Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Cygnet Industries Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Cygnet Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

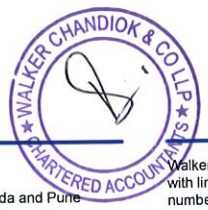
Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

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

Other Matter

11. The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor, Neha Bothra & Company, who have expressed an unmodified opinion on those financial statements vide their audit report dated 17 April 2025.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

13. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

b) Except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)}, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



c) The financial statements dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;

f) The qualification remark relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 14(b) above on reporting under section 143(3)(b) of the Act and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 28 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026.;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;

iv.

a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41 (e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 41 (f) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



v. The Company has not declared or paid any dividend during the year ended 31 March 2026.

vi. As stated in Note 38 to the financial statements and based on our examination which included test checks, except for instances/matters mentioned below, the Company, in respect of financial year commencing on 1 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below. Furthermore, the audit trail has been preserved by the Company at the application level however not at the database level as per the statutory requirements for record retention.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Dhiraj Kumar
Partner
Membership No.: 060466
UDIN: 26060466HNTSKM2212

Place: Kolkata
Date: 27 May 2026

Annexure A referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ,capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of 3 Years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification was carried out by the management of the Company during the year, and we are therefore unable to comment on the discrepancies, if any, which could have arisen on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 and 3A to the financial statements, are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (Rs. In lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Freehold Land and Building at Kuntighat	13,660.27	Kesoram Industries and Cotton Mills Limited (now Kesoram Industries Limited, Holding Company)	Promoter	8 to 9 years	It is held in the name of Holding company.
Leasehold land	234.92				

(d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.

(iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii)(a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs. In Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	1.16	0.04	Sept'15 to June'16	Commissioner - Appeals (West Bengal)
Karnataka VAT Act, 2003	VAT	5.06	Nil	FY 2017-18	Asst. Commissioner of Commercial Tax
The CGST Act, 2017	Goods & Service Tax	70.32	3.94	FY 2020-21	Commissioner - Appeal (Tamil Nadu)
The CGST Act, 2017	Goods & Service Tax	6.89	3.21	FY 2019-20	GSTAT
The CGST Act, 2017	Goods & Service Tax	485.89	44.17	FY 2019-20	Commissioner – Appeal (WB)

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

Name of the statute	Nature of dues	Gross Amount (Rs. In Lakhs)	Amount paid under Protest (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
The CGST Act, 2017	Goods & Service Tax	6.90	0.63	FY 2020-21	Commissioner – Appeal (MH)
The CGST Act, 2017	Goods & Service Tax	25.80	1.44	FY 2020-21	Commissioner – Appeal (TN)
The CGST Act, 2017	Goods & Service Tax	4.71	0.25	FY 2020-21	Commissioner – Appeal (TN)
The CGST Act, 2017	Goods & Service Tax	44.54	2.55	FY 2020-21	Commissioner – Appeal (UP)
The CGST Act, 2017	Goods & Service Tax	4.90	Nil	Dec'24	Asst. Commissioner (UP)
The CGST Act, 2017	Goods & Service Tax	3.99	Nil	Apr'24 to Jan'25	Asst. Commissioner (UP)
The CGST Act, 2017	Goods & Service Tax	1.39	Nil	Apr'23 to Dec'23	Asst. Commissioner (UP)
The CGST Act, 2017	Goods & Service Tax	1.43	Nil	FY 2021-22	Asst. Commissioner (UP)
The CGST Act, 2017	Goods & Service Tax	5.79	0.29	FY 2019-20	Commissioner – Appeal (UP)
The CGST Act, 2017	Goods & Service Tax	1.90	Nil	FY 2021-22	Asst. Commissioner (DL)

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix)

(a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilization during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv)

(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

Annexure A referred to in Paragraph 13 of the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to INR 5475.70 lakhs and INR 2436.78 lakhs respectively.

(xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Dhiraj Kumar
Partner
Membership No.: 060466
UDIN: 26060466HNTSKM2212

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Kolkata
Date: 27 May 2026

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Cygnet Industries Limited ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to Financial Statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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



Annexure B to the Independent Auditor's Report of even date to the members of Cygnet Industries Limited on the financial statements for the year ended 31 March 2026

Meaning of Internal Financial Controls with Reference to Financial Statements

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

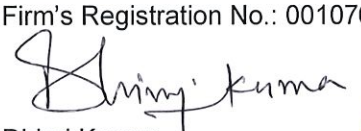
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013





Dhiraj Kumar
Partner
Membership No.: 060466
UDIN: 26060466HNTSKM2212

Place: Kolkata
Date: 27 May 2026

Cygnet Industries Limited
Balance Sheet as at 31 March 2026

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Notes	31 March 2026	31 March 2025
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3	40,379.01	42,205.35
(b) Right-of-use assets	3A	220.43	254.17
(c) Capital work-in-progress	4A	324.51	540.76
(d) Other intangible assets	4	-	-
(e) Financial assets			
(i) Investments	5	-	-
(ii) Other financial assets	6	417.73	956.46
(f) Income tax asset (Net)		2.91	30.82
Total non-current assets		**41,344.59**	**43,987.56**
(2) Current assets			
(a) Inventories	8	3,220.38	3,641.39
(b) Financial assets			
(i) Trade receivables	9	2,902.62	3,235.72
(ii) Cash and cash equivalents	10	86.86	433.79
(iii) Bank balances other than (ii) above	10A	862.34	343.19
(iv) Other financial assets	6	150.17	37.38
(c) Other current assets	7	1,705.00	1,404.52
Total current assets		**8,927.37**	**9,095.99**
Total assets		**50,271.96**	**53,083.55**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11 (a)	92,653.69	92,653.69
(b) Other equity	11 (b)	(95,660.34)	(91,892.73)
Total equity		**(3,006.65)**	**760.96**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	12,953.00	15,206.94
(ii) Lease Liabilities	15A	16.74	10.80
(b) Provisions	17	357.07	356.50
(c) Deferred tax liabilities (net)	13	-	-
Total non-current liabilities		**13,326.81**	**15,574.24**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	33,848.31	25,761.18
(ii) Lease Liabilities	15A	20.01	59.54
(iii) Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	14(a)	3.79	7.98
Total Outstanding dues of creditors other than micro enterprises and small enterprises	14(b)	2,817.02	3,252.52
(iv) Other financial liabilities	15	2,336.63	6,946.48
(b) Provisions	17	673.65	370.10
(c) Other current liabilities	16	252.39	350.55
Total current liabilities		**39,951.80**	**36,748.35**
Total liabilities		**53,278.61**	**52,322.59**
Total equity and liabilities		**50,271.96**	**53,083.55**

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Financial Statements
This is the Balance Sheet referred in our report of even date.

For Walker Chandiok & Co LLP
Firm Registration Number: 001076N/N500013
Chartered Accountants

Dhiraj Kumar
Partner
Membership No.: 060466

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of Board of Directors of Cygnet Industries Limited

Kashi Prasad Khandelwal
Director
DIN: 0748523

Sarat Priya Patjoshi
Director
DIN: 06620290

Deepak Kumar Sharma
Director
DIN: 02555564

Sharmila Nath
Director
DIN: 07041921

Vineet Rai
Chief Executive Officer

Raj Kumar Burman
Chief Financial Officer

Snehaa Shaw
Company Secretary

Place: Kolkata
Date : 27 May 2026

Cygnet Industries Limited ★ Kolkata ★

Cygnet Industries Limited
Statement of Profit and Loss for the Period ended 31 March 2026

(All amounts in Rupees Lakhs, unless otherwise stated)

	Particulars	Notes	31 March 2026	31 March 2025
I	Revenue from operations	18	24,762.35	25,875.66
II	Other income	19	507.13	1,186.10
III	**Total Income (I+II)**		**25,269.48**	**27,061.76**
IV	**Expenses:**			
	(a) Cost of materials consumed	20	13,567.79	11,408.65
	(b) Purchases of stock-in-trade	20	-	0.29
	(c) Power and Fuel	25 A	3,894.57	4,747.27
	stock-in-trade	21	695.52	545.94
	(e) Employee benefit expenses	22	6,550.90	6,361.78
	(f) Finance costs	24	2,411.97	2,783.07
	(g) Depreciation and amortisation expenses	23	2,095.47	2,159.00
	(h) Other expenses	25	4,223.30	4,693.45
	Total expenses		**33,439.52**	**32,699.45**
V	**Profit / (loss) before exceptional items and tax (III-IV)**		**(8,170.04)**	**(5,637.69)**
VI	**Exceptional items**	25B	4,424.06	-
VII	**Profit / (loss) before tax (V+VI)**		**(3,745.98)**	**(5,637.69)**
VIII	**Tax expense:**	26		
	(1) Current tax charge / (credit)		-	-
	(2) Deferred tax / (credit)		-	-
	Total tax expense		**-**	**-**
IX	**Profit / (loss) for the year (VII-VIII)**		**(3,745.98)**	**(5,637.69)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post-employment benefit plans		(21.63)	(455.03)
	Income tax impact on the above item		-	-
	Total other comprehensive income		**(21.63)**	**(455.03)**
XI	**Total comprehensive income for the year (IX+X)**		**(3,767.61)**	**(6,092.72)**
XII	**Earnings per share**	27		
	Basic and Diluted (Rs.)		(0.40)	(0.61)

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Financial Statements
This is the statement of Profit and Loss referred in our report of even date.

For Walker Chandiok & Co LLP
Firm Registration Number: 001076N/N500013
Chartered Accountants

Dhiraj Kumar
Partner
Membership No.: 060466

For and on behalf of Board of Directors of Cygnet Industries Limited

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Vineet Rai
Chief Executive Officer

Raj Kumar Burman
Chief Financial Officer

Snehaa Shaw
Company Secretary

Place: Kolkata
Date : 27 May 2026

Cygnet Industries Limited
Statement of Changes in Equity for the year ended 31 March 2026

A. Equity share capital

(All amounts in Rupees Lakhs, unless otherwise stated)

Description	Notes	Amount
As at 31st March 2024		**92,653.69**
Changes in equity share capital	11 (a)	-
As at 31st March 2025		**92,653.69**
Changes in equity share capital	11 (a)	-
As at 31st March 2026		**92,653.69**

B. Other equity

Particulars	Retained earnings	Total other equity
Balance at 01 April 2025	**(91,892.73)**	**(91,892.73)**
Income/(Loss) for the year	(3,745.98)	(3,745.98)
Other comprehensive income	(21.63)	(21.63)
Total comprehensive income for the year	**(3,767.61)**	**(3,767.61)**
As at 31st March 2026	**(95,660.34)**	**(95,660.34)**

B. Other equity

Particulars	Retained earnings	Total other equity
Balance at 01 April 2024	**(85,800.02)**	**(85,800.02)**
Profit/(Loss) for the year	(5,637.68)	(5,637.68)
Other comprehensive income	(455.03)	(455.03)
Total comprehensive income for the year	**(6,092.71)**	**(6,092.71)**
As at 31st March 2025	**(91,892.73)**	**(91,892.73)**

The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Financial Statements.

This is the Statement of Changes in Equity referred in our report of even date.

For Walker Chandiok & Co LLP
Firm Registration Number: 001076N/N500013
Chartered Accountants

Dhiraj Kumar
Partner
Membership No.: 060466

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of Board of Directors of Cygnet Industries Limited

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Snehaa Shaw
Company Secretary

Place: Kolkata
Date : 27 May 2026

Cygnet Industries Limited Kolkata

Cygnet Industries Limited
Statement of Cash flow for the year ended 31 March 2026

(All amounts in Rupees Lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax	(3,745.98)	(5,637.69)
Adjustments for:		
Depreciation and amortisation expenses	2,095.47	2,159.00
Provision for doubtful debts and other advances	56.88	126.88
Finance costs	2,411.97	2,783.07
Unrealised loss/(gain) on foreign currency fluctuation	-	(0.90)
Loss/ (gain) on sale of property, plant and equipment (net)	-	1.64
Interest Waived off	(4,424.06)	
Capital Work in Progress written off	100.00	79.09
Liabilities/Provision no longer required written back (net)	(160.15)	(870.57)
Interest income	(100.34)	(98.70)
Operating profit/(loss) before working capital changes	**(3,766.21)**	**(1,458.18)**
Changes in Working Capital:		
Increase / (decrease) in trade and other payables	(285.06)	(1,552.66)
(Increase) / decrease in trade and other receivables	(21.38)	371.12
(Increase) / decrease in inventories	421.01	1,185.47
Cash Generated from Operations		
Income taxes paid (net of refunds)	27.92	124.30
Net cash generated/(used) in operating activities	**(3,623.72)**	**(1,329.95)**
B. Cash flow from Investing Activities:		
Purchase of property, plant and equipment and capital advance given	(166.00)	(602.79)
Proceeds from sale of property, plant and equipment	-	0.46
Fixed Deposit Created/Renewed	(1,460.31)	(641.94)
Fixed Deposit Matured	1,412.84	472.00
Interest received	52.43	14.47
Net cash generated/(used) in investing activities	**(161.04)**	**(757.80)**
C. Cash flow from Financing Activities		
Finance cost paid	(2,298.41)	(2,507.04)
Payment for the principal portion of lease liability	(62.64)	(63.86)
Payment for the interest portion of lease liability	(6.48)	(11.11)
Proceeds from		
- Short term borrowings	8,399.71	12,536.79
- Long term borrowings	-	1,355.00
Repayment of		
- Short term borrowings	(492.56)	(3,208.92)
- Long term borrowings	(2,101.79)	(5,647.92)
Net cash generated / (used) from financing activities	**3,437.83**	**2,452.94**
Net (decrease)/increase in cash and cash equivalents	(346.93)	365.19
Cash and cash equivalents at the beginning of the year	433.79	68.60
Cash and cash equivalents at the end of the period	**86.86**	**433.79**

	31 March 2026	31 March 2025
Cash and Cash Equivalents comprise :		
Cash in hand	0.01	0.01
Cash credits	86.85	433.78
	86.86	**433.79**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind-AS 7 'Statements of Cash Flows'
Refer note 12 for changes in liabilities arising from financing activities
The accompanying summary of material accounting policies and other explanatory information forms an integral part of these Financial Statements.
This is the statement of Cash Flow referred to in our report of even date.

For Walker Chandiok & Co LLP
Firm Registration Number: 001076N/N500013
Chartered Accountants

Dhiraj Kumar
Partner
Membership No.: 060466

For and on behalf of Board of Directors of Cygnet Industries Limited

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Chief Financial Officer

Snehaa Shaw
Company Secretary

Place: Kolkata
Date : 27 May 2026

Cygnet Industries Limited

Summary of material accounting policies and notes to the Financial Statements for the year ended 31 March 2026

Notes forming part of financial statements

1. Company Information

Cygnet Industries Limited (CIN: U74900WB2015PLC206720) ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 15 June 2015. The Company is primarily engaged in the business of manufacturing Rayon, Transparent paper and Chemicals at Kuntighat, District Hooghly, West Bengal with registered office at Kolkata, West Bengal.

The financial statements as at 31 March 2026 present the financial position of the Company.

The financial statements for the year ended 31 March 2026 were approved by the Board of Directors and authorized for issue on 27 May 2026.

2. Summary of material accounting policies

2.1 Basis of preparation

(i) Compliance with Ind AS

These standalone financial statements (hereinafter referred to as "financial statements") are prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 and presentation requirements of Division II of Schedule III notified under Section 133 of Companies Act, 2013 ("the Act"), amendments thereto.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS, except for the following:

- Defined benefit plans – plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Functional and Presentation Currency

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

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Cygnet Industries Limited Kolkata

(iv) Classification of Assets and Liabilities into Current/ Non-Current

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.
For the purpose of Balance Sheet, an asset is classified as current if:

(i) It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is expected to realise the asset within twelve months after the reporting period; or
(iv) The asset is a cash or cash equivalent unless it 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.
Similarly, a liability is classified as current if:

(i) It is expected to be settled in the normal operating cycle; or
(ii) It is held primarily for the purpose of trading; or
(iii) It is due to be settled within twelve months after the reporting period; or
(iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current only.

2.2 Property, plant and equipment and capital work-in-progress

a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalization criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation / settlement of long-term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arrival at the purchase price.

b) Subsequent expenditure related to an item of property, plant & equipment is added to it carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

c) Capital work in progress is stated at cost (including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.13 below) incurred during construction/installation period relating to items or projects in progress.

d) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognized in the Statement of profit and loss.

e) Depreciation methods, estimated useful lives and residual value

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Cygnet Industries Limited Kolkata

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Class of assets	Estimated useful life (years)
Buildings	3 to 60 Years
Plant and Equipment	5 to 40 Years
Furniture and Fixtures	3 to 10 Years
Office Equipment	3 to 10 Years
Vehicles	8 Years

The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not considered more than 5% of the original cost of the asset. The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

2.3 Intangible assets and amortisation

Intangible property, plant and equipment are capitalized where it is expected to provide future enduring economic benefits and amortized on a straight-line basis. Capitalization costs include license fees and the cost of implementation/ system integration services. The Costs are capitalized in the year in which the relevant intangible asset is implemented for use.

Class of assets	Estimated useful life (years)
Software	3 Years

2.4 Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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Cygnet Industries Limited Kolkata

2.5 Lease

Company as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right of use assets

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right of use assets

The Company depreciates the right-of-use assets on a straight-line basis from the lease 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. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

Short-term leases and leases of low-value assets

The Company has elected not to recognize ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

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Cygnet Industries Limited Kolkata

2.6 Inventories

Inventories consists of raw materials, work-in-progress, finished goods and stores and spares which are valued as follows:

Raw Material & Stores & Spares:
Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Work-in-progress & Finished Goods:
These are stated at lower of cost and net realizable value. Cost of Finished goods, WIP and trial run inventories includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of Stock-in Trade includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

2.7 Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Cygnet Industries Limited Kolkata

(a) Financial assets

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Other bank balances

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

Impairment of financial assets

The Company assesses on a forward-looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortized cost and FVOCI debt instruments. The Company recognizes loss allowance for expected credit losses on financial assets.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments,* which requires expected lifetime losses to be recognized from initial recognition of the receivables.





De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) **Financial liabilities and equity instruments**

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

De-recognition of financial liabilities

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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Cygnet Industries Limited Kolkata

Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.8 Employee Benefits

Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognized immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.





Compensated absences

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognized in the period in which employee services are rendered.

2.9 Provision and Contingent Liabilities

Provisions:
Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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2.10 Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction effects neither accounting profit nor taxable profit (tax loss).
Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

2.11 Revenue Recognition

Revenue shall be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods and services.

Sales of goods
Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

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Significant financing component

Generally, the Company receives short term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Rental Income

Rental income from investment properties and subletting of properties is recognized on a time proportion basis over the term of the relevant leases.

A contract liability is recognised until the benefit is provided.

2.12 Borrowing Costs

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

2.13 Foreign currency transactions and translations

Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions and balances

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

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2.14 Earnings per share

(i) Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the Company
- By the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.15 Segment reporting

The Company is mainly engaged in the business of manufacturing Rayon, Transparent Paper and Chemicals. The Company operates in local and export segments geographically.

The Company's organizational structure and governance processes are designed to support effective management of Rayon, Transparent Paper and Chemicals business. The business results have been reported in a manner consistent with the internal reporting provided to the Board of Directors, which is the Chief Operating Decision Maker.

2.16 Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

2.17 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.





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Notes forming part of financial statements

(All amounts in Rupees Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 31 March 2026
I. Tangible Assets:									
Land :									
Freehold	13,660.27	-	-	13,660.27	-	-	-	-	13,660.27
Buildings	17,031.51	-	-	17,031.51	4,611.06	515.91	-	5,126.97	11,904.54
Plant and Equipment	28,766.80	192.53	-	28,959.33	12,676.80	1,496.83	-	14,173.63	14,785.70
Furniture and Fixtures	174.30	0.33	-	174.63	147.54	15.80	-	163.34	11.29
Office Equipment	67.19	12.70	-	79.89	61.83	2.58	-	64.41	15.48
Vehicles	34.57	-	-	34.57	32.06	0.78	-	32.84	1.73
	59,734.64	**205.56**	**-**	**59,940.20**	**17,529.29**	**2,031.90**	**-**	**19,561.19**	**40,379.01**

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2024	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2025	As at 1 April 2024	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2025	As at 31 March 2025
I. Tangible Assets:									
Land :									
Freehold	13,660.27	-	-	13,660.27	-	-	-	-	13,660.27
Buildings	16,945.78	85.73	-	17,031.51	4,098.13	512.93	-	4,611.06	12,420.45
Plant and Equipment	27,965.77	801.34	0.31	28,766.80	11,125.79	1,551.16	0.15	12,676.80	16,090.00
Furniture and Fixtures	180.79	0.30	6.79	174.30	134.99	17.91	5.36	147.54	26.76
Office Equipment	69.95	0.41	3.17	67.19	62.12	2.37	2.66	61.83	5.36
Vehicles	34.42	0.15	-	34.57	27.98	4.08	-	32.06	2.51
	58,856.98	**887.93**	**10.27**	**59,734.64**	**15,449.01**	**2,088.45**	**8.17**	**17,529.29**	**42,205.35**

Notes - (a) Transfer of title of the entire land measuring 101.762 acres is under process.
(b) Property, plant and equipment are mortgaged against loan taken from West Bengal Infrastructure Development Finance Corporation Limited (WBIDFC). (Refer Note 12)

Note: 3A Right to Use Assets

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 31 March 2026
Land	234.92	-	-	234.92	43.66	4.85	-	48.51	186.41
Building	406.95	29.84	-	436.79	344.04	58.73	-	402.77	34.02
	641.87	**29.84**	**-**	**671.71**	**387.70**	**63.58**	**-**	**451.28**	**220.43**

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2024	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2025	As at 1 April 2024	Additions during the year year	Adjustments/ Deletions during the year the year	As at 31 March 2025	As at 31 March 2025
Land	234.92	-	-	234.92	38.81	4.85	-	43.66	191.26
Building	401.54	5.41	-	406.95	278.34	65.70	-	344.04	62.91
	636.46	**5.41**	**-**	**641.87**	**317.15**	**70.55**	**-**	**387.70**	**254.17**

Notes: The registration of leasehold land is in process.

Note 4: Other intangible assets

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 1 April 2025	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2026	As at 31 March 2026
Computer Software	179.38	-	-	179.38	179.38	-	-	179.38	-
	179.38	**-**	**-**	**179.38**	**179.38**	**-**	**-**	**179.38**	**-**

Particulars	Gross Block - At Cost				Accumulated Depreciation				Net Block
	As at 1 April 2024	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2025	As at 1 April 2024	Additions during the year	Adjustments/ Deletions during the year	As at 31 March 2025	As at 31 March 2025
Computer Software	179.38	-	-	179.38	179.38	-	-	179.38	-
	179.38	**-**	**-**	**179.38**	**179.38**	**-**	**-**	**179.38**	**-**

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(All amounts in Rupees Lakhs, unless otherwise stated)

Note 4A:- Capital-Work In Progress (CWIP) Movement

Particulars	31 March 2026	31 March 2025
Balance at beginning	**540.76**	**898.86**
Addition during the year	293.34	555.72
Capitalised / written off during the year	(509.59)	(913.82)
Balance at end	**324.51**	**540.76**

Capital-Work In Progress (CWIP) Ageing Schedule

CWIP	As at 31 March 2026					As at 31 March 2025				
Particulars	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	66.11	2.11	1.27	54.17	123.66	2.47	149.24	60.09	24.13	235.93
- Projects temporarily suspended**	-	0.42	72.68	127.75	200.85	0.41	-	-	304.42	304.83
Total	**66.11**	**2.53**	**73.95**	**181.92**	**324.51**	**2.88**	**149.24**	**60.09**	**328.55**	**540.76**

Capital-Work In Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan

CWIP Particulars	As at 31 March 2026 To be completed in					As at 31 March 2025 To be completed in				
Project In Progress	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Modify ESP of boiler no 6	-	-	-	-	-	91.95	-	-	-	91.95
Spinning Machine (6) Overhauling- 2023	-	-	-	-	-	54.43	-	-	-	54.43
TP 2 – Casting Head Lip	-	-	-	-	-	24.12	-	-	-	24.12
CS-2 5 civil work	10.76	-	-	-	10.76	-	-	-	-	-
Total	**10.76**	**-**	**-**	**-**	**10.76**	**170.50**	**-**	**-**	**-**	**170.50**

****Details of projects where activity has been suspended**

CWIP Particulars	As at 31 March 2026 To be completed in					As at 31 March 2025 To be completed in				
Project Suspended	< 1 year	1-2 years	2-3 years	More than 3 years	Total	< 1 year	1-2 years	2-3 years	More than 3 years	Total
Acid absorption crystallizer	-	-	-	127.75	127.75	-	304.42	-	-	304.42
Spinning Machine (6) overhauling - 2023	-	72.68	-	-	72.68	-	-	-	-	-
PSY S/B additional return line	-	0.41	-	-	0.41	0.41	-	-	-	0.41
Total	**-**	**73.09**	**-**	**127.76**	**200.85**	**0.41**	**304.42**	**-**	**-**	**304.83**

Note 5 : Investments

Particulars	31 March 2026	31 March 2025
Non-current		
A. Investments carried at amortised cost:		
National saving certificate	-	0.70
Less:-Provision for impairment in value of investment	-	(0.70)
	-	-

(a) Unquoted
Carrying value

Note: The Company has written off the investment in NSC savings certificate during the current financial year considering irrecoverability of the same in near future.

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Note 6: Other Financial Asset

Particulars	31 March 2026	31 March 2025
Non-current		
Security Deposits (Unsecured-Considered Good)	12.75	15.63
Deposits with maturity of more than 12 months #	391.36	862.34
Interest accrued on deposits	13.62	78.49
	417.73	**956.46**
Current		
Interest accrued on deposits	150.17	37.38
	150.17	**37.38**
# Deposit with Bank includes:-		
- Deposits pledged with the govt. authorities	-	1.49
- Deposits pledged with WBIDFC for DSRA for secured borrowings (Refer Note 12)	-	691.06
- Deposits against Bank Guarantee which has been issued in favour of Government Authorities	391.36	169.79

Note 7: Other assets

Particulars	31 March 2026	31 March 2025
Current		
Advance recoverable in cash or kind	1,362.74	1,354.71
Less:- Allowances for doubtful advances	(18.63)	(18.63)
Balances with statutory/Government Authorities	323.74	22.09
Prepaid Expenses	37.15	44.41
Accruals under duty exemption scheme	-	1.94
	1,705.00	**1,404.52**

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other person or advances to firms or private companies respectively in which any director is a partner or a director or a member.

Note 8: Inventories

Particulars	31 March 2026	31 March 2025
Raw Materials	1,023.01	560.37
Work-in-Progress	596.26	712.55
Finished Goods	734.73	1,313.95
Stock-in-trade	-	0.01
Stores and Spare Parts	866.38	1,054.52
	3,220.38	**3,641.39**
Included above, goods-in-transit:		
Raw materials	46.87	21.75
Finished goods	-	69.40
Stores and spare parts	107.45	22.82
	154.32	**113.97**

The cost of inventories recognised as an expense during the year includes write-downs of slow moving, non-moving and obsolete inventories amounting to Rs. 170.27 Lakhs (31 March 2025: Rs. 19.26 Lakhs). Further, the cost of inventories recognised as an expense also includes inventory written off / written down to net realisable value amounting to Rs. 15.84 Lakhs (31 March 2025: Rs. 0.86 lakh).

Refer Note no 12 for information on current assets pledged as security by the company.

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Note 9: Trade receivables

Particulars	31 March 2026	31 March 2025
Current		
Trade Receivables		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	3,010.49	3,339.02
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Credit impaired	148.68	96.36
	3,159.17	**3,435.38**
Less: allowances for expected credit loss	(256.55)	(199.66)
	2,902.62	**3,235.72**

Particulars	31 March 2026						
	Outstanding for following periods from due date of Payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables	-	-	-	-	-	-	-
(i) Secured - considered good	-	-	-	-	-	-	-
(ii) Unsecured - considered good	2,285.79	679.12	5.96	39.62	-	-	**3,010.49**
Disputed Trade Receivables	-	-	-	-	-	-	-
(i) Secured - considered good	-	-	-	-	-	-	-
(ii) Unsecured - credit impaired	-	-	-	13.21	-	135.47	**148.68**
TOTAL	**2,285.79**	**679.12**	**5.96**	**52.83**	**-**	**135.47**	**3,159.17**
Less: allowances for expected credit loss							256.55
TOTAL	**2,285.79**	**679.12**	**5.96**	**52.83**	**-**	**135.47**	**2,902.62**

Particulars	31 March 2025						
	Outstanding for following periods from due date of Payments						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables	-	-	-	-	-	-	-
(i) Secured - considered good	-	-	-	-	-	-	-
(ii) Unsecured - considered good	2,183.35	1,123.13	18.00	14.54	-	-	**3,339.02**
Disputed Trade Receivables	-	-	-	-	-	-	-
(i) Secured - considered good	-	-	-	-	-	-	-
(ii) Unsecured - credit impaired	-	-	-	3.39	-	92.97	**96.36**
TOTAL	**2,183.35**	**1,123.13**	**18.00**	**17.93**	**-**	**92.97**	**3,435.38**
Less: allowances for expected credit loss							199.66
TOTAL	**2,183.35**	**1,123.13**	**18.00**	**17.93**	**-**	**92.97**	**3,235.72**

Notes- i)There are no unbilled dues as at the reporting date

ii) There are no debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

iii) Refer Note no 12 for information on current assets pledged as security by the company.

iv) Trade receivables are generally non interest bearing, and are generally collected within 90 days.

v) The net carrying value of the trade receivable is considered a reasonable approximation of fair value

Note 10 : Cash and cash equivalents

Particulars	31 March 2026	31 March 2025
Cash and cash equivalents		
Cash in hand	0.01	0.01
Balances with bank		
On Current accounts	-	-
On Cash Credit Accounts#	86.85	433.78
	86.86	**433.79**

Includes Rs 5.06 lakhs (Previous Year - Rs 5.06 Lakhs) that is restricted in use and therefore not available for general opereational purposes. The restrictions pertains to demand from Govt Authorities for levy of interest on outstanding declaration forms.

Note 10A : Bank balances other than cash and cash equivalents

Particulars	31 March 2026	31 March 2025
Bank deposits with maturity of more than three months but less than 12 months #	862.34	343.19
	862.34	**343.19**

# Deposit with Bank includes:-		
- Deposits pledged with the govt. authorities	1.35	-
- Deposits pledged with WBIDFC for DSRA for secured borrowings (Refer Note 12)	691.06	-
- Deposits against which Bank Guarantee has been issued in favour of Government Authorities	169.93	343.19

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Note 11: Equity share capital and other equity

Note 11 (a): Equity share capital

(All amounts in Rupees Lakhs, unless otherwise stated)

Authorised equity share capital

Particulars	31 March 2026	31 March 2025
100,00,00,000 Equity Shares of Rs 10 each (31 March 2025: 1,00,00,00,000 Equity Shares of Rs. 10 each)	1,00,000.00	1,00,000.00
	1,00,000.00	**1,00,000.00**

Issued, subscribed and paid-up equity share capital

Particulars	31 March 2026	31 March 2025
92,65,36,876 Equity Shares of Rs 10 each fully paid up (31 March 2025: 92,65,36,876 Equity Shares of Rs. 10 each fully paid up)	92,653.69	92,653.69
	92,653.69	**92,653.69**

(i) Movement in equity share capital

Particulars	31 March 2026		31 March 2025	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	92,65,36,876	92,654	92,65,36,876	92,654
Movement during the year	-	-	-	-
At the end of the year	**92,65,36,876**	**92,654**	**92,65,36,876**	**92,654**

(ii) Terms and rights attached to equity shares
The Company has equity shares having a par value of Rs. 10 per share. All equity shareholders are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the shareholders	31 March 2026		31 March 2025	
	Number of shares	% holding	Number of shares	% holding
Kesoram Industries Limited	92,65,36,176	100%	92,65,36,176	100%
	92,65,36,176	**100%**	**92,65,36,176**	**100%**

(iv) Shares held by holding company.

Particulars	31 March 2026		31 March 2025	
	Number of shares	Amount	Number of shares	Amount
1) Kesoram Industries Limited	92,65,36,176	92,654	92,65,36,176	92,654
Total	**92,65,36,176**	**92,654**	**92,65,36,176**	**92,654**

(v) Share holding of Promoter.

Sl No.	Promoter Name	31 March 2026		31 March 2025		% of change during the year
		No. of shares	% of Total Shares	No. of shares	% of Total Shares	
1)	Kesoram Industries Limited	92,65,36,176	100%	92,65,36,176	100%	0%
Total		**92,65,36,176**	**100%**	**92,65,36,176**	**100%**	-

Note 11 (b) : Other Equity

Particulars	31 March 2026	31 March 2025
Retained earnings	(95,660.34)	(91,892.73)
Total reserves and surplus	**(95,660.34)**	**(91,892.73)**

(i) Retained earnings

Particulars	31 March 2026	31 March 2025
Opening balance	(91,892.73)	(85,800.02)
Net profit/(loss) for the period	(3,745.98)	(5,637.68)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(21.63)	(455.03)
Closing balance	**(95,660.34)**	**(91,892.73)**

(ii) Nature and purpose of other reserves

Retained Earnings
Retained earning are the losses that the Company has incurred till date.

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(All amounts in Rupees Lakhs, unless otherwise stated)

Note 12: Borrowings (measured at amortised cost)

Particulars	31 March2026	31 March 2025
Non-Current		
(a) Secured		
Term Loan from financial institutions [Refer note (i) below]	15,233.00	17,306.94
	15,233.00	**17,306.94**
Less: Current maturities of long term borrowings	2,280.00	2,100.00
	12,953.00	**15,206.94**
Current [Refer note (iii) below]		
(a) Secured		
Current maturities of long term borrowings	2,280.00	2,100.00
(b) Unsecured		
Borrowings from holding company (Related party) (Bearing interest)	24,984.31	21,369.18
Borrowings from body corporate (Bearing interest)	6,584.00	2,292.00
	33,848.31	**25,761.18**

(i) Repayment terms and nature of securities given for indian rupee term loan from Financial institutions

Bank	31-Mar-26	31-Mar-25	Nature of Security	Repayment Terms
Term Loan from Financial Institutions: WBIDFC	9,618.84	11,192.28	First and exclusive charge on all Movable and Immovable fixed assets of Cygnet Industries Limited , except the Corporate Office Assets. 2nd pari passu charge on all Current Assets of the Company. For fulfilling the DSRA requirements Fixed Deposit for an amount equivalent to three months interest is to be maintained with WBIDFC.	By way of ballooning repayment commencing from 31.03.2021 for a tenure of 10 years. Rate of interest is 11.95% rest at every year.
WBIDFC - II	5,614.16	6,114.67	First and exclusive charge on all Movable and Immovable fixed assets of Cygnet Industries Limited , except the Corporate Office Assets. 2nd pari passu charge on all Current Assets of the Company. For fulfilling the DSRA requirements Fixed Deposit for an amount equivalent to three months interest is to be maintained with WBIDFC.	By way of ballooning repayment commencing from 31.12.2023 for a tenure of 7 years. Rate of interest is 12% rest at every year.

(ii) No short- term loans have been utilised for long term purposes.

(iii) Repayment terms and nature of securities given for short term borrowings
1. Loan from holding company is repayable on demand, interest payable @10.5% p.a. However, the holding company has waived off interest for the current financial year.
2. Short Term loan from Manav Investment And Trading Co Ltd is repayable on demand, interest payable @ 12% p.a.
3. Short Term loan from Euston Industries Ltd is repayable on demand, interest payable @ 11% p.a. The board of Euston industries Ltd.have waived off interest for the current financial year.

(iv) Changes in liabilities arising from financing activities

Particulars	As at 1 April 2025	Cash flow changes	Non-cash flow changes	As at 31 March 2026
Borrowings	40,968.12	5,805.34	27.85	46,801.31
Lease liability	70.34	(69.12)	35.52	36.74

Particulars	As at 1 April 2024	Cash flow changes	Non-cash flow changes	As at 31 March 2025
Borrowings	35,907.12	5,034.94	26.06	40,968.12
Lease liability	128.84	(74.97)	16.47	70.34

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(All amounts in Rupees Lakhs, unless otherwise stated)

Note 13: Deferred tax liabilities
The balance comprises temporary differences attributable to:

Particulars	31 March 2026	31 March 2025
Deferred tax liabilities		
Timing difference w.r.t Property, plant and equipment	4,264.69	4,352.18
Others	20.77	28.01
Gross deferred tax liability	**4,285.46**	**4,380.19**
Deferred tax assets		
Business & Capital losses	3,938.69	4,058.08
Others	346.77	322.10
Gross deferred tax asset	**4,285.46**	**4,380.18**
Net deferred tax liability	-	-

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Note 14: Trade payables

Particulars	31 March 2026	31 March 2025
Current		
(a) Total outstanding dues of micro and small enterprises (Refer Note 30)	3.79	7.98
(b) Total outstanding dues of creditors other than micro and small enterprises	2,817.02	3,252.52
Total	**2,820.81**	**3,260.50**

Particulars	31 March 2026					
	Not Due	< 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1.03	-	-	2.76	**3.79**
(ii) Other Creditors	403.35	1,019.47	69.57	254.12	1,070.51	**2,817.02**
(iii) Provisions	-	-	-	-	-	-
(iv) Disputed Dues - MSME	-	-	-	-	-	-
(v) Disputed Dues - Others	-	-	-	-	-	-
Total	**403.35**	**1,020.50**	**69.57**	**254.12**	**1,073.27**	**2,820.81**

Particulars	31 March 2025					
	Not Due	< 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5.22	-	-	2.76	**7.98**
(ii) Other Creditors	354.47	1,332.60	228.17	921.12	416.16	**3,252.52**
(iii) Provisions	-	-	-	-	-	-
(iv) Disputed Dues - MSME	-	-	-	-	-	-
(v) Disputed Dues - Others	-	-	-	-	-	-
Total	**354.47**	**1,337.82**	**228.17**	**921.12**	**418.92**	**3,260.50**

Note 15: Other financial liabilities

Particulars	31 March 2026	31 March 2025
Current		
Retention and earnest deposits	41.89	96.88
Employee's benefits payable	1,260.16	1,323.27
Interest accrued	284.23	4,646.82
Provision for discount	247.59	338.62
Other payables	502.76	540.89
	2,336.63	**6,946.48**

Note 15A: Lease liabilities

Particulars	31 March 2026	31 March 2025
Non- Current		
Lease Liabilities	16.74	10.80
	16.74	**10.80**
Current		
Lease Liabilities	20.01	59.54
	20.01	**59.54**

Refer to note 36 for disclosure on leases.

Note 16: Other liabilities

Particulars	31 March 2026	31 March 2025
Current		
Revenue received in advance (Refer Note-18)	42.97	33.33
Statutory dues payables	209.42	317.22
	252.39	**350.55**

Note 17: Provision

Particulars	31 March 2026	31 March 2025
Non current		
Provision for employee benefits		
Provision for leave encashment	357.07	356.50
Total non-current provisions	**357.07**	**356.50**
Current		
Provision for employee benefits		
Provision for gratuity	539.06	344.00
Provision for leave encashment	134.59	26.10
Total current provisions	**673.65**	**370.10**

Refer to note 22 for disclosure on employee benefits.

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Note 18: Revenue from operations

Particulars	31 March 2026	31 March 2025
Sale of products	24,547.02	25,755.91
Other operating revenues	215.33	119.75
	24,762.35	**25,875.66**

i) The entire revenue is being recorded at a point in time.

ii)Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:

Particulars	31 March 2026	31 March 2025
Revenue as per contract price	26,272.03	27,715.40
Less: Discounts	(1,725.01)	(1,959.49)
	24,547.02	**25,755.91**

iii) Refer Note 34 for disaggregation of revenue by geographical location and information relating to major customers.

iv) The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2025 is Nil

v) The Contract Liabilities are as follows

Particulars	31 March 2026	31 March 2025
Contract Liabilities Opening	33.33	500.22
Add:- Addition during the year, excluding amount recognised as revenue during the year	65.06	0.75
Less:- Revenue recognised in the current year which was included in contract liabilities	55.43	467.64
Contract Liabilities Closing	42.96	33.33

Note 19: Other Income

Particulars	31 March 2026	31 March 2025
(a) Liabilities no longer required written back (net)*	160.15	870.57
(b) Interest income		
- on financial instruments at amortised cost	97.85	93.11
- on others (interest on income tax refund)	2.49	5.59
(c) Miscellaneous income	246.64	216.83
	507.13	**1,186.10**

* Refer note 30 for liabilities written back on account of interest waiver by MSME Vendors.

Note 20: Cost of material consumed

Particulars	31 March 2026	31 March 2025
Opening inventory	560.37	468.40
Add: Purchases during the year	14,030.43	11,500.62
Less: Closing inventory	1,023.01	560.37
	13,567.79	**11,408.65**

Purchase of stock-in-trade comprise :

Particulars	Quantity (KG)		Amount	
	31st March, 2026	31st March, 2025	31st March, 2026	31st March, 2025
CTC Tea	-	100.00	-	0.29
		100.00		0.29

Cost of material consumed of Traded Goods

Particulars	31 March 2026	31 March 2025
Opening inventory	0.01	0.30
Add: Purchases during the year	-	0.28
Less: Closing inventory	-	0.01
	0.01	**0.57**

Note 21: Changes in inventories of finished goods, work in progress and stock in trade

Particulars	31 March 2026	31 March 2025
Opening Stock		
- Finished Goods	1,313.95	1,775.10
- Stock-in-trade	0.01	0.30
- Work - in - Process	712.55	797.05
Less: Closing Stock		
- Finished Goods	734.73	1,313.95
- Stock-in-trade	-	0.01
- Work - in - Process	596.26	712.55
	695.52	**545.94**

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Note 22: Employee benefit expenses

Particulars	31 March 2026	31 March 2025
Salaries, Wages, Bonus etc.	5,489.56	5,351.91
Contribution to Provident Fund	600.02	634.14
Contribution to Labour Welfare Fund	0.95	0.76
Contribution to Gratuity Fund (Refer detail below)	173.42	98.43
Contribution under Employees State Insurance Scheme	14.35	17.40
Workmen and Staff Welfare	272.60	259.14
	6,550.90	**6,361.78**

During the year, the Company recognised an amount of Rs. 116.27 Lakh (Previous Year: Rs. Nil) as remuneration and post employment benefit Rs.16.84 Lakh to key managerial personnel.

(i) Compensated absences (unfunded)
Compensated absences cover the Company's liability for sick and earned leave.
(ii) Defined benefit plan

a) Gratuity
The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

b) Provident fund
Provident fund for certain eligible employees is managed by the Company through the "Birla Industries Provident Fund", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at 31 March 2026 and 31 March 2025 respectively.

The details of fund and plan asset position are given below:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
as at 31 March, 2026	20,491.65	18,912.81	(1,578.84)
as at 31 March, 2025	19,383.01	19,417.77	34.76

The Company contributed Rs. 600.02 Lakhs and Rs. 634.14 Lakhs during the year ended 31 March 2026 and 31 March 2025 respectively.

(iii) Balance sheet recognition

Gratuity
The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2025	3,059.20	2,715.19	344.01
Current service cost	95.82	-	95.82
Past service cost	52.97	-	52.97
Interest expense/(income)	219.04	194.42	24.62
Total amount recognised in profit or loss	**367.83**	**194.42**	**173.41**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(43.76)	43.76
Actuarial (gain)/loss from change in financial assumptions	(27.43)	-	(27.43)
Actuarial (gain)/loss from unexpected experience	5.30	-	5.30
Total amount recognised in other comprehensive income	**(22.13)**	**(43.76)**	**21.63**
Employer contributions/ premium paid	-	-	-
Benefit payments	-	-	-
31 March 2026	**3,404.90**	**2,865.85**	**539.05**

Particulars	Present value of obligation	Fair value of plan assets	Net amount
01 April 2024	2,893.89	3,103.35	(209.46)
Current service cost	124.65	-	124.65
Interest expense/(income)	173.21	199.43	(26.22)
Total amount recognised in profit or loss	**297.86**	**199.43**	**98.43**
Remeasurement			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(190.71)	190.71
Actuarial (gain)/loss from change in financial assumptions	(1.89)	-	(1.89)
Actuarial (gain)/loss from unexpected experience	266.20	-	266.20
Total amount recognised in other comprehensive income	**264.31**	**(190.71)**	**455.02**
Employer contributions/ premium paid	-	-	-
Benefit payments	396.87	396.87	-
31 March 2025	**3,059.19**	**2,715.20**	**343.99**

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(iv) Recognised in profit and loss

Particulars	31 March 2026	31 March 2025
Current service cost	95.82	124.65
Past service cost	52.97	-
Net interest cost /(income)	24.62	(26.22)
Total	173.41	98.43

(v) Recognised in other comprehensive income - remeasurement actuarial gain/(loss)

Particulars	31 March 2026	31 March 2025
Return on plan assets, excluding amounts included in interest expense/(income)	43.76	190.71
Actuarial (gain)/loss from change in financial assumptions	(27.43)	(1.89)
Actuarial (gain)/loss from unexpected experience	5.30	266.20
Total	21.63	455.02

(vi) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31 March 2026	31 March 2025
Discount rate	7.16%	7.01%
Salary growth rate	5.00%	5.00%
Attrition rate	1.00%	1.00%
Mortality rate	IIAM (2012-2015) ULTIMATE	IIAM (2012-2015) ULTIMATE

(vii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation			
	31 March 2026		31 March 2025	
	Increase	Decrease	Increase	Decrease
Discount rate **(-/+ 0.5%)**	3,062.17	3,243.96	2,961.45	3,161.50
% change compared to base due to sensitivity	-2.82%	2.95%	-3.20%	3.34%
Salary growth rate **(-/+ 0.5%)**	3,245.12	3,060.28	3,162.63	2,959.50
% change compared to base due to sensitivity	2.98%	-2.88%	3.38%	-3.26%
Attrition rate **(-/+ 0.5%)**	3,151.25	3,150.94	3,059.38	3,059.01
% change compared to base due to sensitivity	0.01%	-0.01%	0.01%	-0.01%
Life expectancy/ mortality rate **(-/+ 10%)**	3,151.44	3,150.75	3,059.56	3,058.83
% change compared to base due to sensitivity	0.01%	-0.01%	0.01%	-0.01%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(viii) Maturity analysis of defined benefit obligation

Particulars	31 March 2026
less than 1 year	453.04
1-2 year	364.23
2-3 year	364.54
3-4 year	506.28
4-5 year	364.95
more than 5 year	3,198.93

(ix) The major categories of plans assets

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus the composition of each major category of plan assets has not been disclosed.

(x) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(xi) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 8 years (31 March 2025 – 8 years).

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Note 23: Depreciation and amortisation expense

Particulars	31 March 2026	31 March 2025
Depreciation on tangible assets	2,031.89	2,088.45
Depreciation on right-of-use assets	63.58	70.55
	2,095.47	**2,159.00**

Note 24: Finance costs

Particulars	31 March 2026	31 March 2025
Interest expense	2,406.29	2,774.51
Interest On Lease	5.68	11.06
	2,411.97	2,785.57
Less: Interest capitalised	-	2.50
	2,411.97	**2,783.07**

The capitalisation rate used to determine the amount of borrowing costs to be capitalised in previous year is the interest rate applicable to the entity's general borrowing used for capex , in this case it is 12% p.a.

Note 25: Other expenses

Particulars	31 March 2026	31 March 2025
Consumption of Stores and Spare Parts	1,790.94	1,980.36
Rent	8.39	3.79
Repairs and Maintenance [Refer note (a) below]		
Building	30.98	34.59
Plant and Machinery	912.04	745.69
Others	64.90	67.82
Insurance	52.93	54.95
Rates and Taxes	47.31	20.35
Brokerage	0.02	0.07
Packing, Carriage and Shipping	283.25	378.88
Director's Fees	11.00	4.00
Commission to Selling Agents	35.12	55.85
Sales Promotion	4.30	22.38
Management Services Fee	-	367.39
Foreign currency translation loss (net)	58.90	6.24
Debts/ Advances/ Deposits written off	0.39	1.28
Loss on sale of property, plant and equipment sold/discarded (net)	-	1.64
Provision for doubtful debts/advances (net)	56.88	126.88
Payment to auditor [Refer note (b) below]	20.00	24.20
Miscellaneous Expenses [Refer note (c) below]	845.95	797.09
	4,223.30	**4,693.45**

(a) Repair and Maintenance includes:		
Salaries and wages	646.63	498.07
(b) Details of auditors' remuneration and out-of-pocket expenses are as below:		
As Auditors :		
Audit Fees (Including other certification fees)	20.00	21.78
Tax Audit Fees	-	2.42
(c) Miscellaneous expenses includes:		
Payment to cost auditor	3.19	6.19
Tax Audit Fees	2.42	-

Note 25 A: Power and fuel

Particulars	31 March 2026	31 March 2025
Power and Fuel		
(i) Coal consumed	2,829.84	3,264.27
(ii) Power purchase	1,031.16	1,432.36
(iii) Electricity duty	33.57	50.64
	3,894.57	**4,747.27**

Note 25B: Exceptional items

Particulars	31 March 2026	31 March 2025
Interest charges waiver pertaining to earlier years of Holding Company	(4,424.06)	-
	(4,424.06)	**-**

During the year, the Board of Directors of Kesoram Industries Limited ("the Holding Company") approved the waiver of accrued interest pertaining to prior periods amounting to INR 4,424.06 lakhs. Consequently, the aforesaid amount has been reversed in the books of account and disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31 March 2026.

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Note 26: Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

Particulars	31 March 2026	31 March 2025
Current tax	-	-
Current tax on profits for the year	-	-
Total current tax expense	-	-
Deferred tax	-	-
Decrease (increase) in deferred tax assets	94.73	946.20
(Decrease) increase in deferred tax liabilities	(94.73)	(946.20)
Total deferred tax expense/(benefit)	-	-
Income tax expense	-	-

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2026	31 March 2025
Profit before tax	(3,745.98)	(5,637.68)
Tax at the rate of 26.00% (FY 2024-25 – 26.00%)	(973.96)	(1,465.80)
Reason for differences to be documented below		
Tax losses for which no deferred tax was recognised	424.72	490.51
Tax on permanent differences	0.87	0.71
Exempt Income	-	-
Others (including difference in tax rate)	548.37	974.58
Total income tax expense/(credit)	-	-

(c) Tax losses

Particulars	31 March 2026	31 March 2025
Unused tax losses for which no deferred tax has been recognised:		
Tax losses		
Business loss	46,400.42	46,274.84
Capital loss: Short term	11,795.10	11,795.10
Unabsorbed tax depreciation	31,355.89	29,625.57
Potential tax benefit on Business loss	**20,216.64**	**19,734.11**
Potential tax benefit on Capital loss short term	**2,453.38**	**2,453.38**

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Note 27: Earnings per share

Particulars		31 March 2026	31 March 2025
Weighted average number of ordinary equity shares	(A)	92,65,36,876	92,65,36,876
Nominal value of each equity share (Rs.)		10.00	10.00
Loss after tax for the year (Rs. in lakhs)	(B)	(3,745.98)	(5,637.69)
Basic and diluted earnings per share (Rs.)	(B/A)	(0.40)	(0.61)

Note 28: Contingent liabilities

Particulars	31 March 2026	31 March 2025
(a) Guarantees given -		
(i) to Excise authorities	5.50	5.50
(b) Claims against the Company not acknowledged as debts		
(i) Rates, Taxes, Duties etc. demanded by various Authorities	6.22	159.54
(ii) Others	1.50	1.50
	13.22	**166.54**

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

Note 29: Capital and other commitments

The company does not have any capital or other commitments as at 31 March 2026 and 31 March 2025.

Note 30: The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2026	31 March 2025
Principal amount due to supplier registered under the MSMED Act and remaining unpaid as at the year end #	3.79	7.98
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end*	3.36	2.42
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	617.06
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The unpaid MSME dues have been netted off against advances.
* During the previous financial year, the Company has made payment to various MSME Vendors . Accordingly, the company has reversed liability on account of such interest waiver amounting to Rs 114.22 Lakhs during the previous financial year.

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Note 31: Capital management

Risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements and repay loans as they fall due.

Note 32 : Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

Financial instruments by category

Particulars	31 March 2026			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets					
Cash and cash equivalents	-	-	86.86	86.86	86.86
Trade receivables	-	-	2,902.62	2,902.62	2,902.62
Other bank balances	-	-	862.34	862.34	862.34
Other financial assets	-	-	567.90	567.90	567.90
Total financial assets	**-**	**-**	**4,419.72**	**4,419.72**	**4,419.72**
Financial liabilities					
Borrowings	-	-	46,801.31	46,801.31	46,801.31
Trade and other payables	-	-	2,820.81	2,820.81	2,820.81
Lease Liability	-	-	36.75	36.75	36.75
Other financial liabilities	-	-	2,336.63	2,336.63	2,336.63
Total financial liabilities	**-**	**-**	**51,995.50**	**51,995.50**	**51,995.50**

Financial instruments by category

Particulars	31 March 2025			Total Carrying Value	Total Fair Value
	FVPL	FVOCI	Amortised cost		
Financial assets				-	-
Cash and cash equivalents	-	-	433.79	433.79	433.79
Trade receivables	-	-	3,235.72	3,235.72	3,235.72
Other bank balances	-	-	343.19	343.19	343.19
Other financial assets	-	-	993.84	993.84	993.84
Total financial assets	**-**	**-**	**5,006.54**	**5,006.54**	**5,006.54**
Financial liabilities					
Borrowings	-	-	40,968.12	40,968.12	40,968.12
Trade and other payables	-	-	3,260.50	3,260.50	3,260.50
Lease Liability	-	-	70.34	70.34	70.34
Other financial liabilities	-	-	6,946.48	6,946.48	6,946.48
Total financial liabilities	**-**	**-**	**51,245.44**	**51,245.44**	**51,245.44**

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(ii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1):
This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2):
This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3):
This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company does not have any financial instruments measured at fair value subsequent to initial recognition as at 31 March 2026 and 31 March 2025. Accordingly, disclosure relating to fair value hierarchy levels is not applicable.

(iii) Valuation technique used to determine fair value

(a) The Company does not have any exposure in derivatives.

(b) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.

(c) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

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Note 33: Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, other balances with banks and security deposits.

	31 March 2026	31 March 2025
Trade receivables	2,902.62	3,235.72
Security Deposit	12.75	15.63
Bank Deposits	1,253.70	1,205.53
Total	**4,169.07**	**4,456.88**

i) Trade receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	2025-26	2024-25
Opening balance	199.66	72.78
Charge in statement of profit and loss	56.89	126.88
Balance at the end of the year	**256.55**	**199.66**

ii) Security & Bank Deposits

Credit risk arising from security and bank deposits is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

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(B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund financial institution and the Company has access to funds from othersources. The Company invests its surplus funds in bank fixed deposit, which carry no or low market risk.

(i) Maturities of financial liabilities

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities 31 March 2026	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings	33,848.31	5,340.00	6,140.00	1,700.00	47,028.31
Lease Liabilities	22.84	18.09	-	-	40.93
Trade payables	2,820.81	-	-	-	2,820.81
Other financial liabilities	2,336.63	-	-	-	2,336.63
Total financial liabilities	39,028.59	5,358.09	6,140.00	1,700.00	52,226.68

Contractual maturities of financial liabilities 31 March 2025	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Borrowings	30,407.99	4,720.00	6,780.00	3,814.67	45,722.66
Lease Liability	63.56	11.27	-	-	74.83
Trade payables	3,260.50	-	-	-	3,260.50
Other financial liabilities	6,946.48	-	-	-	6,946.48
Total financial liabilities	40,678.53	4,731.27	6,780.00	3,814.67	56,004.47

Note: Borrowings classified as less than one year include loans repayable on demand amounting to INR 31,568.31 lakh (31 March 2025: INR 23,661.18 lakh).

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(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial asset will fluctuate because of changes in market prices. Market risk comprises three types of risks : interest rate risk, currency risk and price risk. Financial instruments affected by market risk include borrowings and trade receivables.

(i) Foreign currency risk

Foreign currency risk refers to the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates.
The Company's exposure to foreign exchange risk arises primarily from its operating activities. The Company has foreign currency trade receivables and is therefore exposed to such risks. However, the Company believes that the level of foreign currency exposure is not significant and does not warrant any specific mitigation measures.

Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-

Particulars	As at 31 March 2026		As at 31 March 2025	
	Amount in foreign currency (USD)	Amount in local currency (INR)	Amount in foreign currency (USD)	Amount in local currency (INR)
Financial assets				
Trade receivables	-	-	0.59	50.57
Exposure to foreign currency risk	-	-	0.59	50.57

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on loss before tax/equity	
	31 March,2026	31 March,2025
USD sensitivity		
INR/USD appreciates by 5% (31 March, 2025 - 5%)*	-	(0.03)
INR/USD depreciates by 5% (31 March, 2025 - 5%)*	-	0.03

* Holding all other variables constant

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(All amounts in Rupees Lakhs, unless otherwise stated)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company's borrowings at variable rate were mainly denominated in INR.The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:
The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2026	31 March 2025
Variable rate borrowings	15,233.00	17,306.94
Fixed rate borrowings	31,568.31	23,661.18
Total borrowings	**46,801.31**	**40,968.12**

(b) Sensitivity
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on loss before tax/equity	
	31 March 2026	31 March 2025
Interest expense rates – increase by 50 basis points (50 bps)*	(76.17)	(86.53)
Interest expense rates – decrease by 50 basis points (50 bps)*	76.17	86.53

* Holding all other variables constant

(iii) Price risk

Exposure
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to significant price risk as it does not hold any investments in equity instruments, mutual funds, or other market-linked financial assets as at the reporting date. Accordingly, there is no exposure to price risk requiring management or monitoring.
Since the Company has no material exposure to price risk as at the reporting date, a sensitivity analysis for price risk has not been presented.

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Note 34: Segment reporting

The Company's Chief operating decision makers viz. board of directors examine the Company's performance as a single segment, viz. "Rayon, Transparent paper and Chemicals business".

a. Geographical information

Revenue from external customers:

Particulars	31 March 2026	31 March 2025
Revenue from external customers:		
Rayon,Transparent paper and Chemicals business		
India	24,410.52	25,312.14
Other countries	136.50	443.77
Total segment revenue	**24,547.02**	**25,755.91**
Non - current assets		
India	41,344.59	43,987.56
Other countries	-	-
Total segment non-current assets	**41,344.59**	**43,987.56**

b. Information about major customers

Two of the customers of the entity accounts for approximately 17% and 14% (Previous Year: 20% and 16%) of the sales being made for the year ended 31 March, 2026.

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Note 35 : Related Party Transactions

List of Related Parties and relationship

I) Holding
Kesoram Industries Limited

II) Post Retirement Benefit Plan
Birla Industries Provident Fund Institution.
KICM Gratuity Fund

III. Key Management Personnel & Directors
Mr. Vineet Kumar Rai [Chief Executive Officer]
Mr. Raj Kumar Burman [Chief Financial Officer]
Mr. Satish Narain Jajoo (Independent Director)
Mr. Deepak Kumar Sharma [Director]
Ms. Snehaa Shaw [Company Secretary] (appointed w.e.f 28 May,2025)
Ms. Sarat Priya Patjoshi [Independent Director]
Ms. Sharmila Nath [Director]
Mr. Kashi Prasad Khandelwal [Independent Director]

A. Entity controlled or jointly controlled by the Key Management Personnel:
MSK Travels and Tours Limited
Arbela Trading and Services Private Limited
Manav Investment and Trading Co. Limited

Table A :- **Transactions carried out with Related parties in Ordinary course of business**

Sl No	Nature of Transaction/ Relationship	2025-26	2024-25
1	**Rent Expense:**		
	Holding	9.04	13.56
2	**Other expenses through reimbursements**		
	Holding	11.72	14.18
3	**Loan Taken**		
	Holding	4,107.70	7,539.00
	Others	2,970.00	4,192.00
4	**Loan Repayment**		
	Holding	492.56	202.00
	Others	-	1,900.00
5	**Interest Expenses**		
	Holding	569.84	-
	Others	315.81	247.51
6	**Purchase of Assets**		
	Holding	1.66	-
7	**Repayment of Outstanding Interest**		
	Others	222.76	-
8	**Waiver of Interest expenses**		
	Holding	4,993.90	-
9	**Tours & Travels Services**		
	Others	1.06	21.50
10	**Provident Fund Contribution**		
	Post Retirement Benefit Plan	1,203.91	1,234.77
11	**Reimbursement claimed**		
	Post Retirement Benefit Plan	79.26	174.53
11	**Management Services Fee expense**		
	Holding	-	367.39

Table A1 : **Outstanding balances**

Sl No	Nature of Transaction/ Relationship	As at 31 March 2026	As at 31 March 2025
1	**Payable :**		
	Post Retirement Benefit Plan	654.07	444.50
2	**Receivable**		
	Post Retirement Benefit Plan	253.80	174.53
3	**Payable-Loan :**		
	Holding (refer note 12)	24,984.31	21,369.18
	Others (refer note 12)	5,262.00	2,292.00
4	**Interest payable**		
	Others	284.23	4,646.82
5	**Other Payable**		
	Tours and Travel services	-	19.82
	Others	34.34	34.34
6	**Share Capital**		
	Holding	92,653.69	92,653.69

Table B :- **Compensation of KMP of the Company**

Sl No	Nature of Transaction/ Relationship	As at 31 March 2026	As at 31 March 2025
1	**Remuneration**	116.27	-
2	**Post employment benefits**	16.84	-

Sitting Fees to Director

Sl No	Nature of Transaction/ Relationship	As at 31 March 2026	As at 31 March 2025
1	**Kashi Prasad Khandelwal**	7.00	4.00
2	**Satish Narain Jajoo**	4.00	-

(a) The transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions.

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Note 36: Leases

1. The Company as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of warehouses or offices. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. The Company has presented its right-of-use assets separately from other assets. There are no variable payment required to be made which are not included in the measurement of lease liabilities. Each lease generally imposes a restriction that unless there is a contractual right for the Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Company. Some lease contain an option to extend the lease for a further term.

(All amounts in Rupees Lakhs, unless otherwise stated)

2. The following is the break-up of current and non-current lease liabilities as at :

Particulars	31 March 2026	31 March 2025
Current Lease Liability	20.01	59.54
Non Current Lease Liability	16.74	10.80
Total	**36.75**	**70.34**

3. The following is the movement in lease liabilities :

Particulars	31 March 2026	31 March 2025
Balance at the beginning of the year	70.34	128.84
Additions during the year	29.84	5.41
Finance cost accrued during the period	5.69	11.06
Deletions during the year	-	-
Payment of lease liabilities during the year	(69.12)	(74.97)
Balance at the end of the year	36.75	70.34

4. Expense pertaining to leases which has been identified as short-term amounts to INR 8.39 lakhs (31 March 2025 : INR 3.79 lakhs).

5. Expense pertaining to leases which has been identified as low value amounts to Nil (31 March 2025 : Nil).

6. Contractual maturities of lease liabilities as at the end of the year, on an undiscounted basis .

Particulars	31 March 2026	31 March 2025
Less than one year	22.84	63.56
One to three years	18.09	11.27
Three to five years	-	-
More than five years	-	-

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Note 37:- Key Ratios

Ratio	Numerator	Denominator	31 March 2026	31 March 2025	% Variance-Mar'26	Reason for Variance
(a) Current Ratio (times)	Current Assets	Current Liabilities	0.22	0.25	-9.72%	NA
(b) Debt-Equity Ratio (times)	Total Debt (Total Borrowings + Total Lease Liability)	Shareholder's Equity	-15.58	53.93	-128.89%	Continuous losses due to underutilisation of capacity have depleted shareholders' equity. Additionally, borrowings from the holding company and other body corporates have increased.
(c) Debt Service Coverage Ratio (times)	Earning Available for Debt Service*	Gross Interest + Long-term Principal Repayment+Lease payments	0.166	-0.081	-304.19%	The improvement in the ratio is attributable to exceptional income.
(d) Return on Equity Ratio (%)	Net Loss after tax	Average Shareholder's Equity	334%	-148%	-325.30%	The improvement in the ratio is attributable to exceptional income.
(e) Inventory Turnover Ratio (times)	Sale of Products	Average Stock	7.15	6.08	17.62%	-
(f) Trade Receivables Turnover Ratio (times)	Sale of Products	Average Trade Receivables	8.00	8.76	-8.70%	-
(g) Trade Payables Turnover Ratio (times)	Cost of Goods Sold	Average Trade Payables	5.97	4.51	32.28%	Creditor turnover has improved during the current year due to faster payments.
(h) Net Capital Turnover Ratio (times)	Sale of Products	Working Capital	-0.79	-0.93	-15.05%	NA
(i) Net Profit Ratio (%)	Net Loss after tax	Sale of Products	-15%	-22%	-30.28%	The improvement in the ratio is attributable to exceptional income.
(j) Return on Capital Employed (%)	Earnings before interest, exceptional item and tax	Total equity + borrowings	-13%	-6.8%	92.20%	Losses in the current year have further widened due to underutilisation of capacity.

Notes :-
a) Explanations have been furnished for change in ratio by more than 25% as compared to the preceeding year as stipulated in Schedule III to the Act.
b) Ratio for Return on Investment not covered since Investment value is NIL
c) * Earning available for Debt Services = Profit after tax + Finance Cost + Depreciation and amortisation + loss on sale of asset + provision for advances.





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Note 38:- Audit Trail

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled at the application level. During the year ended 31 March 2026, the Company has not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention except at database level.

Note 39:- Labour Code

The Government of India has consolidated existing labour legislations into four comprehensive labour codes effective November 21, 2025. These codes include Code on wages 2019, Code on Social Security 2020, Industrial Relation Code 2020, and Occupational Safety, Health and Working Condition Code 2020 (collectively referred to as the New Labour Codes). The Company has evaluated the incremental impact of these changes in accordance with the guidance issued by the Institute of Chartered Accountants of India and has recognized the additional gratuity and leave liability basis the actuarial valuation. Further, the Company continues to monitor the finalisation of State Rules and clarifications issued by the respective State Governments on other aspects of the New Labour Codes and will give appropriate accounting effect to such developments as and when required.

Note 40 (a):- Going Concern

The Company has incurred losses during the current year amounting to Rs 3,745.98 lakhs, primarily due to lower capacity utilization and in turn lower volumes, coupled with higher costs and negative working capital Rs. 31028.22 lakhs. During the year, certain members of Promoter / Promoter Group of the Holding Company have entered into a Share Purchase Agreement dated December 04, 2025 ("SPA") with Frontier Warehousing Limited ("Acquirer") to sell 13,29,69,279 equity shares representing 42.80% of the share capital, having face value of ₹ 10 each, in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011"). The Acquirer has complied with the Open Offer as per regulatory requirements and is in the process of completing the SPA. In addition to the continuing support by Promoter / Promoter group, the Acquirer has also expressed its commitment to the Company by way of letter of support issued to the Company to provide financial assistance to cover all liabilities falling due in foreseeable future. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern.

Note 40(b):- Previous years figure has been re-grouped/re-arranged where ever necessary to make it comparable with current years figure.

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Note 41:- Disclosure regarding amendments in Schedule III

a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company do not have any transactions with companies struck off.

c) The Company does not have any charge or satisfaction of charge, which is yet to be registered with the Registrar of Companies beyond the statutory period.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e) The Company has not advanced or loaned or invested funds in any other person(s) or entity(is) including foreign entities(Intermediaries) with the understanding that the intermediary shall:
i) Directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Company(Ultimate Beneficiaries) or
ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

f) The Company has not received any funds from any person(s) or entity(ies), including foreign entities(Funding Party) with the understanding(whether recorded in writing or otherwise) the Company shall:
i) Directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party Company (Ultimate Beneficiaries) or
ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

g) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act 1961(such as search, survey or any other relevant provisions of the Income-tax Act 1961).

h) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

For Walker Chandiok & Co LLP
Firm Registration Number: 001076N/N500013
Chartered Accountants

Dhiraj Kumar
Partner
Membership No.: 060466

For and on behalf of Board of Directors of Cygnet Industries Limited

Kashi Prasad Khandelwal
Director
DIN: 0748523

Deepak Kumar Sharma
Director
DIN: 02555564

Vineet Rai
Chief Executive Officer

Sneha Shaw
Company Secretary

Sarat Priya Patjoshi
Director
DIN: 06620290

Sharmila Nath
Director
DIN: 07041921

Raj Kumar Burman
Chief Financial Officer

Place: Kolkata
Date : 27 May 2026