 24 instalments, with the final instalment due by March 2028	Secured against Machinery	
	Small Industries Bank of India (SIDBI)	Term loan	36.93	53.97	8.55%	8.45%	Repayable in remaining 20 instalments, with the final instalment due by November 2027	Secured against Machinery	
	Axis Bank	Cash Credit	862.40	468.94	7.75%	9.00%	Repayable on demand	Secured against Stock & Receivables	
	Axis Bank	Working Capital Loan	3,560.00	3,560.00	7.25%	8.50%	Repayable on demand	Secured against Stock & Receivables	
	ICICI Bank	Term Loan	-	145.81	0.00%	9.20%	Paid on 31 July 2025		
	Axis Bank	Term loan	454.00	718.00	7.75%	9.00%	Repayable in remaining 20 instalments, with the final instalment due by December 2027.	Secured against fixed assets	
	Axis Bank	Term loan	43.11	107.78	7.75%	9.00%	Repayable in remaining 08 instalments, with the final instalment due by November 2026.	Secured against fixed assets	
	Axis Bank	Cash Credit	996.73	964.95	7.75%	9.00%	Repayable on demand	Secured against Stock & Receivables	
	ICICI Bank	WC-OTSTL	-	2,200.00	0.00%	8.50%	Paid on 26 June 2025		
	ICICI Bank	WC-OTSTL	-	400.00	0.00%	8.90%	Paid on 22 August 2025		
	ICICI Bank	WC-OTSTL	-	400.00	0.00%	9.90%	Paid on 04 September 2025		
	ICICI Bank	WC-OTSTL	1,000.00	-	8.15%	-	Repayable on 30 June 2026 (365 Days)	Secured against Stock & Receivables	
	ICICI Bank	WC-OTSTL	1,200.00	-	8.15%	-	Repayable on 22 September 2026 (365 Days)	Secured against Stock & Receivables	
	ICICI Bank	WC-OTSTL	400.00	-	8.15%	-	Repayable on 24 September 2026 (365 Days)	Secured against Stock & Receivables	
	ICICI Bank	WC-OTSTL	400.00	-	8.15%	-	Repayable on 10 November 2026 (365 Days)	Secured against Stock & Receivables	

17 Borrowings (Contd..)

Borrower	Lender	Nature of loan	Amount As at		Interest rate		Repayment terms	Security	Remarks
			31 March 2026	31 March 2025	31 March 2026	31 March 2025			
	ICICI Bank	Cash Credit	976.27	655.00	8.75%	9.25%	Repayable on demand	Secured against Stock & Receivables	
BirlaNu International GmbH (Formerly HIL International GmbH)	ICICI Bank	Term loan-Facility A	6,537.20	7,366.15	1.85% + 3 Month EURIBOR	1.85% + 3 Month EURIBOR	Repayable in 8 semi-annual instalments starting from 31 March 2025. The first two instalments amount Euro 10.00 lakhs and the other 6 instalments amount to EUR 15.00 lakhs	Secured by an unconditional and irrevocable corporate guarantee from the shareholder BirlaNu Limited to the extent of 105% of the Facility Amount	
	ICICI bank	Term loan-Facility B	14,199.48	10,880.09	1.85% + 3 Month EURIBOR	1.85% + 3 Month EURIBOR	Repayable in 8 semi-annual instalments starting from 31 March 2025. The first two instalments amount Euro 10.00 lakhs the next 5 instalments amount to EUR 20.00 lakhs and the last instalment amounts EUR 21.00 lakhs	Secured by an unconditional and irrevocable corporate guarantee from the shareholder BirlaNu Limited to the extent of 105% of the Facility Amount	
	ICICI bank	Term loan-Facility C	7,626.73	9,944.30	1.85% + 3 Month EURIBOR	1.85% + 3 Month EURIBOR	Repayable or rollover at the end of its interest period	Secured by an unconditional and irrevocable corporate guarantee from the shareholder BirlaNu Ltd to the extent of 105% of the Facility Amount	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

17 Borrowings (Contd..)

Borrower	Lender	Nature of loan	Amount As at		Interest rate		Repayment terms	Security	Remarks
			31 March 2026	31 March 2025	31 March 2026	31 March 2025			
	ICICI bank	Term loan-Facility: A term loan "Revolving Loan Facility"	11,004.29	-	1.55% + 1 Month EURIBOR	-	Repayable or rollover at the end of its term loan period	Secured by an unconditional and irrevocable corporate guarantee from the shareholder BirlaNu Ltd to the extent of 105% of the Facility Amount	

(a) The Holding Company's borrowings are subject to compliance with certain pre-defined financial and other covenants, whereby the Company is required to meet certain specified financial ratios and other commitments/measures. During the current period, the Company has complied with the requirements of these loan agreements as at or for the year ended 31 March 2026 except for certain covenants in respect of the borrowings from Federal Bank, HDFC Bank, RBL Bank, ICICI bank, Axis Bank and Kotak Mahindra bank. The management, has however, obtained necessary waivers from these lenders waiving the aforesaid breaches during the year ended 31 March 2026. Accordingly, these borrowings have been continued to be classified in accordance with their originally agreed repayment schedule in these financial statements.

(b) BirlaNu International GmbH (formerly HIL International GmbH) borrowings are subject to compliance with certain pre-defined financial and other covenants, whereby the BirlaNu International GmbH (formerly HIL International GmbH) is required to meet certain specified financial ratios and other commitments/measures. During the current period, BirlaNu International GmbH (formerly HIL International GmbH) has complied with the requirements of these loan agreements as at or for the year ended 31 March 2026 except for certain covenants in respect of the borrowings from ICICI Bank UK PLC. The management, has however, obtained necessary waivers from these lenders waiving the aforesaid breaches after the year ended 31 March 2026. Accordingly, these borrowings have been continued to be classified in accordance with their originally agreed repayment schedule in these consolidated financial statements.

(c) There were no delays / defaults in repayment of dues or delays in payment of interest to banks and financial institutions.

(d) Quarterly returns or statements of current assets filed by the Holding company to the banks are in agreement with the books of account.

(e) In respect of the following charges, the Holding company is in the process of collecting no due certificate from the respective parties and the same is expected to get closed in the next financial year. The charges on these loans are open with Registrar of Companies (ROC) Hyderabad:

1. Indian Oil Corporation Limited amounting to INR 4 Lakhs.

Refer note 56 (C) for the Company's exposure to interest rate and liquidity risks.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

18 Lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Lease liabilities (refer note 50)	23,067.69	22,163.25
	23,067.69	22,163.25
Current		
Lease liabilities (refer note 50)	2,868.11	2,786.74
	2,868.11	2,786.74

19 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 41)	6,428.67	2,765.51
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	37,593.78	40,050.54
	44,022.45	42,816.05

19 Trade payables (Contd..)

Ageing of Trade Payables as at 31 March 2026:

Particulars	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,400.78	2,955.30	20.08	24.06	28.45	6,428.67
(ii) Others	12,741.66	20,145.16	4,170.20	90.87	234.52	141.59	37,524.00
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	69.78	69.78
As at 31 March 2026	12,741.66	23,545.94	7,125.50	110.95	258.58	239.82	44,022.45

Refer note 56 (C) for the Company's exposure to interest rate and liquidity risks.

Ageing of Trade Payables as at 31 March 2025:

Particulars	Unbilled dues	Not due	Outstanding for following periods from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,909.45	852.83	-	-	-	2,762.28
(ii) Others	11,698.94	22,416.23	5,173.68	503.13	35.25	153.51	39,980.76
(iii) Disputed dues - MSME	-	3.23	-	-	-	-	3.23
(iv) Disputed dues - Others	-	-	-	-	-	69.78	69.78
As at 31 March 2025	11,698.94	24,328.91	6,026.51	503.13	35.25	223.29	42,816.05

20 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Liabilities on business acquisition	50.00	-
Derivative liabilities	1,261.87	-
	1,311.87	-
Current		
Capital creditors (refer note 41)	1,439.20	781.80
Unpaid dividend*	73.67	76.68
Sundry deposits	4,663.92	4,627.04
Derivative liabilities	392.07	320.90
Contract liability against performance obligation	1,436.99	1,399.06
Contract liability against payment	4,192.46	2,612.49
Liabilities on business acquisition	744.84	843.93
Other financial liabilities- discounts, commissions and other payables	5,199.63	4,935.69
	18,142.78	15,597.59

* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2026
(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

21 Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Provision for employee benefits		
- Gratuity (refer note 36)	1,206.49	676.01
- Pension and other post-retirement benefits (refer note 36)	2,188.19	2,243.19
- Compensated absences	1,003.38	939.46
	4,398.06	3,858.66
Current		
Provision for employee benefits		
- Gratuity (refer note 36)	18.22	-
- Pension (refer note 36)	105.52	224.53
- Compensated absences	1,205.88	994.97
- Other long-term employee benefit plans	-	49.30
- Employee related other costs (refer note 51)	1,968.46	319.75
Other provisions		
- Provision for litigations (refer note 51)	236.69	236.72
- Provision for warranties (refer note 51)	253.87	385.62
- Provision - others (refer note 51)	390.00	390.00
	4,178.64	2,600.89

22 Other liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current		
Deferred revenue	595.60	532.11
	595.60	532.11
Current		
Statutory liabilities	2,913.71	2,899.60
Deferred revenue	34.03	28.76
Advance for sale of non-current asset held for sale	88.18	87.00
Other liabilities	1,331.39	1,258.47
	4,367.31	4,273.83

23 Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from contracts with customers		
- Sale of products		
- Finished goods	3,42,757.78	3,33,055.75
- Traded goods	28,799.71	26,712.29
- Sale of services		
- Service concession arrangements	218.47	151.18
Other operating revenues		
- Scrap sales	1,138.07	1,466.72
- Liabilities no longer required, written back	125.66	136.85
	3,73,039.69	3,61,522.79

23 Revenue from operations (Contd..)

Disaggregation of revenues

Particulars	Reportable segments for the year ended 31 March 2026				
	Roofs	Walls	Pipes & Construction chemicals	Floors	Others
By sources of revenue					
Revenue from contracts with customers	1,13,681.26	60,789.57	69,117.74	1,27,925.46	261.93
Other operating revenues	249.59	168.97	115.74	729.41	0.02
	1,13,930.85	60,958.54	69,233.48	1,28,654.87	261.95
By geographical markets					
- India	1,13,169.22	60,477.02	69,204.67	247.47	261.95
- Others	761.63	481.52	28.81	1,28,407.40	-
	1,13,930.85	60,958.54	69,233.48	1,28,654.87	261.95
By major product lines					
- Cement based products: sheets, panels, boards	1,13,930.85	28,194.03	-	-	-
- Pipes and Fittings	-	-	49,490.29	-	-
- Putty, Construction chemical and dry mix	-	313.42	19,743.19	-	-
- Fly ash blocks	-	32,451.09	-	-	-
- Wooden Flooring	-	-	-	1,28,654.87	-
- Others	-	-	-	-	261.95
	1,13,930.85	60,958.54	69,233.48	1,28,654.87	261.95

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

23 Revenue from operations (Contd..)

Particulars	Reportable segments for the year ended 31 March 2026				
	Roofs	Walls	Pipes & Construction chemicals	Floors	Others
Timing of revenue recognition					
Products transferred at a point in time	1,13,930.85	60,958.54	69,233.48	1,28,654.87	261.95
Products and services transferred over time	-	-	-	-	-
	1,13,930.85	60,958.54	69,233.48	1,28,654.87	261.95

Particulars	Reportable segments for the year ended 31 March 2025				
	Roofs	Walls	Pipes & Construction chemicals	Floors	Others
By sources of revenue					
Revenue from contracts with customers	1,12,869.65	53,512.03	71,323.62	1,21,983.53	230.48
Other operating revenues	544.54	360.65	111.12	581.23	5.94
	1,13,414.19	53,872.68	71,434.74	1,22,564.76	236.42
By geographical markets					
- India	1,12,729.90	53,448.57	71,408.69	-	231.72
- Others	684.29	424.11	26.05	1,22,564.76	4.70
	1,13,414.19	53,872.68	71,434.74	1,22,564.76	236.42
By major product lines					
- Cement based products: sheets, panels, boards	1,13,414.19	22,709.26	-	-	-
- Pipes and Fittings	-	-	53,647.17	-	-
- Putty, Construction chemical and dry mix	-	463.27	17,787.57	-	-
- Fly ash blocks	-	30,588.01	-	-	-
- Wooden Flooring	-	-	-	1,22,564.76	-
- Others	-	112.14	-	-	236.42
	1,13,414.19	53,872.68	71,434.74	1,22,564.76	236.42
Timing of revenue recognition					
Products transferred at a point in time	1,13,414.19	53,872.68	71,434.74	1,22,564.76	236.42
Products and services transferred over time	-	-	-	-	-
	1,13,414.19	53,872.68	71,434.74	1,22,564.76	236.42

Reconciliation of revenue recognised from contract with customers with contract prices

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue as per contracted price	3,93,619.07	3,79,949.91
Less: Contract liability against performance obligation	1,436.99	1,399.06
Less: Discounts	20,406.12	18,631.63
	3,71,775.96	3,59,919.22

Contract balances

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Trade receivables (refer note 8)	23,491.90	21,783.66
Contract assets (refer note 10)	15.75	17.37
Contract liabilities (refer note 20)	5,629.45	4,011.55

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

23 Revenue from operations (Contd..)

- Trade receivables are the amounts receivable by the Group from the Revenues from Contracts with customers and other operating revenues.
- The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date.
- The contract liabilities primarily relate to the advance consideration received from customers and contract liabilities arising from loyalty programmes of the Company. The amount of INR 3,956.48 Lakhs included in contract liabilities at 31 March 2025 have been recognised as revenue during the year ended 31 March 2026 (31 March 2025: INR 4,854.09 Lakhs).

No information provided about remaining performance obligations as at 31 March 2026 and 31 March 2025 that have an original expected duration of one year or less, as allowed by Ind AS 115.

Invoices are generated at the point in time. Invoices are usually payable within 0 to 90 days.

24 Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Dividend income on equity securities - at FVOCI- investment held at reporting date	0.50	0.38
Dividend income on current investments - at FVTPL	0.03	0.02
Gain on sale of current investments, net	12.05	17.84
Interest income under the effective interest method on financial assets at amortised cost	244.49	222.01
Interest on tax refund	103.79	3.73
Rental income		
From investment property	525.63	565.24
From others	573.13	278.29
Net gain on sale of property, plant and equipment	684.43	-
Net gain on foreign currency transactions	2,804.48	1,271.91
Government grant	157.38	28.18
Subsidy received	114.05	185.26
Miscellaneous income	251.53	374.55
	5,471.49	2,947.41

25 Cost of materials consumed

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Inventory of materials at the beginning of the year	31,779.13	35,259.56
Add: Acquisitions through business combination (refer note 33)	275.62	1,271.66
Add: Purchases during the year	1,84,996.59	1,86,219.46
Less: Inventory of materials at the end of the year	(32,939.53)	(31,779.13)
Adjustment for fluctuation in exchange rates	2,330.74	323.46
	1,86,442.55	1,91,295.01

26 Purchases of stock-in-trade

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Purchases of stock-in-trade	24,057.79	19,054.33

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Inventories at the beginning of the year		
Finished goods	29,209.69	28,522.24
Stock-in-trade	1,673.44	896.24
Work-in-progress	4,190.81	5,231.07
	35,073.94	34,649.55
Inventories at the end of the year		
Finished goods	28,260.06	29,209.69
Stock-in-trade	1,400.53	1,673.44
Work-in-progress	4,335.57	4,190.81
	33,996.16	35,073.94
Changes in inventories	1,077.78	(424.39)
Finished goods of trial run production capitalised	-	4.89

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

27 Changes in inventories of finished goods, stock-in-trade and work-in-progress (Contd..)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Add: Inventories acquired through business combinations (refer note 33)	176.23	1,260.54
Adjustment for fluctuation in exchange rates	2,409.25	339.34
	3,663.26	1,180.38

28 Employee benefits expense (refer note 36(c))

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries, wages and bonus	49,075.95	44,424.56
Contribution to provident and other funds (refer note 36(a))	7,029.10	6,189.48
Employee share based payment expense - equity settled (refer note 42)	(2.93)	332.78
Gratuity, pension and other post-retirement benefits expenses (refer note 36(b))	995.83	493.49
Staff welfare expenses	1,528.33	1,462.31
	58,626.28	52,902.62

29 Finance costs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest expenses on long-term loans measured at amortised cost	2,417.30	2,329.12
Interest expenses on working capital loans measured at amortised cost	2,291.76	2,259.96
Interest expenses on other financial liabilities measured at amortised cost	0.91	39.83
Interest expenses on lease liabilities	1,525.23	1,442.88
Interest expenses on income-tax	21.24	2.49
Interest expenses on security deposits and others	551.20	719.15
Other borrowing costs	15.63	30.85
	6,823.27	6,824.28

30 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property, plant and equipment (refer note 4)	11,439.00	10,710.65
Amortisation of intangible assets (refer note 6)	1,113.35	1,378.50
Depreciation on investment property (refer note 5)	27.07	30.37
Depreciation on right of use assets (refer note 4)	2,560.98	2,288.44
	15,140.40	14,407.96

31 Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Consumption of stores and spares	4,856.15	4,887.89
Power and fuel	14,275.13	14,074.59
Contract wages	8,806.78	8,314.11
Repairs and maintenance		
- Plant and equipment (excluding stores and spares consumption)	4,310.55	3,857.68
- Buildings	720.37	604.77
- Others	3,331.98	2,702.62
Carriage outwards	32,668.14	30,273.31
Packing expenses	1,061.34	1,087.06
Rent	883.95	964.62
Rates and taxes	802.83	824.33
Insurance	1,290.47	949.82
Professional, consultancy and legal expenses	5,255.69	4,296.92
Advertisement and sales promotion	8,526.06	7,104.42
Travelling and conveyance	3,984.76	3,670.19

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

31 Other expenses (Contd..)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Commission on sales	1,024.50	1,057.53
Directors' commission	15.75	32.22
Directors' fee	58.00	84.50
Donations	7.85	403.62
Royalty	872.55	823.01
Net loss on sale of property, plant and equipment	-	301.21
Provision for impairment of receivables, advances and other assets, net	842.66	304.49
Bad debts written off	35.60	90.37
Provision for diminution in value of investments	112.03	-
Fair value loss on financial assets measured at fair value through profit and loss	1,720.56	875.10
Expenditure on corporate social responsibility (refer note 32)	199.15	331.88
Miscellaneous	3,630.64	3,316.88
	99,293.49	**91,233.14**

*Donations include INR NIL contribution made to Electoral Trust (31 March 2025: INR 300 Lakhs).

32 Details of corporate social responsibility expenditure

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
a) Gross amount required to be spent by the Group during the year	199.15	331.57
Less: Adjustment of excess spent during the previous financial years	-	(18.09)
Net amount required to be spent by the Group during the year	199.15	313.47
b) Amount approved by the board to be spent during the year:	199.15	318.50
c) Amount spent during the year (in cash) :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	210.92	313.47
iii) Nature of CSR activities		
- Promoting health care including preventive health care		
- Promoting education		
- Community Development		
d) Related party transactions	-	-
e) Shortfall /(excess) at the end of the year	(11.77)	-
f) Movements in provision of liability created	-	-

33 Business combination

(A) (a) On 07 November 2025, the Company had entered into a Share subscription and purchase agreement (SSPA) (as amended) with Clean Coats Private Limited ('Clean Coats') for subscription and purchase of the shares of Clean Coats. Post completion of the agreed closing conditions, the Company obtained control over the Clean Coats and consolidated in its books of account effective 11 November 2025. The Company has made investment of INR 11,321.80 lakhs in the Clean coats as on 11 November 2025 and total amount has been paid to shareholders of Clean Coats as purchase consideration.

The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 ""Business Combinations"". The Company along with the respective shareholders of the Clean Coats (the seller) has determined working capital balances taken over by the Company as part of the acquisition. The Group has carried out purchase price allocation between goodwill, tangible assets, intangible assets and other working capital balances taken over.

33 Business combination (Contd..)

Below is the summary of purchase price allocation:

Particulars	INR in lakhs
A. Consideration	
Cash paid	11,041.80
Other payables	280.00
Total consideration	**11,321.80**
B. Identifiable assets acquired and liabilities assumed	
Assets acquired	
Property, plant and equipment including ROU assets	2,611.35
Softwares	9.59
Trade receivables	732.41
Inventories	451.85
Investment property	280.00
Other assets	2,445.64
Intangible assets acquired	
Product Formulations	2,898.93
Brand	965.49
Customer Contracts	85.11
Customer Relationships	637.15
	11,117.52
Liabilities assumed	
Trade payables	557.53
Borrowings	25.48
Other liabilities	149.43
Deferred tax liability	1,710.63
	2,443.07
Total net assets acquired	**8,674.45**

(b) Pursuant to the SSPA and SPAs, the Group has recorded a contingent consideration at fair values towards acquisition of certain assets which includes consideration toward commercial building. The contingent consideration shall become payable to the sellers upon realisation by selling the comercial building.

(c) (i) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market approach and cost approach: Freehold Industrial land parcel have been valued using sales comparison method under market approach as comparable land parcels were available for sale / re-sale around the Valuation Date. Direct quotation method of cost approach has been used for valuation of factory buildings.
Intangible assets	Relief from royalty method: Brand and Product Formulations has been valued using relief from royalty method wherein the net revenue expected to be generated by the intangible asset during its expected remaining life of 15 years is multiplied by the selected benchmark royalty rate of 2% and is discounted to present value. Multi-period Excess Earnings Method (""MEEM""): Customer Relationships and Customer Contracts are valued using this method. Under this method, present value of the after-tax cash flows of the business assuming that the intangible asset is in place is compared to the present value of the after-tax cash flows of the business assuming the absence of the intangible asset for a period of 10 years and 1.5 years respectively.

(ii) Acquired receivables

Fair value of the acquired trade receivables at the date of acquisition is INR 832.87 lakhs. The trade receivables comprise gross contractual amounts due of INR 832.87 lakhs, of which INR 100.46 lakhs was expected to be uncollectable at the date of acquisition.

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	INR in lakhs
Total consideration	11,321.80
Fair value of net identifiable assets	8,674.45
Goodwill	**2,647.35**

The goodwill is attributable mainly to the synergies, expected to be achieved from integrating the acquired assets into the Group's existing Polymer Solutions segment, together with the value of workforce acquired and to explore untapped geographies. None of the goodwill recognised is expected to be deductible for tax purposes.

33 Business combination (Contd..)

(e) Acquisition related costs

The Group incurred acquisition-related costs of INR 457.87 lakhs on legal fees, due diligence costs and other professional fees. These costs have been included in "legal and professional fees" under "other expenses (refer note 31).

(f) For the period 11 November 2025 to 31 March 2026, acquired business contributed revenue of INR 2,000.63 lakhs and a profit before tax of INR 261 lakhs to the Group's results. If the acquisition had occurred on 1 April 2025, management estimates that the contribution to consolidated revenue would have been INR 4,205.40 lakhs and consolidated profits for the year would have been INR 5.08 lakhs. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occured on 1 April 2025.

(B) (a) On 11 March 2024, the Company had entered into a Share subscription and purchase agreement (SSPA) (as amended) with Crestia Polytech Private Limited ('Crestia') for subscription and purchase of the shares of Crestia. Pursuant to the SSPA, Crestia entered into Share purchase agreements (SPAs) with the respective shareholders of Topline Industries Private Limited, Aditya Polytechnic Private Limited, Prabhu Sainath Polymers Private Limited (formerly known as "Sainath Polymers") and Aditya Poly Industries Private Limited (formerly known as "Aditya Industries") (Crestia and other entities as mentioned here are together referred to as 'the Group entities'). Post completion of the agreed closing conditions, the Company obtained control over the Group entities and consolidated in its books of account effective 05 April 2024. The Company has made investment of INR 16046 lakhs in the Group entities as on 31 March 2025 out of which INR 1,1710.51 lakhs has been paid to shareholders of group entities as purchase consideration.

The fair value of assets and liabilities acquired have been determined in accordance with Ind AS 103 ""Business Combinations"". The Company along with the respective shareholders of the Group entities (the seller) has determined working capital balances taken over by the Company as part of the acquisition. The Group has carried out purchase price allocation between goodwill, tangible assets, intangible assets and other working capital balances taken over. Taking control of the Group entities will enable the Group with additional capacity in the polymer solutions business. The acquisition is also expected to provide the Group with an increased share of the Group entities' customer base. The Group also expects to reduce costs through economies of scale.

Below is the summary of purchase price allocation:

Particulars	INR in lakhs
A. Consideration	
Cash paid	10,838.95
Hold back amount payable	213.05
Contingent consideration	658.51
Total consideration	**11,710.51**
B. Identifiable assets acquired and liabilities assumed	
Assets acquired	
Property, plant and equipment including ROU assets	15,217.62
Trade receivables	1,087.34
Inventories	2,532.20
Other assets	2,271.09
Intangible assets acquired	
Brand	1,550.00
Distribution network	950.00
Non-compete fees	430.00
	24,038.25
Liabilities assumed	
Trade payables	3,153.27
Borrowings	14,323.95
Other liabilities	1,418.84
Deferred tax liability	1,755.47
	20,651.53
Total net assets acquired	**3,386.72**

(b) Pursuant to the SSPA and SPAs, the Group has recorded a contingent consideration at fair values towards acquisition of certain assets which includes subsidy receivable from Bihar Industrial Area Development Authority, GST receivable and trade receivables outstanding for a period more than 90 days, amounting to INR 658.51 lakhs. The contingent consideration shall become payable to the sellers upon realisation of the underlying receivables.

(c) The Group has hold back consideration amounting to INR 213.05 lakhs which is payable on demand.

33 Business combination (Contd..)

(d) (i) Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market approach and cost approach: Freehold Industrial land parcel have been valued using sales comparison method under market approach as comparable land parcels were available for sale / re-sale around the Valuation Date. Direct quotation method of cost approach has been used for valuation of factory buildings. Combination of direct quotation and indirect indexing method of cost approach has been used for valuation of plant & machinery and electrical and electronic installation.
Intangible assets	Relief from royalty method: Brand has been valued using relief from royalty method wherein the net revenue expected to be generated by the intangible asset during its expected remaining life of 15 years is multiplied by the selected benchmark royalty rate of 1% and is discounted to present value. With and without method: Distribution network and non-compete rights are valued using this method. Under this method, present value of the after-tax cash flows of the business assuming that the intangible asset is in place is compared to the present value of the after-tax cash flows of the business assuming the absence of the intangible asset for a period of 4 years and 5 years respectively.

(ii) Acquired receivables

Fair value of the acquired trade receivables at the date of acquisition is INR 1,087.34 lakhs. The trade receivables comprise gross contractual amounts due of INR 1,087.34 lakhs, of which INR 15.70 lakhs was expected to be uncollectable at the date of acquisition.

(e) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

Particulars	INR in lakhs
Total consideration	11,710.51
Fair value of net identifiable assets	3,386.72
Goodwill	**8,323.79**

The goodwill is attributable mainly to the synergies, expected to be achieved from integrating the acquired assets into the Group's existing Polymer Solutions segment, together with the value of workforce acquired and to explore untapped geographies. None of the goodwill recognised is expected to be deductible for tax purposes.

(f) Acquisition related costs

The Group incurred acquisition-related costs of INR 684.14 lakhs on legal fees, due diligence costs and other professional fees. These costs have been included in "legal and professional fees" under "other expenses (refer note 31).

(g) For the period 05 April 2024 to 31 March 2025, acquired business contributed revenue of INR 14,898.71 lakhs and a loss before tax of INR 4,368.53 lakhs to the Group's results. If the acquisition had occurred on 01 April 2024, Management estimates that the consolidated revenue of the Group would have been INR 3,61,522.79 lakhs and consolidated loss before tax of the Group for the year would have been 4,345.73 lakhs. In determining these estimates, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 01 April 2024.

(h) The Kolkata Bench of the National Company Law Tribunal ("NCLT") vide its order dated 10 March 2026, has approved the Scheme of Amalgamation (the "Scheme") of Crestia Polytech Private Limited, Topline Industries Private Limited, Aditya Poly Industries Private Limited, Aditya Polytechnic Private Limited and Prabhu Sainath Polymers Private Limited (together referred to as transferor companies) with the Company with an appointed date of 05 April 2024, under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder. The said Scheme has become effective from 10 March 2026 on compliance of all the conditions precedent mentioned therein. Consequently,

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

33 Business combination (Contd..)

the transferor companies got amalgamated with the Holding Company w.e.f. 05 April 2024. The transferor companies are engaged in the business of manufacturing and trading of various types of pipes and fittings, water storage injections, molding items etc.

The amalgamated entity is under common control and thus, the accounting of the said amalgamation has been done applying Pooling of interest method as prescribed in Appendix C of Ind AS 103 'Business Combinations' with effect from 5 April 2024 since the Company has acquired control over transferor companies on 5 April 2024.

34 Income-tax

(A) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current tax	1,205.18	2,142.31
Income-tax for earlier years	(1,294.09)	125.60
Deferred tax attributable to temporary differences	443.94	(3,323.29)
Tax expenses	**355.03**	**(1,055.38)**

(B) Amount recognised in other comprehensive income ("OCI")

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Deferred tax related to items recognised in OCI		
Deferred tax benefit on remeasurements of defined benefit plans	(160.15)	58.11
Deferred tax benefit on fair value gain on investments in equity instruments through OCI	(0.24)	(1.04)
Deferred tax income / (expense) recognised in OCI	**(160.39)**	**57.07**

(C) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit before tax	(11,595.21)	(4,238.11)
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	(2,918.28)	(1,066.65)
Tax effect of:		
Differences in tax rates in foreign jurisdictions	(301.49)	(531.79)
Non-deductible tax expenses	100.72	810.61
Tax impact on amalgamation	731.30	-
Rate difference	(473.47)	(839.21)
Change in estimate realting to earlier	4,697.72	644.54
Recognition of tax allowances	(52.29)	(258.17)
Others	25.30	2.62
	1,809.51	**(1,238.05)**
Adjustments in respect of income-tax for earlier years	(1,294.09)	125.60
Income-tax recognised in the consolidated statement of profit and loss	**515.42**	**(1,112.45)**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

34 Income-tax (Contd..)

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	31 March 2026	31 March 2025
Deferred tax liabilities		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	15,205.14	14,159.12
Fair value gain on derivatives	-	12.25
Right of use assets	8,989.98	8,340.71
Others	155.85	106.19
Total deferred tax liabilities (A)	**24,350.97**	**22,618.27**
Deferred tax assets		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	1.67	21.00
Allowable for tax purposes on payment basis	1,612.82	1,827.73
Fair value loss on derivatives	416.26	-
Provision for doubtful trade receivables	884.28	679.67
Voluntary early retirement scheme	20.38	8.80
Carry forward losses	3,638.12	6,787.58
Lease Liability	8,049.50	7,709.23
Others	2,197.73	551.91
Total deferred tax assets (B)	**16,820.76**	**17,585.92**
Net deferred tax liability (A-B)	**7,530.21**	**5,032.35**
Deferred tax assets	35.60	600.97
Deferred tax liabilities	**7,565.81**	**5,633.32**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

34 Income-tax (Contd..)

(E) Movement in temporary differences:

Particulars	Balance as at 01 April 2024	Acquired on business combination (refer note 33)	Recognised in profit or loss during 2024-25	Recognised in OCI during 2024-25	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2025	Acquired on business combination (refer note 33)	Recognised in profit or loss during 2025-26	Recognised in OCI during 2025-26	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2026
Deferred tax liabilities													
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	12,233.66	2,171.10	(534.23)	-	-	288.59	14,159.12	1,259.61	(9,628.47)	-	-	9,414.88	15,205.14
Fair valuation gain in derivatives	5.41	-	6.71	-	-	0.13	12.25	-	(12.25)	-	-	(0.00)	(0.00)
Fair value gain on acquistion	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of use assets	7,619.20	313.96	357.33	-	-	50.22	8,340.71	477.56	(131.60)	-	-	303.31	8,989.98
Others	165.82	-	(64.40)	1.02	-	3.75	106.19	-	(70.24)	-	-	119.90	155.85
Total deferred tax liabilities (A)	**20,024.09**	**2,485.06**	**(234.59)**	**1.02**	**-**	**342.69**	**22,618.27**	**1,737.17**	**(9,842.56)**	**-**	**-**	**9,838.09**	**24,350.97**
Deferred tax assets													
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	-	27.03	(6.03)	-	-	-	21.00	48.06	(67.39)	-	-	-	1.67
Allowable for tax purposes on payment basis	1,770.83	-	19.96	-	-	36.94	1,827.73	19.28	(98.49)	(169.79)	-	34.09	1,612.82
Fair value loss on derivatives	-	-	-	-	-	-	-	-	416.26	-		-	416.26
Provision for doubtful trade receivables	592.58	-	87.09	-	-	-	679.67	25.28	179.33	-	-	-	884.28
Voluntary early retirement scheme	2.83	-	5.90	-	-	0.07	8.80	-	9.38	-	-	2.20	20.38
Leases	7,149.10	153.36	230.44	-	-	176.33	7,709.23	9.81	(95.10)	-	-	425.56	8,049.50
Others	3,045.26	311.93	(2,953.50)	58.11	6.74	83.37	551.91	-	(12,567.30)	9.64	0.24	14,203.24	2,197.73
Carry forward losses	679.95	394.73	5,698.10	-	-	14.80	6,787.58	(0.47)	1,936.81	-	-	(5,085.80)	3,638.12
Total deferred tax assets (B)	**13,240.55**	**887.05**	**3,081.96**	**58.11**	**6.74**	**311.51**	**17,585.92**	**101.96**	**(10,286.50)**	**(160.15)**	**0.24**	**9,579.29**	**16,820.76**
Net deferred tax (asset) / liability (A-B)	**6,783.54**	**1,598.01**	**(3,316.55)**	**(57.09)**	**(6.74)**	**31.18**	**5,032.35**	**1,635.21**	**443.94**	**160.15**	**(0.24)**	**258.80**	**7,530.21**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

35 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on regular basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Operations
Roofs	Manufacturing and distributing Fibre Cement Sheets, Non-asbestos Cement Sheets, Block joining mortars
Walls	Manufacturing and distributing Fly Ash Blocks, Boards, Aerocon Panels and Dry-mix
Pipes & Construction chemicals	Manufacturing and distributing Pipes & Fittings, Wall Putty and Construction Chemicals
Floors	Manufacturing and distributing Laminate, Engineered and Resilient Flooring, Skirtings and Wall Panel products
Others	Wind Power, Material Handling and Processing Plant and Equipments

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Particulars	31 March 2026	31 March 2025
1 Segment revenue		
(Revenue / Income from segments)		
(a) Roofs	1,13,930.85	1,13,414.19
(b) Walls	60,958.54	53,872.68
(c) Pipes & Construction chemicals	69,233.48	71,434.83
(d) Floors	1,28,654.87	1,22,564.76
(e) Others	604.68	560.26
Total	**3,73,382.42**	**3,61,846.72**
Less: Inter segment revenue	342.73	323.93
Revenue / Income from operations	**3,73,039.69**	**3,61,522.79**
2 Segment results		
Profit before tax from segments		
(a) Roofs	10,425.41	10,877.29
(b) Walls	2,656.99	2,660.14
(c) Pipes & Construction chemicals	(3,203.08)	(4,785.51)
(d) Floors	(14,294.49)	(9,544.41)
(e) Others	(75.07)	(47.95)
Total	**(4,490.24)**	**(840.44)**
Less:		
i) Interest	2,378.36	2,192.84
ii) Other un-allocable expenditure net-off un-allocable income	4,732.49	1,312.45
Total profit before tax	**(11,601.09)**	**(4,345.73)**
3 Segment assets		
(a) Roofs	49,180.54	53,340.65

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

35 Operating segments (Contd..)

Particulars	31 March 2026	31 March 2025
(b) Walls	47,303.87	47,084.91
(c) Pipes & Construction chemicals	73,627.00	61,513.70
(d) Floors	1,25,695.00	1,19,022.83
(e) Others	2,278.54	2,733.44
(f) Unallocated	9,005.93	8,871.82
Total assets	**3,07,090.88**	**2,92,567.35**
4 Segment liabilities		
(a) Roofs	18,197.34	19,047.38
(b) Walls	10,467.08	9,293.76
(c) Pipes & Construction chemicals	36,708.45	27,292.30
(d) Floors	93,320.00	77,729.43
(e) Others	86.23	133.18
(f) Unallocated	37,273.73	37,926.52
Total liabilities	**1,96,052.83**	**1,71,422.57**

C. Geographical information

The geographical information analyses the Group’s revenues and non-current assets by the Group’s country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic market, regardless of where the goods were produced and segment assets presentation is based on the geographical location of the assets.

(i) ***Revenue from external customers***

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
India	2,43,360.34	2,37,818.88
Europe and other countries	1,29,679.35	1,23,703.91
	3,73,039.69	**3,61,522.79**

(ii) ***Carrying amount of non-current assets (excluding derivative assets)***

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
India	1,10,884.46	1,04,058.36
Europe and other countries	85,296.04	77,409.38
	1,96,180.50	**1,81,467.74**

D. Major customer

Revenue from any customer of the Group's Roofs, Walls, Pipes & Construction chemicals, Floors and other segments does not exceed 10% of the total revenue reported and hence, the Management believes there are no major customers to be disclosed.

36 Employee benefits

The Group has the following post-employment benefit plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in consolidated statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Particulars	31 March 2026	31 March 2025
Contribution to provident fund and other fund	6,718.02	5,897.89
Contribution to employees state insurance schemes	311.08	291.59
	7,029.10	**6,189.48**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

36 Employee benefits (Contd..)

(b) Defined benefit plan

The Group has various employee benefit plans covering different categories of employees based on location of employment.

A. Gratuity plan of the group

In accordance with the applicable law, the Group provides for Gratuity and has created the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees in India. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the consolidated statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as liquidity risk, interest rate risk, investment risk, etc.

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

The Gratuity plan is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2026 (31 March 2025: no decrease in defined benefit asset).

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2026	31 March 2025
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	3,116.94	2,683.67
Acquisition through business combination (refer note 33)	74.05	104.48
Current service cost	374.77	334.09
Interest cost	215.24	194.72
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	1.73	-
- change in financial assumptions	(97.23)	107.75
- experience variance (i.e. actual experience vs assumptions)	129.57	8.28
Past service cost	430.72	-
Benefits paid	(511.62)	(316.05)
Transfer In / (Out)*	88.24	-
Balance at the end of the year	**3,822.41**	**3,116.94**

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

36 Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

A. Gratuity plan of the group (Contd..)

Particulars	31 March 2026	31 March 2025
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	2,440.93	2,268.53
Interest income	162.65	162.11
Contributions paid into the plan	0.34	0.36
Benefits paid	(3.65)	(0.01)
Return on plan assets, excluding amount recognised in net interest expense	(2.57)	9.94
Balance at the end of the year	**2,597.70**	**2,440.93**
Net defined benefit liability recognised in consoildated balance sheet	**1,224.71**	**676.01**
Expense recognised in consolidated statement of profit and loss		
Current and past service cost	805.49	334.09
Net interest cost on the net defined benefit liability	52.59	32.64
	858.08	**366.73**
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	34.07	116.03
Return on plan assets, excluding amount recognised in net interest expense	2.57	(9.95)
	36.64	**106.08**

**Represents laibility transferred to the Company in relation to employees taken over from other group company.*

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2026	31 March 2025
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2026	31 March 2025
Discount rate	6.55% - 7%	6.55% - 6.65%
Future salary growth	7% to 8%	7% - 8%
Attrition rate	5% - 39%	7% - 39%
Mortality rate (as a % of Indian Assured Lives Mortality 2012-14 (IALM) for FY 2025-26 and FY 2024-25)	100.00%	100.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the market yields of high quality corporate bonds as on the valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

36 Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

A. Gratuity plan of the group (Contd..)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	31 March 2026		31 March 2025	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	3,572.74	4,096.78	2,812.06	3,249.29
Effect of 1% change in the assumed salary growth rate	4,092.18	3,571.66	3,243.92	2,812.70
Effect of 50% change in the assumed attrition rate	3,741.48	3,920.56	2,962.28	3,117.32
Effect of 10% change in the assumed mortaility rate	3,732.47	3,737.06	3,014.79	3,015.84

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

There are no changes in the methods and assumptions used in preparing the sensitivity analysis from the previous year.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR 1,459.55 Lakhs to the plan for the next annual reporting period (31 March 2025: INR 929.96 Lakhs).

Maturity profile of the defined benefit obligation

Expected cash flows on undiscounted basis

Particulars	31 March 2026	31 March 2025
Within 1 year	521.54	476.76
2 to 5 years	1,685.15	1,303.03
6 to 10 years	1,604.18	1,266.15
More than 10 years	3,212.01	2,503.70

As at 31 March 2026, the weighted average duration of the defined benefit obligation was 7 years (31 March 2025: 7 years).

B. Other retirement benefit plans in subsidiary companies outside India

In respect of subsidiary companies outside India, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations due to benefit plans for old age, invalidity and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31 March 2026 and 31 March 2025.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

36 Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

B. Other retirement benefit plans in subsidiary companies outside India (Contd..)

i. Reconciliation of the net defined benefit (asset) / liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

Particulars	31 March 2026	31 March 2025
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,467.72	2,447.91
Current service cost	47.50	43.68
Interest cost	90.25	82.10
- change in demographic assumptions	(0.12)	0.32
- change in financial assumptions	(147.17)	22.49
- experience variance (i.e. actual experience vs assumptions)	(412.45)	90.04
Benefits paid	(191.64)	(277.62)
Foreign exchange fluctuation	439.62	58.80
Balance at the end of the year	**2,293.71**	**2,467.72**
Expense recognised in consolidated statement of profit and loss		
Current service cost	47.50	43.68
Net interest cost on the net defined benefit liability	90.25	82.10
	137.75	**125.78**
Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain) on defined benefit obligation	(559.74)	112.85
Return on plan assets, excluding amount recognised in net interest expense	-	-
	(559.74)	**112.85**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2026	31 March 2025
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	0%	0%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2026	31 March 2025
Discount rate	4.10 to 4.15%	3.35%
Future salary growth	0.00 to 3.60%	0.00 to 3.70%
Pension increase rate	2.00%	1.75%
Attrition rate	7.37%	7.37%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

36 Employee benefits (Contd..)

(b) Defined benefit plan (Contd..)

B. Other retirement benefit plans in subsidiary companies outside India (Contd..)

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

Particulars	31 March 2026		31 March 2025	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1,070.16	1,318.41	1,335.81	1,594.78
Effect of 1% change in the assumed pension rate	1,320.63	1,066.60	1,593.63	1,335.04

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of INR NIL to the plan for the next annual reporting period (31 March 2025: NIL).

Maturity profile of the defined benefit obligation

Particulars	31 March 2026	31 March 2025
Within 1 year	105.52	224.53
2 to 5 years	754.14	776.20
More than 5 years	949.20	984.67
More than 10 years	1,433.43	1,313.02

At 31 March 2026, the weighted average duration of defined benefit obligation was 8.9 years (31 March 2025: 9.13 years).

(c) Impact of Labour Code

On 21 November 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, the Occupational Safety, Health and Working Conditions Code 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to change in regulations. The Group has assessed and accounted the incremental impact of these changes of INR 434 lakhs year ended 31 March 2026 based on the information to the extent available in accordance with the guidance provided by the Institute of Chartered Accountants of India. The Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

37 Earnings per share ("EPS")

Particulars	31 March 2026	31 March 2025
(a) Net profit attributable to the equity shareholders	(11,956.12)	(3,290.35)
(b) Weighted average number of equity shares outstanding during the year	75,40,899	75,40,899
(c) Effect of potential equity shares on employee stock options outstanding*	-	-
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	75,40,899	75,40,899
(e) Nominal value of equity shares (in INR)	10.00	10.00
(f) Basic earnings per share (in INR) [(a)/(b)]	(158.55)	(43.63)
(g) Diluted earnings per share (in INR) [(a)/(d)]	(158.55)	(43.63)

*As at 31 March 2026: 167,927 (31 March 2025: 65,656) options were excluded from the diluted weighted average number of equity share calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year during which the options were outstanding.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026
(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

38 Capital commitment

Particulars	31 March 2026	31 March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	5,625.35	1,605.17

Note: The Holding Company has issued a corporate guarantee of Euro 27.12 million (31 March 2025: Euro 33.705 million) at a commission of 0.50% p.a. on the outstanding guarantee amount, in favour of the wholly owned subsidiary company, BirlaNu International GmbH (Formerly HIL International GmbH), Germany on 27 September 2023 in respect of the loan taken by the subsidiary from ICICI Bank UK PLC, Germany. Further, the Holding Company has taken a Stand by Letter of Credit (SBLC) on 04 July 2025 from ICICI bank Limited, India in order to facilitate working capital demand loan aggregating up to EUR 10.29 million to BirlaNu International GmbH from ICICI bank UK PLC, Germany at a service fee of 0.53% p.a on the total outstanding loan amount utilised. Holding company has extended an unconditional letter of financial support to Birla International GmbH (formerly HIL International GmbH) and its subsidiaries ('the subsidiary group') to the extent necessary for the subsidiary group. This will enable the subsidiary group to continue to operate their business and meet their financial obligations for the foreseeable future and specifically at least until 31 December 2027. The Holding company will continue to make available such funds as are needed by the Subsidiary group.

39 Contingent liabilities

A. Contingent liabilities (not provided for) in respect of:

Particulars	31 March 2026	31 March 2025
(a) Demand raised by the Income-tax authorities, being disputed by the Group*	1,181.10	1,181.10
(b) Demands raised by sales tax and Goods and service taxes authorities, being disputed by the Group**	2,894.07	10,247.35
(c) Demands (including penalties) raised by excise authorities, being disputed by the Group***	657.89	698.37
(d) Appeal filed by the Group before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	935.11	1,531.36
(f) Demand for property tax, being disputed by the Group^	-	-
(g) Other claims against the Group not acknowledged as debts ****	262.31	271.11
(h) There are other civil matters against the Group of which one such case is pertaining to certain mining activity performed by the Group in the past. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the earlier year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to other parties and maintain status in the meantime. During the earlier year, the district mining officer, Chaibasa, has sought payment of environment compensation of INR 1,344 lakhs from the Group which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Group has responded accordingly. In view of the aforesaid Status Quo Order the further proceedings before NGT are being adjourned from time to time. Management believes that the final outcome of the above matter is not expected to be material on the consolidated financial statements.		

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, other expenses not allowed.

** The demands raised by the sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

**During the earlier years, the Company received demands from Goods and Services Tax Department, Government of Tamil Nadu, Chennai amounting to INR 7,630 Lakhs for the period 01 July 2017 to 31 March 2023, with regards to HSN (Harmonized System Nomenclature) Classification code of one of the product sold by the Company. The Company challenged the said Orders by filing Appeals before Deputy Commissioner (Appeals), Chennai. Aggrieved by the order of the Appellate Authority confirming the demand, the Company had challenged the said Orders in

39 Contingent liabilities (Contd..)

A. Contingent liabilities (not provided for) in respect of: (Contd..)

the Honourable High Court of Madras by filing writ petition. During the current year, the Company has received a favourable order from Honourable High Court directing to quash the impugned orders.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product.

**** Other claims against the Company not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

^ Greater Hyderabad Municipal Corporation ("GHMC") had served property tax demand notices on the Company claiming outstanding property tax to the tune of INR 1,083 lakhs and the same was considered as contingent liability. The Company challenged the said demand notices in the Honourable High Court of Telangana ("High Court"). During the earlier year, the Honourable High Court has passed an order directing GHMC to reassess the tax dues subject to compliance of applicable laws. The original tax dues stand disposed in view of fresh tax computation within the provision of law. While the Company is awaiting fresh demand notice from GHMC consequent to the order of Honourable High Court, the management has created adequate provision basis its own assessment.

The Group is contesting various claims and demands and the Management believes that its position will likely be upheld in the process and accordingly no expense has been accrued in the consolidated financial statements for such claims and demands received as the ultimate outcome of this process will not have a material adverse effect on the Group's consolidated financial statements.

Pending resolution of the aforesaid respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect any reimbursements in respect of the above contingent liabilities.

B. On 28 February 2019, the Honourable Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has made a provision for provident fund contribution based on the best estimate during the earlier year. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

40 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2026	31 March 2025
Supercor Industries Limited (refer note 53)	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
Key Management personnel (KMP)	
Mr. Akshat Seth	Chief Executive Officer ("CEO") and Managing Director ("MD")
Mr. Ajay Kapadia	Chief Financial Officer
Ms. Nidhi Bisaria	Company Secretary
Non-Executive Directors and Independent Directors	
Mr. Chandrakant Birla	Chairman (Non-executive Director)
Mr. Desh Deepak Khetrapal	Non-executive Director
Ms. Gauri Rasgotra	Independent Director (till 08 May 2024)
Mr. Sunil Ramakant Bhumralkar	Independent Director
Dr. Arvind Sahay	Independent Director
Ms. Amita Birla	Non-executive Director (w.e.f. 01 April 2024)
Ms. Nidhi Jagat Killawala	Independent Director (w.e.f. 01 April 2024)
Prof. Janat Ghanshyambhai Shah	Independent Director (w.e.f. 07 May 2024)

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

40 Related parties (Contd..)

A. List of related parties and nature of relationship (Contd..)

Name of the related party	Nature of relationship
List of other related parties with whom there are transactions	
Birla Buildings Limited	Other related parties
CK Birla Corporate Services Limited	Other related parties
GMMCO Limited	Other related parties
National Engineering Industries Limited	Other related parties
Orient Cement Limited	Other related parties
Orient Electric Limited	Other related parties
Orient Paper and Industries Limited	Other related parties
CK Birla Healthcare Private Limited	Other related parties
Central India Industries Limited	Other related parties
Innovative Infra & Mining Solutions Limited	Other related parties
Ms. Avanti Birla	Relative of Promoter
Amer Investments (Delhi) Limited	Other related parties
Ashok Investment Corporation Limited	Other related parties
Hitaishi Investments Limited	Other related parties
Hyderabad Agencies Private Limited	Other related parties
Gwalior Finance Corporation Limited	Other related parties
Ranchi Enterprises and Properties Limited	Other related parties
Birlasoft Solutions GmbH	Other related parties
Shekhavati Investments and Traders Limited	Other related parties
Universal Trading Company Limited	Other related parties
Khaitan & Co	Other related parties
Khaitan & Co	Other related parties
Khaitan & Co LLP	Other related parties
Khaitan & Co AOR	Other related parties

B. Transactions with related parties

Related party	Nature of transactions	31 March 2026	31 March 2025
Non-Executive Directors and Independent Directors	Sitting fees, reimbursements and commission	73.75	116.72
	Dividend Paid	15.41	11.56
Key Management personnel (KMP)			
	- Salaries*/ Managerial remenuration	1,137.46	1,040.70
	- Gratuity	55.40	50.85
	- Compensated absences	63.16	32.37
Relative of Promoter			
Ms. Avanti Birla	- Salaries*	218.59	200.46
	- Gratuity	6.62	14.45
	- Compensated absences	1.15	17.15
GMMCO Limited	Purchase of goods	25.82	7.26
	Purchase of services	10.25	20.63
Orient Electric Limited	Sales of finished goods	-	0.78
National Engineering Industries Limited	Rent and maintenance charges paid	419.12	416.78
	Reimbursements	29.48	-
Birla Buildings Limited	Rent and maintenance charges paid	-	48.71
	Rent received	1.01	0.24
	Purchase of services	33.65	-
	Reimbursements	14.27	-
	Dividend received	0.50	0.38
CK Birla Corporate Services Limited	Professional services received	684.13	675.22
	Brand usage charges	54.13	66.52
	Reimbursements	5.38	-

40 Related parties (Contd..)

B. Transactions with related parties (Contd..)

Related party	Nature of transactions	31 March 2026	31 March 2025
Orient Paper and Industries Limited	Rent received	54.66	54.66
	Sale of finished goods	3.37	3.37
	Dividend paid	271.91	203.93
Orient Cement Limited	Rent received	-	69.46
	Sales of finished goods	-	0.39
	Purchase of goods	-	6.86
CK Birla Healthcare Private Limited	Purchase of services	233.92	197.56
Birlasoft Solutions GmbH	Purchase of services	-	63.35
Khaitan & Co	Professional services received	-	5.10
Khaitan & Co	Professional services received	111.39	62.41
Khaitan & Co LLP	Professional services received	74.87	81.81
Khaitan & Co AOR	Professional services received	11.13	6.66
Innovative Infra & Mining Solutions Limited	Purchase of Services	12.00	-
Central India Industries Limited	Dividend paid	322.39	241.79
Amer Investments (Delhi) Limited	Dividend paid	92.63	69.47
Ashok Investment Corporation Limited	Dividend paid	95.32	71.49
Hitaishi Investments Limited	Dividend paid	20.12	15.09
Hyderabad Agencies Private Limited	Dividend paid	1.23	0.92
Gwalior Finance Corporation Limited	Dividend paid	28.86	21.65
Ranchi Enterprises and Properties Limited	Dividend paid	1.35	1.01
Shekhavati Investments and Traders Limited	Dividend paid	67.34	50.51
Universal Trading Company Limited	Dividend paid	1.20	0.90

C. Balances outstanding^

Related party	Details	31 March 2026	31 March 2025
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	42.00	32.22
Key Management personnel (KMP)			
	- Salaries*/ Managerial remenuration	315.40	288.78
	- Gratuity	106.24	50.85
	- Compensated absences	93.36	32.37
Relative of Promoter			
Ms. Avanti Birla	- Salaries*	44.73	41.04
	- Gratuity	21.07	14.45
	- Compensated absences	18.30	17.15
GMMCO Limited	Trade payable	6.95	1.72
Birla Buildings Limited	Rent payable	1.69	1.33
	Rent receivable	-	0.28
CK Birla Corporate Services Limited	Trade payables	28.73	42.87
CK Birla Healthcare Private Limited	Other payables	37.11	-
	Trade payables	5.26	16.19
Orient Cement Limited	Trade receivable	-	0.46
Innovative Infra & Mining Solutions Limited	Trade payable	0.24	-
Khaitan & Co	Trade payable	-	0.57
Khaitan & Co LLP	Trade payable	-	7.23
National Engineering Industries Limited	Rent payable	2.39	6.17

During earlier year, the Group made provision for the dividend receivable amounting to INR 9.01 lakhs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Group has also made provision for value of investment in Supercor in the books of account amounting to INR 142.60 lakhs.

* Payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

^ Disclosures are including Goods and Services Tax, wherever applicable.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

41 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group.

Particulars	31 March 2026	31 March 2025
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including INR 383.20 Lakhs shown under capital creditors (31 March 2025: INR 297.87 Lakhs) and INR 8.06 Lakhs (31 March 2025: INR 57.15 Lakhs) shown under liabilities on business acquisition]	6,819.93	3,120.53
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

42 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Holding company provides share-based payment schemes to its eligible employees as identified in the employee stock option schemes. The relevant details of these schemes and the grants are as below:

On 27 January 2023, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2023 (ESOP scheme 2023) for issue of stock options to identified employees of the Company. Subsequently, the scheme was approved by the Shareholders of the Company on 04 April 2023, through Postal Ballot process. On 17 May 2025, the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the amendement to BirlaNu Limited Employee Stock Options Scheme 2019 (ESOP scheme 2019) for issue of stock options to identified employees of the Company. Subsequently, the scheme was approved by the Shareholders of the Company on 31 July 2025, through Postal Ballot process.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee are entitled to options, subject to satisfaction of the prescribed vesting conditions.

The relevant terms of the grant as mentioned in the ESOP scheme 2019 and ESOP scheme 2023 are as below:

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

42 Share based payments (Contd..)

A. Description of share-based payment arrangements (Contd..)

Particulars	ESOP scheme 2023			ESOP scheme 2019
	Grant I	Grant II	Grant III	Grant I
Date of grant	15 July 2023	19 October 2023	19 October 2023	13 February 2026
Number of options outstanding	56054	1742	7860	110131
Vesting period	40% - 16 July 2024	40% - 19 October 2024	40% - 19 October 2025	40% - 13 February 2027
	60% - 01 April 2025	60% - 19 October 2025	60% - 19 October 2026	60% - 31 March 2028
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (INR)	2,999.50	2,931.00	2,931.00	1,803.80
Weighted average market price (INR)	1,075.72	1,171.22	1,302.37	546.17

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2025

Particulars	ESOP scheme 2023					
	Grant I		Grant II		Grant III	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	15 July 2023		19 October 2023		19 October 2023	
Fair value at grant date (INR)	1,075.72	1,075.72	1,171.22	1,171.22	1,302.37	1,302.37
Exercise price (INR)	2,999.5	2,999.5	2,931.00	2,931.00	2,931.00	2,931.00
Expected volatility (weighted average volatility)	41.25%	46.84%	45.35%	45.35%	44.48%	44.48%
Risk-free interest rate (based on government bonds)	6.91%	6.93%	7.28%	7.28%	7.30%	7.30%
Time to maturity (in years)	0.07	0.07	0.07	0.07	0.07	0.07
Expected dividends yields	1.79%	1.79%	0.85%	0.85%	0.85%	0.85%

As at 31 March 2026

Particulars	ESOP scheme 2023					
	Grant I		Grant II		Grant III	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	15 July 2023		19 October 2023		19 October 2023	
Fair value at grant date (INR)	1,075.72	1,075.72	1,171.22	1,171.22	1,302.37	1,302.37
Exercise price (INR)	2,999.50	2,999.50	2,931.00	2,931.00	2,931.00	2,931.00
Expected volatility (weighted average volatility)	41.25%	46.84%	45.35%	45.35%	44.48%	44.48%
Risk-free interest rate (based on government bonds)	6.91%	6.93%	7.28%	7.28%	7.30%	7.30%
Time to maturity (in years)	5.00	5.72	5.00	6.00	6.00	7.00
Expected dividends yields	1.79%	1.79%	0.85%	0.85%	0.85%	0.85%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

42 Share based payments (Contd..)

B. Measurement of fair values (Contd..)

Particulars	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
Grant date	13 February 2026	
Fair value at grant date (INR)	546.17	546.17
Exercise price (INR)	1,803.80	1,803.80
Expected volatility (weighted average volatility)	34.58%	34.58%
Risk-free interest rate (based on government bonds)	6.04%	6.04%
Time to maturity (in years)	5.00	6.00
Expected dividends yields	1.66%	1.66%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 2.73 years (31 March 2025: 3.90 years) for ESOP 2023 and 5.55 years for ESOP 2019.

C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2023" are summarised below:

Particulars	31 March 2026	31 March 2025
	No. of options	No. of options
Outstanding at the beginning of the year	65,656	65,656
Granted during the year	1,10,131	-
Cancelled during the year*	7,860	-
Vested and exercised during the year	-	-
Outstanding at the end of the year	1,67,927	65,656

There are no share exercised during the year ended 31 March 2026 and 31 Mach 2025.

43 Service concession arrangement

On 21 March 2011, the Holding company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Holding company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of INR 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Holding company will be responsible for any maintenance services required during the concession period. The Holding company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Holding company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Holding company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of INR 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Holding company will be responsible for any maintenance services required during the concession period. The Holding company does not expect major repairs to be necessary during the concession period.

The Holding company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Holding company will receive variable amount of revenue from the respective DISCOMs in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective DISCOMs. The DISCOMs has not assured any minimum amount of proceeds to the Holding company. The Holding company bears the demand risk and the right to receive cash from the DISCOMs is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the DISCOMs.

43 Service concession arrangement (Contd..)

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Holding company and the event of a material breach of the terms of the agreement by the Holding company. The standard rights of the Holding company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of INR 218.46 Lakhs (31 March 2025: INR 151.18 Lakhs) on generation of power, and recorded pofit /(loss) of INR (4.88) Lakhs (31 March 2025: INR 22.96 Lakhs) after considering the impairment of assets amounting to INR 122 lakhs.

44 Leases - In the capacity of lessor

The Group has given certain properties under non-cancellable leases to various parties. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Following are the details of future minimum lease receivables under the agreements:

Particulars	31 March 2026	31 March 2025
Not later than one year	203.40	252.91
Later than one year and not later than five years	719.98	23.41
Later than five years	75.00	-

45 Capital management

The Group aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt represents non-current borrowings and current borrowings.

The Group's total debt to equity ratio at the reporting dates were as follows:

Particulars	31 March 2026	31 March 2025
Total debt (borrowings)	85,232.90	70,998.39
Total debt (A)	**85,232.90**	**70,998.39**
Total equity	1,11,038.05	1,21,144.78
Total equity (B)	**1,11,038.05**	**1,21,144.78**
Total debt to total equity ratio (A/B)	**0.77**	**0.59**

46 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to INR 739.94 Lakhs (31 March 2025: INR 706.26 Lakhs) and assets / equipment purchased for research activities of INR 2.03 Lakhs (31 March 2025: INR 118.92 Lakhs) disclosed under Property, plant and equipment.

47 Expenditure during construction period (included in capital work-in-progress)

Particulars	31 March 2026	31 March 2025
Balance brought forward (A)	345.07	-
Expenditure incurred during the year		
Cost of material consumed	16.72	11.34
Employee benefits expense	112.17	121.98
Consumption of stores and spares	-	1.44
Contract wages	8.96	6.22
Power and fuel	48.56	25.57
Finance cost	93.13	98.19
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	1.84	-
Rent	-	11.56

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

47 Expenditure during construction period (included in capital work-in-progress)(Contd..)

Particulars	31 March 2026	31 March 2025
Rates and taxes	32.87	6.58
Insurance	1.02	2.88
Professional, consultancy and legal expenses	2.66	-
Travelling and conveyance	22.28	66.75
Miscellaneous	7.53	8.47
Total expenditure during construction period (B)	**347.74**	**360.98**
Less: Turnover (C)	20.20	11.02
Less: Stocks of finished goods out of trial run production (D)	-	4.89
Total (A+B-C-D)	**672.61**	**345.07**
Allocated to property, plant and equipment	424.58	-
Balance carried forward	248.03	345.07

48 The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2026, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

49 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts), if any, has been made in the books of account.

50 Leases - In the capacity of lessee

The following tables summarise the movement in lease liabilities :

Particulars	31 March 2026	31 March 2025
Balance at the beginning	24,949.99	22,818.30
Additions (including acquired through business combination)	39.31	3,379.85
Interest expenses	1,525.23	1,442.88
Deletions	(357.76)	(38.98)
Repayment of principal and interest lease liabilities	(4,250.33)	(3,193.99)
Exchange differences on translation of foreign operations	4,029.36	541.93
Balance at the end	**25,935.80**	**24,949.99**

As at balance sheet date, the Group is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	31 March 2026	31 March 2025
Expenses relating to short term leases (refer note 31)	883.95	964.62
Expenses relating to low value leases	-	-

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

50 Leases - In the capacity of lessee (Contd..)

The following are the amounts recognised in consolidated statement of profit and loss

Particulars	31 March 2026	31 March 2025
Depreciation on Right-of-use assets	2,560.98	2,288.44
Interest expenses	1,525.23	1,442.88
	4,086.21	3,731.32
Amounts recognised in Statement of Cash flows		
Repayment of principal and interest lease liabilities	4,250.33	3,193.99
	4,250.33	3,193.99

Total minimum lease payments are as follows:

Particulars	31 March 2026	31 March 2025
Not later than 1 year	3,005.00	3,181.68
Later than 1 year and not later than 5 years	8,565.77	7,617.47
More than 5 years	18,124.93	34,867.68

51 Other provisions

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance	Current	Non-current
(i) For the financial year 31 March 2026							
Provision for employee related other costs [refer note (a) below]	319.75	1,746.36	(245.14)	147.49	1,968.46	1,968.46	-
Provision for litigations [refer note (b) below]	236.72	-	(0.03)	-	236.69	236.69	-
Provision - others [refer note (c) below]	390.00	-	-	-	390.00	390.00	-
Provision for warranties [refer note (d) below]	385.62	-	(190.39)	58.64	253.87	253.87	-
	1,332.09	1,746.36	(435.56)	206.13	2,849.02	2,849.03	-
(ii) For the financial year 31 March 2025							
Provision for employee related other costs [refer note (a) below]	13.32	315.90	(13.32)	3.85	319.75	319.75	-
Provision for litigations [refer note (b) below]	253.92	11.35	(28.55)	-	236.72	236.72	-
Provision - others [refer note (c) below]	390.00	-	-	-	390.00	390.00	-
Provision for warranties [refer note (d) below]	489.39	61.33	(155.86)	(9.24)	385.62	385.62	-
	1,146.63	388.57	(197.73)	(5.39)	1,332.09	1,332.09	-

(a) There are no wage agreements that are pending as at 31 March 2026.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Group's internal assessment.

(c) Provision - others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

(d) Provision for warranties represents provision towards possible replacements to the customers within the agreed warranty period.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

52 Particulars of hedged foreign currency exposure as at the balance sheet date

The details of forward contracts outstanding at the year end are as follows:

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2026	EUR	18	1,65,00,000	For hedging of current and future trade payables
As at 31 March 2025	USD	38	2,34,64,704	For hedging of current and future trade payables
	EUR	18	1,65,00,000	For hedging of loan receivables
	USD	1	8,16,500	For hedging of current and future capital payables

53 Equity Accounted Investee

Interest in joint venture

The Group's interest in a joint venture company is as follows:

Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment

Particulars	31 March 2026	31 March 2025
Supercor Industries Limited, Nigeria: 41,25,000 equity shares of Naira 1 each fully paid	142.60	142.60
(31 March 2025 : 41,25,000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
Parador (Shanghai) Trading Co., Ltd., China: One share of 1,00,000 Euro each		
(31 March 2025 : One share of 1,00,000 Euro each)	-	-
	-	-
Aggregate amount of unquoted non-current investments	142.60	142.60
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited (refer note (a) below)	Nigeria	33%	31 December 2025	JV established for manufacture of asbestos cement sheets
Parador (Shanghai) Trading Co., Ltd	China	50%	31 March 2026	JV established for trading of Floors products

53 Equity Accounted Investee (Contd..)

The following table summarises the financial information of Parador (Shanghai) Trading Co., Ltd. and the carrying amount of the Group's interest in Parador (Shanghai) Trading Co., Ltd. for the reporting years:

Parador (Shanghai) Trading Co., Ltd.	31 March 2026	31 March 2025
Percentage of ownership interest	50%	50%
Non-current assets	13.46	38.45
Current assets	799.92	1,566.51
Non-current liabilities	-	-
Current liabilities	(1,096.88)	(1,849.82)
Net Assets	**(283.50)**	**(244.86)**
Group's share	(141.75)	(122.43)
Unrealised profit eliminations	-	(20.73)
Group's share of net assets (50%)	**(141.75)**	**(143.16)**
Carrying amount of interest in joint venture		
Group's share of profit / (loss) (50%)	(5.88)	(107.62)
Group's share of other comprehensive income (50%)	-	-
Group's share of total comprehensive income (50%)	**(5.88)**	**(107.62)**

During the year ended 31 March 2026, the Group has received net dividends amounting to NIL (31 March 2025: NIL) from the joint venture with Parador (Shanghai) Trading Co., Ltd.

Note:

a) The Group in financial year 1979-80 had invested in Supercor Industries Limited, Nigeria ("Supercor"). Supercor suspended its operations from November 2015 and closed its offices because of which it has not prepared any financial statements since then. Therefore, the Group has been unable to incorporate the requisite financial information, if any, of Supercor in its consolidated financial statements as required under Section 129(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Group's investment in Supercor as at 31 March 2026 amounts to INR NIL (31 March 2025: INR NIL), after considering the provision for diminution in value of investments amounting to INR 142.60 lakhs (31 March 2025: INR 142.60 lakhs). During the earlier years, on the basis of the request filed by the Group, an intimation was received from Reserve Bank of India for suspension of the Unique Identification Number allotted to Supercor. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

54 Exceptional Items

Certain land and buildings classified under non-current assets held for sale as identified in the previous year have been sold during the year. Profits arising on the sale transactions have been reported under Exceptional items amounting to INR 3,940.65 Lakhs (31 March 2025: INR 8,189.41 Lakhs)

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

55 A. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2026

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
BirlaNu Limited	107.45%	1,19,300.44	11.76%	(1,404.98)	-0.67%	(27.93)	18.28%	(1,432.91)
Subsidiary								
BirlaNu International GmbH	12.46%	13,840.19	132.36%	(15,826.37)	100.86%	4,150.03	148.89%	(11,676.34)
Clean Coats Private Limited	1.41%	1,567.58	-1.27%	152.34	0.06%	2.37	-1.97%	154.71
Adjustment arising out of consolidation	-21.32%	(23,670.16)	-42.85%	5,122.89	-0.24%	(9.88)	-65.20%	5,113.01
Total	100.00%	1,11,038.05	100.00%	(11,956.12)	100.00%	4,114.59	100.00%	(7,841.53)

31 March 2025

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
BirlaNu Limited	101.51%	1,22,977.70	-162.25%	5,338.56	-9.29%	(47.84)	-190.64%	5,290.72
Subsidiary								
BirlaNu International GmbH	21.07%	25,516.52	480.99%	(15,826.37)	112.08%	577.35	549.47%	(15,249.02)
Adjustment arising out of consolidation	-22.58%	(27,349.44)	-218.74%	7,197.46	-2.79%	(14.35)	-258.83%	7,183.11
Total	100.00%	1,21,144.78	100.00%	(3,290.35)	100.00%	515.16	100.00%	(2,775.19)

B. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2026	31 March 2025
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
BirlaNu International GmbH	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH	Step-down subsidiary	Germany	100%	100%
Parador GmbH	Step-down subsidiary	Germany	100%	100%
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	100%
Parador UK Limited	Step-down subsidiary	England	100%	100%
Parador INC.	Step-down subsidiary	United States of America	100%	100%
Parador (Shanghai) Trading Co., Limited	Joint venture	China	50%	50%
Clean Coats Private Limited	Wholly owned Subsidiary	India	100%	NA

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2026

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in equity instruments	7	-	43.06	-	-	43.06	-	-	43.06	43.06
		-	43.06	-	-	43.06	-	-	43.06	43.06
Financial assets not measured at fair value										
Trade receivables	8	-	-	20,719.21	-	20,719.21	-	-	-	-
Loans	9	-	-	3,083.68	-	3,083.68	-	-	-	-
Other financial assets	10	-	-	4,792.46	-	4,792.46	-	-	-	-
Cash and cash equivalents	13	-	-	4,893.05	-	4,893.05	-	-	-	-
Other bank balances	14	-	-	609.31	-	609.31	-	-	-	-
		-	-	34,097.71	-	34,097.71	-	-	-	-
Financial liabilities measured at fair value										
Derivative liabilities	20	1,653.94	-	-	-	1,653.94	-	1,653.94	-	1,653.94
		1,653.94	-	-	-	1,653.94	-	1,653.94	-	1,653.94
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	85,232.90	85,232.90	-	-	-	-
Lease liabilities	18	-	-	-	25,935.80	25,935.80	-	-	-	-
Trade payables	19	-	-	-	44,022.45	44,022.45	-	-	-	-
Other financial liabilities	20	-	-	-	17,800.71	17,800.71	-	-	-	-
		-	-	-	1,72,991.86	1,72,991.86	-	-	-	-

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, trade payables, borrowings, lease liabilities, other financial liabilities, approximate their carrying amount largely due to short-term nature of these instruments.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (contd..)

A. Accounting classifications and fair values (contd..)

31 March 2025

Particulars	Notes	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	382.65	-	-	-	382.65	-	382.65	-	382.65
Investments in equity instruments	7	-	41.30	-	-	41.30	-	-	41.30	41.30
		382.65	**41.30**	**-**	**-**	**423.95**	**-**	**382.65**	**41.30**	**423.95**
Financial assets not measured at fair value										
Trade receivables	8	-	-	19,977.55	-	19,977.55	-	-	-	-
Loans	9	-	-	2,692.88	-	2,692.88	-	-	-	-
Other financial assets	10	-	-	6,461.57	-	6,461.57	-	-	-	-
Cash and cash equivalents	13	-	-	7,628.97	-	7,628.97	-	-	-	-
Other bank balances	14	-	-	451.12	-	451.12	-	-	-	-
		-	**-**	**37,212.09**	**-**	**37,212.09**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value										
Derivative liabilities	20	320.90	-	-	-	320.90	-	320.90	-	320.90
		320.90	**-**	**-**	**-**	**320.90**	**-**	**320.90**	**-**	**320.90**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	70,998.39	70,998.39	-	-	-	-
Lease liabilities	18	-	-	-	24,949.99	24,949.99	-	-	-	-
Trade payables	19	-	-	-	42,816.05	42,816.05	-	-	-	-
Other financial liabilities	20	-	-	-	15,276.69	15,276.69	-	-	-	-
		-	**-**	**-**	**1,54,041.12**	**1,54,041.12**	**-**	**-**	**-**	**-**

The fair value of trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, trade payables, borrowings, lease liabilities, other financial liabilities, approximate their carrying amount largely due to short-term nature of these instruments.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (contd..)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs

Derivative assets / liabilities: The fair value is determined using forward exchange rates at the reporting date and present value calculations based on high credit quality yield curve in the respective currencies.

Investment in equity instruments: The fair value is determined based on value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2025-26 and no transfers in either direction in 2024-25.

iii. Level 3 fair values

Particulars	FVOCI Equity securities
Balance at 01 April 2024	34.13
Net change in fair value (unrealised)	7.17
Balance at 31 March 2025	**41.30**
Balance at 01 April 2025	41.30
Net change in fair value (unrealised)	1.76
Balance at 31 March 2026	**43.06**

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Particulars	OCI, net of tax	
	Increase	Decrease
2025-26		
Annual growth rate (2.5% movement)	8.80	(19.49)
2024-25		
Annual growth rate (2.5% movement)	81.67	(18.85)

B. Measurement of fair values - assets held for sale

i. Fair value hierarchy

The non-recurring fair value measurement for the assets held for sale has been considered as level 2 based on the quotations received from third party.

ii. Valuation technique

The management has obtained the quotations for sale of assets classifed as held for sale from independent third party

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

Risk management framework

The Board of Directors of the Company have overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

a) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As disclosed in Note 17, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to the Management to ensure compliance with the agreement.

The interest payments on variable interest rate loans reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

31 March 2026

Non-derivative financial liabilities	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Term loan from banks including interest accrued but not due	41,475.86	42,765.16	12,158.09	11,833.60	16,188.74	2,584.73
Working capital loan including interest accrued but not due	43,757.04	43,757.04	43,757.04	-	-	-
Trade payables	44,022.45	44,022.45	44,022.45	-	-	-
Liabilities on acquisition	794.84	794.84	794.84	-	-	-
Capital creditors	1,439.20	1,439.20	1,439.20	-	-	-
Lease Liabilties	25,935.80	29,694.87	3,004.17	2,332.22	6,233.55	18,124.93
Unpaid dividend	73.67	73.67	73.67	-	-	-
Security deposits	4,663.92	4,663.92	4,663.92	-	-	-
Contract liabilities	5,629.45	5,629.45	5,629.45	-	-	-
Other financial liabilities	5,199.63	5,199.63	5,199.63	-	-	-
	1,72,991.86	1,78,040.22	1,20,742.46	14,165.82	22,422.29	20,709.66
Derivative financial liabilities						
Derivative liabilities	1,653.94	1,653.94	1,653.94	-	-	-
	1,653.94	1,653.94	1,653.94	-	-	-

31 March 2025

Non-derivative financial liabilities	Carrying amount	Contractual Cash flows				
		Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
Term loan from banks including interest accrued but not due	33,751.59	35,334.09	8,726.91	9,822.98	16,784.20	-
Working capital loan including interest accrued but not due	36,275.69	36,275.69	36,275.69	-	-	-
Buyers credit	971.11	971.11	971.11	-	-	-
Trade payables	42,816.05	42,816.05	42,816.05	-	-	-
Liabilities on acquisition	843.93	843.93	843.93	-	-	-
Capital creditors	781.80	781.80	781.80	-	-	-
Lease Liabilties	24,949.99	45,666.93	3,181.78	2,730.40	4,887.07	34,867.68
Unpaid dividend	76.68	76.68	76.68	-	-	-
Security deposits	4,627.04	4,627.04	4,627.04	-	-	-
Contract liabilities	4,011.55	4,011.55	4,011.55	-	-	-
Other financial liabilities	4,935.69	4,935.69	4,935.69	-	-	-
	1,54,041.12	1,76,340.56	1,07,248.23	12,553.38	21,671.27	34,867.68
Derivative financial liabilities						
Derivative liabilities	320.90	320.90	320.90	-	-	-
	320.90	320.90	320.90	-	-	-

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

b) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks.

i) *Foreign currency risk*

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency for Company is Indian Rupee (INR). The currencies in which these transactions are primarily denominated is US dollars, Euros, Swedish Krona, Pounds etc. The Group does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Group's US dollar trade payables, taken out by the Group, have been partially hedged using forward contracts that mature on or before the dates as the payables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary of data about the Group's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows (including intercompany balances):

Particulars	Currency	31 March 2026			31 March 2025		
		Value in foreign currency	Exchange rate	Amount INR in Lakhs	Value in foreign currency	Exchange rate	Amount INR in Lakhs
Trade payables	USD	(35,80,153)	94.87	(3,396.57)	(30,45,634)	85.14	(2,592.99)
	SEK	(13,70,231)	9.97	(136.63)	(7,73,030)	8.49	(65.61)
	CHF	(6,830)	118.66	(8.10)	(5,460)	96.61	(5.27)
	DKK	(24,571)	14.58	(3.58)	(32,238)	12.34	(3.98)
	GBP	(15,50,314)	125.43	(1,944.63)	(1,01,581)	109.42	(111.15)
	PLN	(2,406)	25.41	(0.61)	(3,788)	22.01	(0.83)
	NOK	-	-	-	(22,456)	8.07	(1.81)
	AED	-	-	-	(4,199)	23.17	(0.97)
Trade receivables	USD	12,68,267	94.87	1,203.23	2,831	85.14	2.41
	GBP	17,64,234	125.43	2,212.96	2,35,959	22.01	51.93
	SEK	54,86,636	9.97	547.10	1,07,68,134	96.61	10,402.85
	CHF	2,13,939	118.66	253.86	1,24,699	12.34	15.39
Interest accrued on loan to subsidiaries	EUR	-	-	-	5,02,795	92.08	462.96

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

b) Market risk (Contd..)

i) *Foreign currency risk (Contd..)*

Particulars	Currency	31 March 2026			31 March 2025		
		Value in foreign currency	Exchange rate	Amount INR in Lakhs	Value in foreign currency	Exchange rate	Amount INR in Lakhs
Cash	USD	51,988	94.87	49.32	9,50,895	85.14	809.57
	GBP	81,622	125.43	102.38	1,91,539	109.42	209.58
	DKK	81,456	14.58	11.88	38,865	12.34	4.80

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar, Euro, etc. against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2026	USD	(21.44)	21.44	(16.04)	16.04
(1% movement)	EUR	-	-	-	-
	SEK	4.10	(4.10)	3.07	(3.07)
	CHF	2.46	(2.46)	1.84	(1.84)
	DKK	0.08	(0.08)	0.06	(0.06)
	GBP	3.71	(3.71)	2.78	(2.78)
	PLN	(0.01)	0.01	(0.01)	0.01
31 March 2025	USD	(17.81)	17.81	(13.33)	13.33
(1% movement)	EUR	4.63	(4.63)	3.46	(3.46)
	SEK	1.3.37	(103.37)	77.36	(77.36)
	CHF	0.10	(0.10)	0.07	(0.08)
	DKK	0.01	(0.01)	0.01	(0.01)
	GBP	1.50	(1.50)	1.13	(1.13)
	PLN	(0.01)	0.01	(0.01)	0.01
	NOK	(0.02)	0.02	(0.01)	0.01

ii) *Interest rate risk*

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2026	31 March 2025
Variable rate borrowings including current maturities	85,082.37	70,825.72
Total borrowings	**85,082.37**	**70,825.72**

Sensitivity

Particulars	Impact on profit and loss	
	31 March 2026	31 March 2025
1% increase in interest rate	(850.82)	(708.26)
1% decrease in interest rate	850.82	708.26

The interest rate sensitivity is based on the closing balance of loans from banks.

(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

As at 31 March 2026

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
Less than 180 days	0.73%	18,993.50	139.41	No
180 - 360 days	16.64%	1,065.87	177.36	No
360 - 720 days	30.76%	1,410.47	433.85	No
720 - 1080 days	100.00%	1,179.29	1,179.29	Yes
> 1080 days	100.00%	842.77	842.77	Yes
		23,491.90	2,772.69	

Trade receivables :

Particulars	< 180days	> 180days	Provision	Total
31 March 2026	18,993.50	4,498.40	(2,772.69)	20,719.21
31 March 2025	19,268.51	2,515.15	(1,806.11)	19,977.55

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	31 March 2026	31 March 2025
Balance as at 01 April	1,806.11	1,475.69
Amounts written off	(35.60)	(90.37)
Net remeasurement of loss allowance	1,002.18	420.79
Balance as at 31 March	**2,772.69**	**1,806.11**

The Group’s exposure to credit risk for trade and finance lease receivables and contract assets by geographic region was as follows.

Particulars	Carrying amount	
	31 March 2026	31 March 2025
India	19,823.78	18,291.02
Europe and Others	3,668.12	3,492.64
	23,491.90	21,783.66

56 Financial instruments - fair values and risk management (contd..)

C. Financial risk management (contd..)

c) Credit risk (Contd..)

Security deposits

Security deposits are primarily given to electricity authorities of states across India. Recoverability of these deposits is probable and no risk is expected.

Contract assets

Contract assets are the unbilled revenues to the state electricity boards of Gujarat, Rajasthan and Tamil Nadu, towards the sale of electricity generated from Wind Turbine Generators of the Company, situated at those locations. Refer Note 43 for details. Recoverability of these receivables is probable and no risk is expected.

Other receivables

The balances under other receivables is primarily the dividend receivables from the Company's investment in Supercor. As Supercor is inoperative (refer note 53(c)) the Company has considered the entire balances as credit impaired in its books.

Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

57 Benami Property

There are no proceeding initiated or pending against the Holding Company and its subsidiaries incorporated in India as at 31 March 2026 and 31 March 2025, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).

58 Wilful defaulter

The Holding Company and its subsidiaries incorporated in India is not declared a wilful defaulter by any bank or financial Institution or other lender.

59 Undisclosed incomes

The Holding Company and its subsidiaries incorporated in India has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year or previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).

60 (i) 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

(ii) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

61 There are no loans or advances in the nature of loans granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are:

a) repayable on demand; or

b) without specifying any terms or period of repayment

62 Compliance with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2026
(All amounts in Indian Rupees in Lakhs, except for share data or as otherwise stated)

63 Pursuant to the provisions of Sections 230 and 233, and all other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of Clean Coats Private Limited (herein after referred to as the 'Transferor Company'), and BirlaNu Limited (formerly known as 'HIL Limited') (herein after referred to as the 'Transferee Company'), and after securing the required approvals from the Board of Directors in their meetings held on 13 February 2026, subject to the requisite approval of the shareholders / creditors of the respective Companies, the transferor companies and transferee company have filed the necessary 'Company Applications' seeking approval of the Scheme of Amalgamation of the Transferor Company with the Transferee Company before the Hon'ble National Company Law Tribunal ('NCLT'), the Mumbai Bench and the Hyderabad Bench. Hon'ble NCLT Mumbai bench and Hyderabad bench, through their order dated 07 May 2026 and 29 April 2026, respectively dispensed with the requirement of holding shareholders and creditors meeting. Company is in the process initiating the further proceedings.

64 Struck off companies

The Holding Company and subsidiary companies incorporated in India, has not entered into any transactions companies struck off as per Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956. Below are the details of balances outstanding:

Sl. No	Name of the struck off company	Nature of transactions with struck off company	Balances as at 31 March 2026	Relationship with the struck off company
1	Quality Buildcon Private Limited	Sales	4.86	None
		Contract liability against payment	0.02	None
2	Asma Infratech Private Limited	Receivables	4.11	None
3	Flora Enterprises Private Limited	Sales	12.23	None
4	Paramount PEB Projects Private Limited	Payable	0.36	None
5	Bluepeter Shipping Private Limited	Payable	0.01	None
6	Citizen Securities Private Limited	Shares held by struck off company	1,350 shares	Shareholder

65 Ministry of Corporate Affairs had approved the application for the change of the Holding Company's name from 'HIL Limited' to 'BirlaNu Limited,' effective 19 March 2025.

As per our Report of even date attached

for **B S R and Co**
Chartered Accountants
ICAI Firm Registration Number: 128510W

Sulabh Kumar Kedia
Partner
Membership No.: 066380
Place: Mumbai
Date: 12 May 2026

for and on behalf of the Board of Directors of
BirlaNu Limited (formerly HIL Limited)
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473
Place: New Delhi

Akshat Seth
Managing Director and
Chief Executive Officer
DIN: 10039820
Place: New Delhi

Ajay Kapadia
Chief Financial Officer
Membership No.: 108447
Place: New Delhi
Date: 12 May 2026

Nidhi Bisaria
Company Secretary
Membership No.: F5634
Place: New Delhi