2025-26
ANNUAL REPORT

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Disclaimer :

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

CORPORATE INFORMATION

REGISTERED NAME

Divyadhan Recycling Industries Limited

BOARD OF DIRECTORS

Mr. Varun Gupta
Managing Director

Mr. Pratik Pramod Gupta
CFO & Director

Mr. Umesh Gupta
Non-Executive Director

Mr. Satish Chandra Sharma
Non-Executive Independent Director

Mrs. Priyanka Agarwal
Non-Executive Independent Director

STATUTORY AUDITOR DETAILS

CA Virender Kumar
Partner (M No. 093571)
MAPSS & COMPANY
Chartered Accountants
(Firm's Registration No. 012796C)
email - virender.grover@gmail.com
Phone - 9810935043

CHIEF FINANCIAL OFFICER

Mr. Pratik Pramod Gupta

COMPANY SECRETARY AND COMPLIANCE OFFICER

CS Sanjay Kandpal
M No - 63938
Email - cs@divyadhan.in
Phone -9818870214

COMPANY SECRETARY AUDITOR DETAILS

FCS Arpana Nassa
M. No.: F11994 COP No.: 25403
Partner, VS Associates,
Peer Reviewed Practicing
Company Secretary
(Peer Review No. 3578/2023),
Mobile - 9953745698
Email -office@vsassociate.com

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
Address: D-153 A, 1st Floor, Okhla Industrial Area, Phase -1, New Delhi-110020
Telephone: +91-11-40450193-97,
Email - compliances@skylinerta.com / info@skylinerta.com
Website: www.skylinerta.com

REGISTERED OFFICE

1803, Lodha Supremus, Saki Vihar Road, Opp. Telephone Exchange, Powai, Mumbai, Maharashtra-400072

CORPORATE OFFICE

1803, Lodha Supremus, Saki Vihar Road, Opp. Telephone Exchange, Powai, Mumbai, Maharashtra-400072

MANUFACTURING FACILITY

Village Kalyanpur, Nalagarh Road, Opp. Gupta Hospital, Baddi, Solan, Himachal Pradesh-173205

R&D Centers

Village Kalyanpur, Nalagarh Road, Opp. Gupta Hospital, Baddi, Solan, Himachal Pradesh-173205

LIST OF BANKERS

Axis Bank Limited

WEBSITE:

www.divyadhan.in

ABOUT US

DRIL was formed by executives from textiles industry with experience in Yarn spinning and home textiles. The vision was was set up a state of the art manufacturing unit which would adhere to the highest quality parameters which was missing from the Indian recycled market. Since, DRIL has established itself as the premium Indian supplier for Fiber for Fiber-fill and Carpet yarn applications. DRIL products command significant premium due to the Company’s commitment to the needs of the customer and the painstaking effort the promoters have put to ensure uniformity in product quality.

VISION & MISSION

VISION

To be a pioneering leader in the realm of collection, segregation, recycling, and treatment of PET waste for the environmental sustainability to promote larger well-being of the mother earth and to set new standards for responsible PET waste management while inspiring positive change across industries.

MISSION

To advance environmental conservation through the effective utilization of technology and resource management, making a lasting impact on our planet's well-being.

CORE VALUES

Environmental Stewardship

Protecting natural resources and minimizing the impact of wastewater discharge on ecosystems. Implementing sustainable practices to ensure long-term environmental health.

Transparency and Accountability

Communicating openly with the community about plant operations and performance.
Being accountable for compliance with regulations and quality standards..

Efficiency and Innovation

Maximizing resource recovery from wastewater (such as biogas, biosolids, and recycled water).Embracing innovative technologies and processes for efficient treatment.

Continuous Improvement

Regularly assessing and upgrading treatment processes. Learning from incidents and striving for excellence...

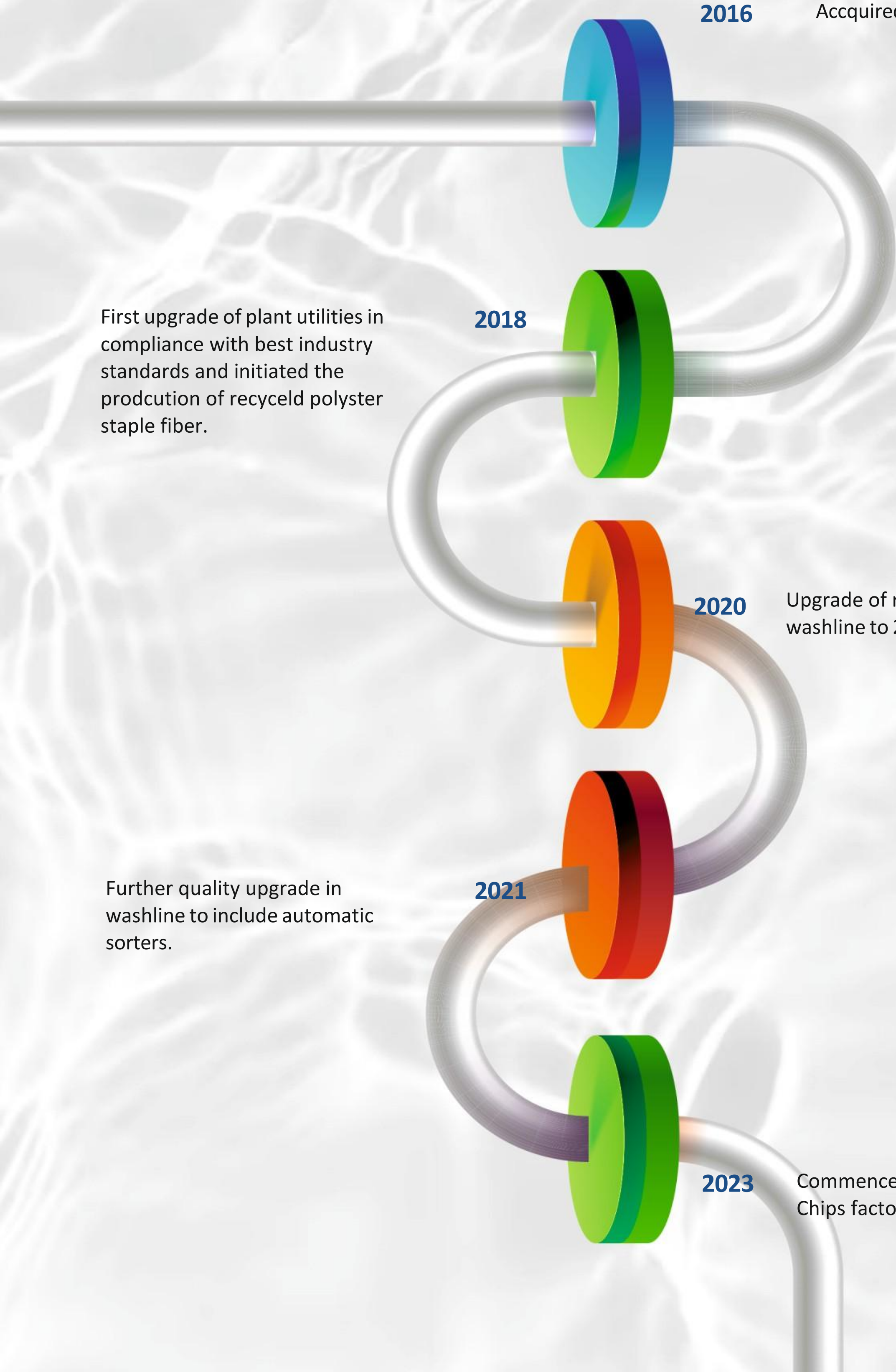
Safety and Health

Ensuring a safe working environment for employees and contractors. Prioritizing public health by treating wastewater effectively.

Community Engagement

Engaging with local communities to address concerns and build trust. Educating the public about wastewater treatment and its importance.

OUR JOURNEY



2016 Accquired manufacturing facility.

2018 First upgrade of plant utilities in compliance with best industry standards and initiated the prodcution of recyceld polyster staple fiber.

2020 Upgrade of recycled PET flakes washline to 20MT per day capacity.

2021 Further quality upgrade in washline to include automatic sorters.

2023 Commencement of recycled PET Chips factory.

OUR PRODUCTS

SPRINING FIBER

1.5D Medium Tenacity

3D Medium Tenacity

CARPET YARNS

6D 102mm Hollow White

6D 102mm Pearl Bright

Cationic

NON-WOVEN

3D Non-woven

15D Non woven

6D Non-woven

FILLING FIBER

Micro Fiber

7D Hollow Fiber

3D Hollow Conjugated

15D Hollow Fiber

15D Hollow Conjugated

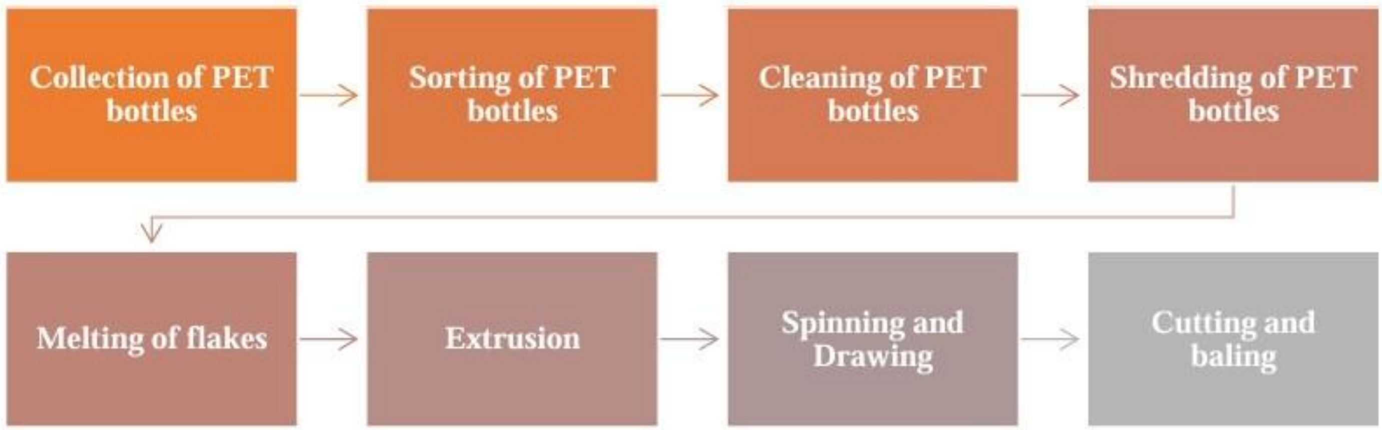
7D Hollow Conjugated

GEOTEXTILES

1.5D Medium Tenacity

3D Medium Tenacity

OUR MANUFACTURING PROCESS



OUR CAPITALS

At Divyadhan Recycling Industries Limited we create value that grows, enriches and sustains. By sourcing high-quality ingredients, implementing eco-friendly practices, and maintaining rigorous standards of excellence, we not only enhance our services offerings but also strengthen our relationships with vendors, partners, employees, and the broader community. This approach generates a ripple effect of benefits for our stakeholders, underpinned by our care for service, the environment and our global community.

STAKEHOLDER ENGAGEMENT

INVESTORS

- Timely communication on strategy and performance
- Ethical business practices, compliance and good corporate governance
- Transparent reporting and disclosure
- Sustainable growth and value creations

- Investor & analyst meets/calls, including one-on-one or group meetings
- Annual General Meeting
- Integrated annual report
- Responsive communication channels for queries and feedback

EMPLOYEES

- Training and development
- Health and safety matters
- Fair practices, work- life balance and timely remuneration
- Performance evaluation and recognition

- Employee engagement initiatives
- Cultural events
- Training and development workshops
- Health initiatives
- Performance appraisals
- Grievance redressal mechanisms

COMMUNITIES

- Community welfare initiatives
- Environment conservation
- Healthcare for the underprivileged

- Focus on health, education, livelihood and poverty alleviation

GOVERNMENT/ REGULAT OR BODIES

Obtaining necessary approvals and certifications Timely reporting to Regulatory authorities

- Compliance with laws and regulations
- Timely reporting through various compliance-based forms

- Meetings, presentation, reports and networking in different forums organised by regulatory authorities
- Timely regulatory filings
- Periodical submission of business performance
- Written communications

Collaborative planning for inventory management and demand forecasting

VENDORS/ SUPPLIERS

- Fair and ethical procurement & engagement practices
- Knowledge programmes to reduce suppliers' risks
- Pricing and favourable terms of payment
- Timely clearance
- Addressing supplier grievances
- Assureel Quality

- Phone, email or in-person engagement
- Suppliers' meetings, regular meetings, seminars, and workshops

CHAIRMAN MASSAGE

Dear Members,

It gives me great pleasure to welcome you all to the Annual General Meeting of the Company and to present the performance of the Company for the financial year ended **31 March 2026**.

I am pleased to share that the Company continued to maintain a positive growth trajectory during the year. **Revenue from operations increased from ₹59.48 crore in FY 2024-25 to ₹79.41 crore in FY 2025-26, registering a growth of approximately 33.5%.** Total income also increased from ₹60.12 crore to ₹79.46 crore.

Despite the increase in the scale of operations and corresponding expenses, the Company remained profitable. **Profit Before Tax increased from ₹2.16 crore to ₹2.36 crore**, while **Profit After Tax improved from ₹1.54 crore to ₹1.71 crore**, representing a growth of around 11%. The **Earnings Per Share also increased from ₹1.07 to ₹1.19**, reflecting an improvement in value generated for our shareholders.

These results are encouraging and demonstrate the Company's ability to grow its business while maintaining profitability. At the same time, we remain conscious of the need to improve margins, enhance operational efficiency and ensure sustainable growth in the years ahead.

Looking forward, our focus will remain on strengthening our core business, improving productivity, managing costs prudently and identifying new opportunities for growth. We believe that with a strong foundation and the continued commitment of our team, the Company is well positioned to create sustainable value for all stakeholders.

I would like to place on record my sincere appreciation to our **employees, customers, business partners, lenders and other stakeholders** for their continued trust and support. I also thank my fellow Board members for their valuable guidance and commitment.

Most importantly, I express my gratitude to all our **shareholders** for their continued confidence in the Company. We remain committed to earning that trust through responsible management, transparent governance and consistent performance.

Thank you, and I wish the Company and all its stakeholders continued success and prosperity.

With warm regards,

Varun Gupta
Managing Director
Divyadhan Recycling Industries Limited

NOTICE FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 16TH ANNUAL GENERAL MEETING OF THE MEMBERS OF DIVYADHAN RECYCLING INDUSTRIES LIMITED WILL BE HELD ON MONDAY,28th SEPTEMBER, 2026 AT 3:00 P.M. IST THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED ON MARCH 31, 2026 TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND STATUTORY AUDITORS THEREON:**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** the Audited Standalone Financial Statement comprising of Profit & Loss Account for the year ended 31st March, 2026, Balance Sheet of the Company as at 31st March, 2026, Cashflow statement as on 31st March, 2026 together with the Schedules and Notes annexed thereto and Report of the Directors and Auditors thereon be and are hereby considered and adopted."

2. **TO APPOINT A DIRECTOR IN PLACE OF MR. PRATIK PRAMOD GUPTA (DIN: 06576759), WHO RETIRES BY ROTATION AT THIS MEETING AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT:**

   To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Pratik Pramod Gupta (DIN: 06576759), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company."

3. **TO APPROVE THE APPOINTMENT OF M/S MAPSS & CO., CHARTERED ACCOUNTANTS, AS STATUTORY AUDITORS OF THE COMPANY:**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as **an Ordinary Resolution**:

   "**RESOLVED THAT,** pursuant to the provisions of Section 139 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended from time to time including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force M/S MAPSS & Co., Chartered Accountants, (Firm Registration No. 012796C) having a Peer review Certificate issued by the Peer Review Board of ICAI, be and are hereby appointed as Statutory Auditors of the Company for the 5 consecutive Financial Year from 2026-27 to 2030-31 with immediate effect to hold office till the conclusion of Annual General Meeting to be held in the calendar year 2031, at a remuneration as mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT, Directors of the Company be and are hereby jointly and/or severally authorized to file, sign and submit the e-forms and necessary documents with the concerned authorities and to do all such acts, deeds and things may be required to give effect to the foregoing resolution."

SPECIAL BUSINESS:

4. <u>TO APPROVE THE RE-APPOINTMENT OF VS ASSOCIATES, PRACTISING COMPANY SECRETARY AS A SECRETARIAL AUDITORS OF THE COMPANY.</u>

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with Circulars issued thereunder from time to time,[including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and in accordance with the recommendation of the Audit Committee and approval of the Board of Directors of the Company, consent of the members be and is hereby accorded for the appointment of VS Associates, Peer Reviewed Practicing Company Secretary (Peer Review No.: 3578/2023) as the Secretarial Auditors of the Company for a period of five (5) years, commencing from Financial Year 2026-27 till Financial Year 2030-31, to conduct the Secretarial Audit and to furnish the Secretarial Audit Report for the aforesaid period.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out of pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the Secretarial Auditors.

RESOLVED FURTHER THAT, Directors of the Company be and are hereby jointly and/or severally authorized to file, sign and submit the e-forms and necessary documents with the concerned authorities and to do all such acts, deeds and things may be required to give effect to the foregoing resolution."

5. <u>REGULARIZATION OF MR. UMESH GUPTA AS A NON-EXECUTIVE DIRECTOR OF THE COMPANY</u>

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s), or re-enactment(s) thereof for the time being in force), and in accordance with the Articles of Association of the Company, based on the recommendation of the Board of Directors and the Nomination and Remuneration

Committee, Mr. Umesh Gupta (DIN: 11786539) be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company, liable to retire by rotation, with effect from this AGM, wherever required under the applicable provisions of the Companies Act, 2013, the rules made thereunder, and any other applicable laws or regulations.

RESOLVED FURTHER THAT the Board and/or Company Secretary of the Company, be and are hereby jointly and/or severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

By Order of the Board of Directors
Divyadhan Recycling Industries Limited

Varun Gupta
(Managing Director)
DIN: 00471296
Address: B-1703, Omaxe Forest SPA,
Noida Sector 93B, Noida,
Gautam Buddha Nagar,
Uttar Pradesh - 201301

Place: Noida
Date: 25.08.2026

NOTES:

1. **Pursuant to the General Circular No. 14/2020, 17/2020, 20/2020 and 09/2024 and 03/2025 dated April 8, 2020, April 13, 2020, May 5, 2020 and September 19, 2024 and September 22, 2025 respectively, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, Companies are allowed to hold AGM/ AGM through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of members at a common venue.**

In compliance with applicable provisions of the Act read with MCA circulars and SEBI Circular, the 16th Annual General Meeting of the Company is being conducted through VC/OAVM, without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/ OAVM facility, the Route Map is not annexed to this notice.

2. **Since this AGM is being held pursuant to the Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate and cast their votes through e-voting.**

3. **The Members are requested to join the ensuing 16th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the ensuing AGM without restriction.**

4. **The attendance of the Members attending the 16th AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.**

5. **In line with the Ministry of Corporate Affairs (MCA) Circular collectively, the Notice calling the 16th AGM along with Annual report and other relevant documents has been uploaded on the website of the Company at www.divyadhan.in. The Notice along with Annual Report can also be accessed from**

the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at www.nseindia.com respectively and the AGM Notice and Annual report is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

6. **Corporate Members intending to send their authorized representative to attend the Meeting are requested to submit a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorizing their representative to attend and vote along with specimen signature of Authorized representative(s) by e-mail to cs@divyadhan.in before the commencement of the AGM.**

7. **The Company has received the requisite consent/declarations for the appointment under the Companies Act, 2013 and the rules made thereunder.**

8. **An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the AGM as set out in this notice is annexed hereto.**

9. **In case of joint holders attending the 16th AGM, the member whose name appears as the first holder in the order of names as per Register of Member will be entitled to vote, provided the votes are not already cast by remote e-voting.**

10. **All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company during the Business hours on all working days except Saturday and Sunday up to the date of an Annual General Meeting.**

11. **Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at email address:** cs@divyadhan.in **on or before 15th September, 2026. Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.**

12. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a maximum time of 3(three) minutes each, once the floor is open for shareholder queries. The Company reserves the right to restrict the number of speaker and number of questions depending on the availability of time for the AGM.**

13. **For receiving all communication (including Notice) from the Company electronically:**

A. **Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of folio number and attaching a self-attested copy of the PAN Card at cs@divyadhan.in. or to the Company's RTA at info@skylinerta.com.**

B. Members holding shares in dematerialized mode are requested to register/ update their email addresses with the relevant Depositories.

14. Members will be able to attend the 16th AGM through VC/ OAVM or view the live webcast by logging on to the e-voting website of CDSL at www.evotingindia.com by using their e-voting login credentials. On this page, click on the link Shareholders / Members, the Video Conferencing/ webcast link would be available.

15. To prevent fraudulent transactions, members are advised to intimate immediately any change in their address to Company's Registrar and Share Transfer Agents Skyline Financial Services Pvt Ltd D-153 A, 1st Floor, Okhla Industrial Area, Phase 1, New Delhi- 110020 Tel 11-40450193-97 Fax No. +91-11-26812683. Members holding shares in the electronic form are advised to inform change in address directly to their respectively depository participants.

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16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and KYC details and nomination details by every participant in securities market. Members are requested to update the said details against folio/demat account.

17. Remote e-voting Facility: -

a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read along with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') will be provided by Central Depository Securities (India) Limited (CDSL).

b. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. 21.09. 2026.

c. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on 21.09. 2026 (cut-off date) only shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting through ballot paper.

e. Ms. Arpana Nassa, Partner of M/s. VS Associates., Peer Reviewed Practicing Company Secretary (COP: 25403, M. No. FCS: 11994 and Peer Review No.: 3578/2023) has been appointed as a Scrutinizer for conducting the remote e-voting and voting through video conferencing in fair and transparent manner.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on 25.09.2026 at 9:00 A.M. and ends on 27.09.2026, at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21.09.2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access the e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are

with CDSL Depository	requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re- directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home

	page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will Internal have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. NSDL Mobile App is available on App Store Google Play
Individual Shareholders (holding securities in demat mode) login through their depository participants	**You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.**

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000 and 022 - 2499 7000.
Individual Shareholders holding securities in demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at Toll Free No. 1800-21-09911

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

i. Login Method for e-Voting and joining virtual meeting for **shareholders holding securities in physical mode other than Individual shareholders holding securities in demat mode.**

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
	For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

4. holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
5. Enter the Image Verification code displayed on the screen and click on Login.

6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

7. If you are a first-time user, please follow the steps provided in the table below:

Field	For Physical Shareholders and Non-Individual Shareholders holding shares in Demat
PAN	Enter your 10-digit alphanumeric PAN issued by the Income Tax Department (applicable for both demat and physical shareholders). • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or to contact the Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(ii) After entering these details appropriately, click on "**SUBMIT"**.

(iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(iv) For shareholders holding shares in physical form, the details entered may only be used for e-voting on the resolutions contained in this Notice.

(v) Click on the EVSN for **DIVYADHAN RECYCLING INDUSTRIES LIMITED** on which you wish to vote.

(vi) On the voting page, the "**RESOLUTION DESCRIPTION**" will be displayed along with the option to select "**YES"** or "**NO**". Selecting YES indicates assent to the resolution; selecting NO indicates dissent.

(vii) Click on the "**RESOLUTIONS FILE LINK**" to view the complete details of the resolution.

(viii) After selecting the resolution, you wish to vote on, click on "**SUBMIT**". A confirmation box will be displayed. Click "**OK**" to confirm your vote or "**CANCEL**" to modify it.

(ix) Once you "**CONFIRM**" your vote, you will not be permitted to modify it.

(x) You may take a print of the votes cast by clicking on "**CLICK HERE TO PRINT**" on the Voting page.

(xi) If a demat account holder has forgotten the login password, enter the User ID and image verification code and click on 'Forgot Password' and follow the prompts.

(xii) There is an optional provision to upload Board Resolution/Power of Attorney (BR/POA), which will be made available to the Scrutinizer for verification.

Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
5. It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively, non-individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; varun@divyadhan.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops /I Pads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@divyadhan.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@divyadhan.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

The results declared along with the report of the Scrutinizer will be placed on the website of the Company i.e. www.divyadhan.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately forwarded to National Stock Exchange of (India) Ltd, Mumbai.

Mr. Varun Gupta, Managing Director (DIN 00471296) of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. His contact details and Address: Registered Office of Company, i.e 803, Lodha Supremus, Saki Vihar Road, Opp. Telephone Exchange, Powai, Mumbai - 400 072, Maharashtra, India, Telephone No.: 89284 34702 E-mail: cs@divyadhan.in;

By Order of the Board of Directors
Divyadhan Recycling Industries Limited

Varun Gupta
Managing Director
DIN: 00471296
Address: B-1703, Omaxe Forest SPA,
Noida Sector 93B, Noida,
Gautam Buddha Nagar,
Uttar Pradesh - 201301

Place: Noida
Date: 25.08.2026

Explanatory Statement

(Pursuant to Section 102(1) of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

ITEM NO. 4: RE-APPOINTMENT OF VS ASSOCIATES, PRACTISING COMPANY SECRETARY, AS SECRETARIAL AUDITORS OF THE COMPANY

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the rules made thereunder, the Board of Directors of the Company, at its meeting held on 17th April, 2026, approved the appointment of VS Associates, Practising Company Secretaries (Peer Review Certificate No. 3578/2023), as the Secretarial Auditor of the Company, subject to the approval of the members.

The proposed appointment shall be effective from 28.09.2026 and shall be for a period of five (5) consecutive financial years commencing from Financial Year 2026-27 and ending with Financial Year 2030-31, subject to the approval of the members of the Company.

VS Associates has conveyed its consent to act as the Secretarial Auditor of the Company and has confirmed that its appointment, if approved by the members, would be in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder. The firm has also confirmed that it holds a valid Peer Review Certificate.

VS Associates is a firm of Practising Company Secretaries having experience in providing secretarial, compliance and regulatory advisory services, with a focus on business excellence and regulatory compliance.

None of the Promoters, Directors, Key Managerial Personnel (KMPs) or their respective relatives, forming part of the Promoter Group of the Company, have any concern or interest, financial or otherwise, in the proposed appointment of VS Associates as the Secretarial Auditor of the Company.

ITEM NO. 5: REGULARISATION OF MR. UMESH GUPTA (DIN: 11786539) AS A NON-EXECUTIVE DIRECTOR

The Board of Directors of the Company, at its meeting held on 02nd July, 2026, appointed Mr. Umesh Gupta (DIN: 11786539) as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company. In terms of the said provisions, Mr. Umesh Gupta holds office up to the date of this Annual General Meeting.

The Board noted that Mr. Umesh Guupta has rich experience in business, strategy, as more particularly set forth in his profile. Considering the qualifications, experience, expertise and valuable guidance provided by Mr. Umesh Gupta, the Board is of the opinion that his continued association as a director would be beneficial to the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in this item. The Board recommends the Special Resolution as set out in

Item No. 5 of this Notice for approval of the Members.

The details of the Directors, as required under **Secretarial Standard–2 (SS-2)**, are provided in **Annexure 1** enclosed herewith.

By Order of the Board of Directors
Divyadhan Recycling Industries Limited

Varun Gupta
Managing Director
DIN: 00471296

Place: Noida
Date: 25.08.2026

ANNEXURE 1

The brief profile and other particulars of Director seeking re-appointment in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including Secretarial Standard-2 on General Meetings ("SS-2"):

Name	Pratik Pramod Gupta	Umesh Gupta
DIN No.	06576759	11786539
Age	Age 37 years (10th June 1988)	Age 53 Years (31st August, 1973)
Date of Appointment	14/04/2013	29/06/2026
Position held	Executive Director & Chief Financial Officer	Non-Executive Non-Independent Director
Qualification	Master's in Business Law	PGDM in Financial Management
Experience (including expertise in specific functional area) / Brief Resume	He has an experience of around 10 years in Recycled Polymer space.	He has an experience of around 20 years in Operations in various verticals of Organization.
Other Directorship	1. Company name- Medilia Limited CIN-U24299DL2021PLC381855 Designation- Director 2. Company name- Proma Carbons Private Limited CIN-L19201MH2024PTC430645 Designation- Director 3. Company name- Proma Industries Limited CIN-U51101RJ1990PLC005581 Designation- Director 4. Company name- Vinpro Recycletech Private Limited CIN-U22209MH2022PTC391609 Designation- Director 5. Company name- Associated Textile Industries Private Limited CIN-U17200MH2002PTC135575 Designation- Director	Nil

	6. Company name- Proma Greentech Private Limited CIN- U22209GJ1998PTC0	
Shareholding in the Company	49,98,816	Nil
Names of the Listed Companies in which he holds Directorship/ Committee Membership	Director in : Divyadhan Recycling Industries Limited Committee Membership: Nil	Director in: Divyadhan Recycling Industries Limited
Job Profile & Suitability	To Manage and control function of Finance and day to day affairs of Company under the superintendence, control and directions of the Board of Directors of the Company	To Manage and control function of Production Department.
Terms and conditions of reappointment/appointment	Appointed as a Director liable to retire by rotation.	Appointed as a Director liable to retire by rotation.
Remuneration proposed to be paid	Rs. 2,00,000/- per month	Nil
Name of listed entities from which the person has resigned in the past three years	NIL	Nil
Details of meeting attended and Remuneration last drawn	All the Board meetings held during the year 2025-26. Mr. Pratik Gupta has been appointed as Chief Financial officer on 23/01/2024, he received a remuneration of Rs. 2,00,000 /- per month in financial year 2025-26 in the capacity of CFO and Director.	The Board meeting held on 06th July, 2026.
Disclosure of relationships between directors inter-se;	Not Applicable	Not Applicable

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting the 16th Director Report on the business and operations of your Company along with the Audited Financial Statement for the year ended 31 March 2026.

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The Board's Report has been prepared based on the stand-alone financial statements of the company:

PARTICULARS	CURRENT YEAR (2025-2026) (Amount in Rs. Lakhs)	PREVIOUS YEAR (2024-2025) (Amount in Rs. Lakhs)
Revenue from Operation	7941.35	5948.23
Other Income	4.27	64.12
Total Income	7945.62	6012.35
Total Expense	7709.79	5796.24
Profit or (Loss) before tax	235.83	216
Less: Current Tax	6.15	34.75
Deferred Tax	59.15	27.74
Prior Period Tax	-	-
Profit or (Loss) after Tax	170.53	153.63
Earnings Per Share (EPS)		
1. Basic	1.19	1.07
2. Diluted	1.19	1.07

2. BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR:

The Company is mainly engaged in the business of collection, segregation, processing, recycling, treatment, and disposal of various types of waste, including municipal solid waste, e-waste, construction debris, bio-medical and hazardous waste. It also operates recycling facilities and is involved in the manufacture and trading of products made from recycled materials.

The Company continues to promote sustainable practices, ensure compliance with environmental regulations, and undertake awareness initiatives for conservation and waste reduction.

The financial year 2025-26 was one of the significant years in terms of growth and sustainability:

- During the year under review, the company has earned Revenue from Operation of Rs. 7941.35/- (in Lakhs) as compared to Revenue from Operation of Rs. 5948.23/- (in Lakhs) earned in the previous year.
- During the Year under review, the Company has earned Profit Before Tax of Rs. 235.83/- (in Lakhs) as compared to profit Before Tax of Rs. 216/- (in Lakhs) earned in the previous year.
- During the Year under review, the Company has earned profit after tax of Rs. 170.53/- (in Lakhs) as compared to profit after tax of Rs. 153.63/- (in Lakhs) earned in the previous year.

3. DIVIDEND

In view of the planned business growth, your directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2026.

4. TRANSFER TO GENERAL RESERVE

Pursuant to provisions of Section 134(1) (j) of the Companies Act, 2013, the Company has transferred the profit of Rs. 170.53 (in Lakhs) to the General Reserve account of the company during the year under review.

5. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY

There has been no change in the nature of the business of the company during the financial year ended 31st March, 2026.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 2025-26 (I.E. FROM 1ST DAY OF APRIL 2026) OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND TILL THE DATE OF THIS REPORT.

On 29th June, 2026, the Company has approved the proposal to avail a Working Capital Term Loan from Axis Bank Limited, MWBC New Delhi Branch, aggregating up to Rs. 1,75,00,000/- (Rupees One Crore Seventy-Five Lakhs Only).

On 06th July, 2026, the Company has approved the allotment of 36,80,000 (Thirty-Six Lakh Eighty Thousand) preferential warrants, convertible into an equivalent number of equity shares of the Company, to the identified allottees on a preferential basis.

8. DETAIL OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No such significant and material order has been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

9. DEPOSITS

During the financial year 2025-26, the Company has not accepted any deposits in terms of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014. The Company did not have outstanding deposits at the beginning/ at the end of the year. The details in this regard are as follows:

Particulars	Status
(a) Deposits accepted during the year	N.A.
(b) Deposits remaining unpaid or unclaimed as at the end of the year.	N.A.
(c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year	
(i) At the beginning of the year	N.A.
(ii) Maximum outstanding during the year	N.A.
(iii) At the end of the year	N.A.

Accordingly, the disclosure regarding deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013 is **not applicable** to the Company.

10. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND/OR THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

A. **STATUTORY AUDITOR'S REPORT**:

Pursuant to Section 139 of the Act read with rules made thereunder, as amended, M/s. MAPSS & Co., Chartered Accountants (FRN No. 012796C), were appointed as the Statutory Auditors of your Company to fill the casual vacancy caused due to resignation of auditor M/s. Amarnath Sharma & Co., to undertake the statutory auditor for the financial year 2025-26. The Board has taken note and M/s. MAPSS & Co., Chartered Accountants have confirmed their eligibility under section 141 of the Companies Act, 2013 and the Rules framed thereunder as Statutory Auditors of the company. As required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the peer review Board of the Institute of Chartered Accountants of India. There are no qualifications, reservations or adverse remarks or disclaimers made by the auditors in their report on the financial statements of the company for the financial year ended 31st March, 2026. The notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any comments or explanation.

B. **SECRETARIAL AUDITOR'S REPORT**:

Pursuant to requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to Secretarial Audit are **applicable** to our company. The company has appointed VS Associates, Practicing Company Secretaries (Peer Reviewed Certificate No.: 3578/2023) to fill the cascual vacancy caused due to resignation by Secretarial Auditor M/s Ainesh Jethwa & Associates, to undertake the Secretarial Audit of the company for the financial year 2025-26. Secretarial Audit Report in Form MR-3 is given by VS Associates, Practicing Company Secretaries and is attached herewith as **Annexure A**.

The observations referred to in the Secretarial Audit Report (**MR-3**) are self-explanatory and do not call for any comments or explanations.

11. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Company does not have any Subsidiary company/ Joint venture/ Associate company during the financial year.

12. EXTRACT OF ANNUAL RETURN:

In terms of Section 92(3) read with Section 134 of the Act read with rules issued thereunder, the Annual Return of the Company for the FY 2024-25 is available on the website of the Company and can be accessed at https://divyadhan.in.

13. CHANGES IN SHARES

During the year under review the Company has not made changes in the share capital and the details of the same are as mentioned below:

(a) Authorised Share Capital:

The Authorized Share Capital of the Company is Rs. 18,09,00,000/- consisting of 1,80,00,000 Equity shares of Rs. 10/- each and 90,000 Preference shares of Rs. 10/- each.

(b) Issued, Subscribed & Paid-Up Capital:

The issued, subscribed and paid-up share capital as on 31st March, 2026 was Rs. 14,30,67,140/- consisting of 1,43,06,714 Equity shares of Rs. 10/- each.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In compliance with the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications (s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations, 2015, the composition of the Board of Directors and Key

Managerial Personnel as on 31st March, 2026 is as follows:

Sr. No.	Name of Directors	DIN	Date of Appointment	Designation
1	Mr. Varun Gupta	00471296	07-05-2016	Managing Director
2	Mr. Pratik Pramod Gupta	06576759	14-04-2013	Executive Director & CFO
3	Mr. Satish Chandra Sharma	06644259	08-02-2024	Independent Director
4	Ms. Priyanka Agarwal	08089006	08-02-2024	Independent Director
5	Mr. Niranjan Dev Sarma	06462725	01-10-2025	Non Executive Director

A) Changes in Directors and Key Managerial Personnel

The details about the changes in the directors or key managerial personnel during the period under review by way of appointment, re–designation, resignation, death or disqualification, variation made or withdrawn etc are as follow:

Name of Directors	DIN	Change in Designation, Appointment, Regularization, Retirement, Resignation	Date of such event
Mr. Manoj Kumar	10345101	Resignation as a Non Executive Director	28-07-2025
Mr. Niranjan Dev Sarma	06462725	Appointment as a Non Executive Director	01-10-2025
Mr. Pramod Kumar Gupta	AAFPG7855C	Resignation as a Company Secretary	30-01-2026

Post Financial Year 2025-26, the following changes were occurred on the Board of Company:

1. Mr. Sanjay Kandpal was appointed as a Company Secretary and Compliance officer of the company on 22.04.2026.
2. Mr. Niranjan Dev Sharma, Non-Executive Director of the company resigned from his position w.e.f 19.05.2026.
3. Mr. Umesh Gupta, has been appointed as an Additional Director of the company w.e.f 29.06.2026.

15. RETIREMENT BY ROTATION:

Mr. Pratik Pramod Gupta (DIN: 06576759), Director of the Company, who retires by rotation in accordance with the provisions of Section 152 of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The detailed profile of Mr. Pratik Pramod Gupta (DIN: 06576759) has been included in the Notice convening the ensuing AGM.

The Company has received consent in writing to act as directors in Form DIR-2 and intimation in Form DIR-8 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under section (2) of section 164 of the Companies Act, 2013.

The Board considers that his association would be immense benefit to the Company and it is desirable to avail his services as Directors. Accordingly, the Board recommends the resolution related to appointment of above directors for the approval of shareholders of the company.

16. NUMBER OF BOARD MEETINGS, GENERAL MEETINGS AND COMMITTEE MEETINGS

A. BOARD MEETINGS

The Board of Directors duly met **05** times during the year for which proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose.

S No.	Date of Board meeting	Number of Directors as on the date of meeting	Number of directors who attended the Board meeting
01	22/05/2025	5	5
02	30/05/2025	5	5
03	03/09/2025	4	4
04	13/11/2025	5	5
05	27/01/2026	5	5

B. GENERAL MEETINGS

Pursuant to the provisions of the Companies Act, 2013 and the rules framed thereunder, one General Meeting of the Company's members were convened during the financial year ended March 31, 2026. The details of the meetings are as follows:

S No.	Date of General meeting	General Meeting	Number of members who attended the General meeting
01	29/09/2025	Annual General Meeting	7

C. COMMITTEE MEETINGS

1. Name of committee: Audit Committee

The Audit Committee of the Company is constituted under the provisions of section 177 of the Companies Act, 2013. The Composition of Audit Committee as on March 31, 2026 is mentioned below:

Name of the Directors	Designation in the Committee	Nature of Directorship	Number of Meetings Held during the FY 2025-26		% of Attendance
			Held	Attended	
Satish Chandra Sharma	Chairperson	Independent Director	4	4	100%
Priyanka Agarwal	Member	Independent Director	4	4	100%
Varun Gupta	Member	Managing Director	4	4	100%

2. Name of committee: Stakeholder Relationship Committee

Name of the Directors	Designation in the Committee	Nature of Directorship	Number of Meetings Held during the FY 2025-26		% of Attendance
			Held	Attended	
Satish Chandra Sharma	Chairperson	Independent Director	1	1	100%
Priyanka Agarwal	Member	Independent Director	1	1	100%
Niranjan Dev Sarma	Member	Non Executive Director	1	1	100%

3. Name of committee: Nomination and Remuneration Committee

Name of the Directors	Designation in the Committee	Nature of Directorship	Number of Meetings Held during the FY 2025-26		% of Attendance
			Held	Attended	
Satish Chandra Sharma	Chairperson	Independent Director	1	1	100%
Priyanka Agarwal	Member	Independent Director	1	1	100%

4. Name of committee: Corporate Social Responsibility (CSR) Committee

The provision of Section 135 (CSR Committee) of the Companies Act, 2013 and the rules made there under were not applicable to the Company and hence the Company was not required to formulated committee during the financial year under review.

D. INDEPENDENT DIRECTOR MEETING

Name of the Directors	Designation in the Committee	Nature of Directorship	Number of Meetings Held during the FY 2025-26		% of Attendance
			Held	Attended	
Satish Chandra Sharma	Chairperson	Independent Director	1	1	100%
Priyanka Agarwal	Member	Independent Director	1	1	100%

17. ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The company has established a robust the Vigil Mechanism policy that provides a formal mechanism for all Directors, employees and vendors of the Company to report genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of the company's Code of Conduct or Ethics Policy.

The Vigil mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements incorrect or misrepresentation of any financial statements and reports, etc.

However, During the year no concerns about unethical behavior, actual or suspected fraud or any violation has been reported to the Committee.

The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website:
https://divyadhan.in

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the financial year 2025-26, the Company did not grant any loan or provide any guarantee or made any investment in securities as per the provisions of section 186 of the Companies Act, 2013.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 20t3 including certain arms-length transactions under third proviso thereto are disclosed in Form No. AOC -2 marked as **Annexure-B**.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (*c*) of sub-section (*3*) of Section 134 of the Companies Act, 2013, shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(*b*) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(*c*) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) the directors had prepared the annual accounts on a going concern basis; and

(*e*) the directors had devised Material changes proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by our Company are explained as under:

a) The details with repect to Conservation of Energy is mentioned herein below:

S. No.	Particulars	Details
1.	the steps taken or impact on conservation of energy	The Company undertakes regular monitoring of energy consumption at construction sites and hotel properties. Energy-efficient lighting systems such as LED lights, and controlled operating schedules have been implemented to minimize energy consumption.
2.	the steps taken by the company for utilising alternate sources of energy	The Company encourages the use of renewable and alternate energy sources wherever feasible. Solar energy is utilized for water heating, outdoor lighting, and common area illumination at hotel properties. At construction sites, energy-efficient equipment and low-energy temporary power solutions are adopted.
3.	the capital investment on energy conservation equipments	No Capital investment was made on energy conservation equipments

b) The details with repect to Technology Absorption is mentioned herein below:

S. No	Particulars	Details
(i)	the efforts made towards technology absorption;	The Company continued to make efforts towards adoption and absorption of technology in its business operations, as considered appropriate from time to time. The Company remains committed to adopting suitable technological advancements to improve operational efficiency and productivity.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	The adoption and use of technology, wherever applicable, have contributed towards improvement in operational efficiency, productivity and quality of products/services. The Company continues to evaluate and implement appropriate technological measures with a view to achieving cost efficiencies,

		improving processes and enhancing overall business performance.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	No Technology was imported during financial year 2025-26.
	(a) the details of technology imported;	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed;	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	the expenditure incurred on Research and Development.	No Expenditure was made on R&D during the year.

c) **Foreign Exchange Earning & Outgo:**

There company had no foreign exchange earning & outgo during the financial year under review.

22. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Board has adopted system of internal control to ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The Company is in the process of strengthening its Internal Financial Control System considering present financial situation, and other recent developments.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report for the Financial Year 2025-26 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report as **Annexure C**. Management Discussion and Analysis form an integral part of this Report which gives details of the overall industry structure, economic developments, performance, and state of affairs of the Company's various businesses.

24. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company complies with applicable secretarial standards issued by the Institute of Company Secretaries of India.

25. DETAILS OF THE AMOUNT RECEIVED FROM DIRECTORS OR RELATIVES OF DIRECTORS PURSUANT TO COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014.

During the financial year 2025-26, no amount had been received from directors or relatives of directors pursuant to provisions of Companies (Acceptance of Deposits) rules, 2014.

26. ANTI SEXUAL HARASSMENT POLICY OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 READ WITH ALLIED RULES:

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. All employees including trainees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed of during the current financial year.

Number of Sexual HarassmentComplaints received: **Nil**
Number of Sexual HarassmentComplaints disposed of: **Nil**
Number of Sexual Harassment Complaints pending beyond 90 days: **NIL**

Further an Internal Complaints Committee ("ICC") has been duly constituted as per the provisions of the POSH Act to redress complaints regarding sexual harassment at the workplace.

27. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained

The provisions relating to cost records as specified under Section 148(1) of the Companies Act, 2013 are **applicable** to the Company.

28. DETAILS IN RESPECT OF FRAUD REPORTED BY THE AUDITOR OTHER THAN THOSE THAT ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There was no fraud reported in the Company during the Financial Year ended on 31st March, 2026. This is also ssupported by the report of the auditors of the Company as no fraud has been reported in their audit report for the Financial Year ended 31st March, 2026.

29. THE DETAILS OF AN APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application has been made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year.

30. THE DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND VALUATION DONE WHILE TAKING A LOAN FROM BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

No valuation has been obtained by the Company during the year under review, hence, the question of the difference between the amount of valuation does not arise.

31. STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY;

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

The risk aspects are reviewed to ensure that executive management control risk through means of a properly defined framework. The major risks have been identified by the Company and its mitigation process/measures have been implemented in areas such as business, project execution, financial, human, environmental and statutory compliance.
The Risk Management Policy is available on: weblink https://divyadhan.in/wp-content/uploads/2024/05/Risk- Management-Policy.pdf

32. A STATEMENT INDICATING THE COMPLIANCE WITH RESPECT TO MATERNITY BENEFIT ACT.

The Company affirms that it has duly complied with all provisions of the Maternity Benefit Act, 1961, and has extended all statutory benefits to eligible women employees during the year.

33. NUMBER OF EMPLOYEES AS ON THE CLOSURE OF FINANCIAL YEAR:

The number of employees during the financial year 2025-26 is as follows:

Female - 9
Male - 63
Transgender - 0

34. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149.

In terms of the provisions of section 149 of the Act, the independent directors on the Board of your Company as on the date of this report are Ms. Priyanka Agarwal (DIN: 08089006) and Mr. Satish Chandra Sharma (DIN: 06644259).

The Company has received declaration pursuant to section 149 of the Act from all the independent directors stating that they meet the criteria of independence as provided in Section 149 of the Act and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The independent directors have also confirmed compliance with the provisions of section 150 of the Act read with rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, relating to inclusion of their name in the independent director's databank of the Indian Institute of Corporate Affairs.

In the opinion of the Board, the independent directors fulfil the conditions specified in the Act as well as the Rules made thereunder and have complied with the code for independent directors prescribed in Schedule IV to the Act.

35. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

In compliance with the requirements of the Listing Regulations, the Independent Directors have been familiarized about the Company by the functional heads of various departments of the Company which includes detailed presentations on the vision and mission of the Company.

36. BOARD EVALUATION:

Pursuant to Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(p) of the Companies Act, 2013, a separate exercise was carried out to evaluate the performance of individual Directors, Board, its committees including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgement thereby safeguarding the interests of the Company.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its committees. The Directors expressed their satisfaction with the evaluation process.

37. INTERNAL AUDIT:

Pursuant to the provision of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Mr. Sandeep Kumar an employee of the Company as an Internal Auditor of the Company the for financial year 2025-26.

38. COST AUDIT:

As per the Cost Audit Rules and/or Orders, Cost Audit was not applicable to the Company for the financial year ended on 31st March, 2026.

39. CORPORATE GOVERNANCE REPORT:

Pursuant to Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 compliance with the corporate governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21,22, 23, 24, 24A, 25, 26, 26A, 27 and clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall not apply, in respect of –

(a) listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty-five crore, as on the last day of the previous financial year.
(b) listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); the compliance with the provisions of Corporate Governance does not apply to the Company and it does not form the part of the Annual Report for the financial year 2025-26.

40. ACKNOWLEDGEMENTS

An acknowledgment to all with whose help, co-operation and hard work the Company is able to achieve the results.
For and on behalf of the Board of Directors
DIVYADHAN RECYCLING INDUSTRIES LIMITED

Mr. Varun Gupta
Managing Director
DIN: 00471296

Mr. Umesh Gupta
Director
DIN: 11786539

Place: Noida
Date: 25.08.2026

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. Divyadhan Recycling Industries Limited
1803, Lodha Supremus, Saki Vihar Road,
Opp. Telephone Exchange, Powai,
Mumbai, Maharashtra - 400072, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Divyadhan Recycling Industries Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided as scanned copies in electronic mode and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2026** ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2026 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and amendments from time to time;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings ***(Not applicable to the Company during the Audit Period)***;

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and amendments from time to time. ***(Not applicable to the Company during the Audit Period);***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ***(Not applicable to the Company during the Audit Period);***

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ***(Not applicable to the Company during the Audit Period);***

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ***(Not applicable to the Company during the Audit Period)****;*

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***(Not applicable to the Company during the Audit Period).***

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (As amended), 2015; and

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

The Company has complied with the provisions of the Act, Rules, Regulations Guidelines, etc. mentioned above. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with regard to Meeting of Board of Directors & committees thereof (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. Mentioned above subject to the following observations:

1. The Structured Digital Database (SDD) software was functional during the audit period. However, records pertaining to Unpublished Price Sensitive Information (UPSI) were entered into the SDD only from August 2025 onwards. Further, the Compliance Certificates relating to the SDD for the first, second and third quarters of the financial year 2025–26 were not submitted to the Stock Exchange, as required under the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
2. It has been observed that certain e-forms were filed with the Registrar of Companies beyond the prescribed time limits with an additional fee as applicable.

I further report that, during the review period:

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

Adequate notices were given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary and taken on record by the Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further Inform/report that during the year under review, the following events or actions had a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., that:

1. Manoj Kumar (DIN: 10345101) ceased as Director of the Company w.e.f. 28th July, 2025

2. Niranjan Dev Sharma appointed as a director in the category of Non-Executive Promoter effect from 01st October, 2025.

3. Pramod Kumar Gupta (Membership No.: A4171) ceased as Company Secretary of the Company w.e.f. 30th January, 2026.

I further report that; my audit was subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliances on the part of the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Note: This report is to be read with our letter of even date which is annexed as "**ANNEXURE 1**" and forms an integral part if this report.

For VS Associates
Practicing Company Secretaries
Peer Reviewed certificate No.: 3578/2023

Arpana Nassa
Partner
M. No.: F11994 I COP No.: 25403
UDIN: F011994H001220731

Date: 25.08.2026
Place: Delhi

‘ANNEXURE 1’ to Secretarial Audit Report

Date: 20.08.2026

To,
The Members,
DIVYADHAN RECYCLING INDUSTRIES LIMITED
1803, Lodha Supremus, Saki Vihar Road,
Opp. Telephone Exchange, Powai,
Mumbai, Maharashtra-400072, India.

Re: Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules, regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VS Associates
Practising Company Secretaries
Peer Reviewed certificate No.: 3578/2023

Arpana Nassa
Partner
M. No.: F11994 I COP No.: 25403
UDIN: F011994H001220731

Date: 25.08.2026
Place: Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The Management Discussion and Analysis ("MD&A") contains forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These statements are based on certain assumptions and expectations of future events and are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied herein due to changes in global and domestic economic conditions, government policies, market dynamics, and other external and internal factors.
Important external factors that may affect the Company's operations include the availability and cost of raw materials, cyclical demand patterns, price volatility, changes in government regulations and tax regimes, economic developments in India and the countries in which the Company operates, India's trade agreements, currency exchange rates, and availability of a skilled and unskilled workforce. Readers are advised to read this in conjunction with the Company's audited financial statements.

OVERALL REVIEW

The global polyethylene terephthalate (PET) recycling industry has been experiencing robust growth, supported by rising environmental consciousness, stringent government regulations on plastic waste management, and the increasing adoption of sustainable packaging solutions by the FMCG, textile, and beverage industries. The textile industry continues to play a vital role in the Indian economy, contributing to more than 15% of the country's total exports. It is one of the largest employment generators, providing direct and indirect employment to over 35 million people. The sector has experienced sustained growth due to rising domestic and international demand, government support initiatives, and infrastructure development. It is also a critical component of the "Make in India" campaign, with immense potential for further growth and foreign exchange earnings.

During the year under review, the Company continued its core textile operations focused on full production potential of recycled product.

A. Industry Structure and Developments

The Indian textile industry has shown consistent growth, supported by multiple government initiatives such as the Scheme for Integrated Textile Parks (SITP), Production Linked Incentives (PLI), and the automatic approval route for 100% Foreign Direct Investment (FDI). The Ministry of Textiles continues to play an active role by engaging with industry stakeholders and promoting development and modernization.
The global polyethylene terephthalate (PET) recycling industry has been experiencing robust growth, supported by rising environmental consciousness, stringent government regulations on plastic waste management, and the increasing adoption of sustainable packaging solutions by the FMCG, textile, and beverage industries. Recycled PET (rPET) flakes are increasingly being used as a substitute for virgin PET in multiple applications including packaging, textiles, fibers, sheets, films, and industrial strapping. In India, the implementation of Extended Producer Responsibility (EPR) guidelines, the ban on single-

use plastics, and increased investments in recycling infrastructure are expected to further accelerate the demand for rPET.

B. Opportunities and Threats -

Opportunities: –

Rising demand from FMCG, textile, and beverage companies for recycled PET products. - Growing emphasis on sustainability and ESG compliance across industries. - Export opportunities for high-quality, food-grade rPET flakes. - Government incentives and policies encouraging recycling and circular economy initiatives.

Threats: –

Price volatility of virgin PET affecting the competitiveness of rPET. - Dependence on the availability and quality of post-consumer PET bottle waste. - Competition from both organized and unorganized recycling players. - Quality control challenges due to inconsistent raw material supply.

C. Outlook: -

The Company remains optimistic about India's long-term growth prospects and is committed to contributing meaningfully to the textile of the most essential human needs. We anticipate stronger performance in the textile business in the coming year, with demand expected to rebound steadily.

D. RISKS AND CONCERNS: -

Risk is inherent to business growth. Successful companies strike a balance between taking calculated risks and delivering risk-adjusted returns. The Company identifies, assesses, and mitigates internal and external risks through robust risk management practices.

Key concerns include:

Geopolitical and tariff-related risks, which may indirectly impact the Company's customers and their supply chains.
- Currency volatility and raw material price fluctuations.
- Interest rate changes and credit availability in the real estate sector.

The Company continues to monitor all risk factors and remains proactive in adjusting its business strategies to mitigate potential impacts

E. Internal Control System:

The Board has adopted system of internal control to ensuring the orderly and efficient conduct of its business, including adherence to the Company's Policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures. The management reviews the control systems and procedures periodically to upgrade them. Presently the internal control systems are commensurate to the size and operations of the company.

F. FINANCIAL & OPERATIONAL PERFORMANCE:

During the financial year 2025-26, the Company continued its core activities of production of Rpet Flakes within the textile sector. The Company reported a Profit After Tax (PAT) of Rs. 170.53 lakh in 2025-26 as against Rs. 153.63 lakh in the previous year.

The turnover for the year stood at Rs. 7941.35 lakh, as compared to Rs. 5948.23 lakh in the previous year.

G. KEY RATIOS:

Sr. No.	Particulars	31st March, 2026	31st March, 2025
1	Current Ratio	0.99	3.25
2	Debt – Equity Ratio	0.07	0.04
3	Trade Receivable turnover Ratio	21.13	14.94
4	Trade Payable Turnover Ratio	10.32	15.04
5	Net Profit ratio	0.02	0.02

H. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:

The Company continued to enjoy harmonious and cordial relations amongst its entire employee. The key to the success of the Company lies in its people whose skills, expertise, and talent help the Company to achieve and sustain its market position. It is the people's commitment, technical know-how, innovative ability and performance driven mindset that enable to react swiftly and creatively to the evolving customer and market needs.

Human resources continue to be an invaluable and intangible asset and key success factor for the Company to grow and sustain its market position in a highly competitive and challenging environment. Your Company firmly believes that people are the pivotal force behind the growth and excellence in business operations. Focus on developing leadership skills and building talent for the future and the process of improving organizational and human capability through competency mapping of managerial positions in all areas of the Company's operations, continued as a major initiative. The Company is committed to provide the right environment to its employees to work and to inculcate a sense of ownership and pride.

I. CAUTIONARY STATEMENT:

Statements in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Investors are cautioned that this discussion contains statements that involve risks and uncertainties.

Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward-looking statements, on the basis of subsequent developments, information or events.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
DIVYADHAN RECYCLING INDUSTRIES LIMITED

Varun Gupta	**Umesh Gupta**
Managing Director	**Director**
(DIN:00471296)	**(DIN: 11786539)**

Place: Noida
Date: 25.08.2026

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF DIVYADHAN RECYCLING INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **DIVYADHAN RECYCLING INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

•Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of

India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 Standalone financial statements disclose the impact of pending litigations as at 31st March 2026 on its financial position of the Company

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv.

1. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

2. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

3. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared any interim dividend in the previous year. The company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination the feature of recording audit trail (edit log) facility was enabled from 01 April 2025, to log any direct data changes in the accounting software used for maintaining the books of account for the financial year ended March 31, 2026. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with from the date of its enabling and the edit log has been preserved by the company as per statutory requirement for record retention.

ii. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MAPSS & COMPANY
Chartered Accountants
(Firm's Registration No. 012796C)

CA Virender Kumar
Partner
(Membership No. 093571)

Dated: 28.05.2026
UDIN: 26093571PYVZER2362

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **DIVYADHAN RECYCLING INDUSTRIES LIMITED** of even date)

Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of **DIVYADHAN RECYCLING INDUSTRIES LIMITED** (the "Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Auditor's Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For MAPSS & COMPANY
Chartered Accountants
(Firm’s Registration No. 012796C)

CA Virender Kumar
Partner
(Membership No. 093571)

Dated: 28.05.2026
UDIN: 26093571PYVZER2362

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **DIVYADHAN RECYCLING INDUSTRIES LIMITED** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:

(a)

A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment 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 program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment and right-of-use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

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

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management has carried out physical verification of inventory at reasonable intervals and found no material discrepancies

(b)The Company has been sanctioned working capital limits of ₹ 5 crore, in aggregate during the year, from banks on the basis of security of current assets. The company has provided all the records of current assets to bank. No deviation has been observed.

iii. The Company has not made investments in, Companies and granted unsecured loans to other parties, during the year, in respect of which:

(a)The Company has not provided loans during the year, and details of which are given below:

(b)In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c)In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d)In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e)No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f)The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company.

vii. In respect of statutory dues:(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Withholding Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

ix. (a) The Company has taken term loans from banks and financial institutions and is regular in repayment of term loans.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has taken term loans during the year which have been used for intended purposes.

(d) On an overall examination of the financial statements of the Company, no short term funds have been raised from banks or financial institutions.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year by pledge of shares and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. Internal audit was not applicable to the company for financial year 2025-26.

xv. In our opinion, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year as they were not Peer reviewed, there were no issues, objections or concerns raised by the outgoing auditors.

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

xx. (a) Provisions of Section 135 of the Companies Act, 2013 are not applicable to the company for the year under review.

For MAPSS & COMPANY
Chartered Accountants
(Firm's Registration No. 012796C)

CA Virender Kumar
Partner
(Membership No. 093571)

Dated: 28.05.2026
UDIN: 26093571PYVZER2362

₹ Lakh

Balance Sheet as at 31st March, 2026

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share capital	2	1,430.67	1,430.67
(b) Reserves and surplus	3	2,400.48	2,064.05
Share application money pending for allotment			
Non-Current Liabilities			
(a) Long-term borrowings	4	287.51	-
(b) Deferred tax Liabilities (net)	5	113.22	54.07
(c) Long Term Provisions	6	17.66	12.15
(d) Other Long term liabilties			
Current Liabilities			
(a) Short-term borrowings	7	1,095.73	135.59
(b) Trade payables	8	853.61	400.91
(c) Other current liabilities	9	168.30	70.59
(d) Short-term provisions	10	6.16	34.75
Total Equity & Liabilities		6,373.34	4,202.78
II. ASSETS			
Non-Current Assets			
(a) Fixed assets			
Tangible assets	11	4,265.90	2,116.79
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long term loans and advances			
Current Assets			
(a) Inventories	12	1,308.96	1,217.79
(b) Trade receivables	13	295.66	455.70
(c) Cash and cash equivalents	14	1.41	2.32
(d) Short-term loans and advances	15	51.00	41.49
(e) Other current assets	16	450.41	368.68
Total Assets		6,373.34	4,202.78

Significant Accounting Policies	1
The accompanying notes are an integral part of the financial statements	1 to 25

As per our Report of even date.

For Mapss and Company
Chartered Accountants
Firm Reg. No.: 012796C

For Divyadhan Recycling Industries Limited

Pratik Gupta	Varun Gupta	Sanjay Kandpal
DIN : 06576759 (Director)	DIN : 00471296 (Director)	Company Secretary

Partner
Membership No. : 093571
UDIN:
Place: Noida
Date: 28.05.2026

Statement of Profit & Loss for the year ended 31st March, 2026

Particulars	Note No.	As at 31st March 2026	As at 31st March 2025
Revenue			
Revenue from operations	17	7941.35	5948.23
Other Income	18	4.27	64.12
Total Revenue		**7945.62**	**6012.35**
Expenses			
Cost of Material Consumed	19	6842.12	5444.90
Changes in inventories of finished goods	20	154.52	-170.87
Financial Costs	21	79.75	29.63
Employee Benefits Expenses	22	124.27	121.94
Depreciation and Amortization Expense	11	168.10	128.24
Other Expenses	23	341.03	242.40
Total Expenses		**7709.79**	**5796.24**
Profit before tax		**235.83**	**216**
Tax expense:			
(1) Current tax		6.15	34.75
(2) Deferred tax		59.15	27.74
(3) MAT			
Profit(Loss) for the year		**170.53**	**153.63**
Earning per equity share:			
(1) Basic		1.19	1.07
(2) Diluted		1.19	1.07

Significant Accounting Policies	1
The accompanying notes are an integral part of the financial statements	1 to 25

As per our Report of even date.

For Mapss and Company
Chartered Accountants
Firm Reg. No.: 012796C

Partner
Membership No. : 093571
UDIN:
Place: Noida
Date: 28.05.2026

For Divyadhan Recycling Industries Limited

Pratik Gupta	**Varun Gupta**	**Sanjay Kandpal**
DIN : 06576759	**DIN : 00471296**	**Company**
(Director)	**(Director)**	**Secretary**

Cash Flow Statement for the year ended 31st March, 2026

Particulars	**As at 31st March, 2026**	**As at 31st March, 2025**
Cash flow from operating activities:		
Net Profit before tax as per the statement of profit and loss	235.83	216.11
Adjusted for:		
Depreciation and amortization expense	168.10	128.24
Adjustment in Depreciation		-
Interest received	- 2.44	- 2.73
Finance cost	79.75	29.63
Provision for Gratuity	5.99	0.74
Cash generated from operations before working capital changes	**487.23**	**372.00**
Movements in working capital:		
(Increase) / Decrease in trade receivables	160.04	- 115.25
(Increase) / Decrease in Short Term Loans and Advances	- 9.51	- 22.09
(Increase) / Decrease in Other Current Assets	- 81.73	- 199.49
(Increase) / Decrease in Inventories	- 91.16	- 765.02
(Decrease) / Increase in Short Term Borrowing	960.14	- 422.97
(Decrease) / Increase in Trade Payables	452.69	81.74
(Decrease) / Increase in Short Term Provision	- 28.59	- 68.85
(Decrease) / Increase in Other Current Liabilities	97.71	- 0.75
Cash Generated from Operations	1,946.83	- 1,140.67
Taxes paid (Net of refund)	6.62	38.84
Net cash generated from operating activities	1,940.21	- 1,179.51
Cash flow from investing activities:		
Purchase of Fixed Assets	- 2,151.31	- 1,015.25
Sales Of Fixed Assets	-	-
Proceed from sale of Investment	-	-
Long term loan & advance	-	-
Security Deposit	-	-
Interest income	2.44	2.73
Net cash used in investing activities	- 2,148.87	- 1,012.52
Cash flow from financing activities:		
Share issue money received		2,416.64
IPO Issue Expense		- 345.07
Repayment of Term loan		-
Borrowing /Repayment) from Bank / Related party	287.50	- 48.08
Deposit given for Lease	-	-
Finance cost	- 79.75	- 29.63
Net cash used in financing activities	207.75	1,993.86
Net increase / (decrease) in cash and cash equivalents	- 0.91	- 198.17

Cash and cash equivalents as at the beginning of the year	2.32	200.50
Cash and cash equivalents as at the end of the year	1.41	2.32
Cash and cash equivalent comprises of :		
Cash in hand	0.22	0.95
Balance with banks	1.19	1.37
Deposits with Bank having maturity less than a year	-	-
Total	**1.41**	**2.32**

Notes

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Notified Accounting Standard - 3 on Cash Flow Statements.

2. Figures in bracket indicate cash outgo.

3. Previous years' figures have been regrouped/rearranged to conform with current years' classifications.

As per our Report of even date.

For Mapss and Company
Chartered Accountants
Firm Reg. No.: 012796C

Partner
Membership No. : 093571
UDIN:
Place: Noida
Date: 28.05.2026

For Divyadhan Recycling Industries Limited

Pratik Gupta	**Varun Gupta**	**Sanjay Kandpal**
DIN : 06576759	**DIN : 00471296**	**Company Secretary**

SIGNIFICANT ACCOUNTING POLICIES

Note 1

Significant Accounting Policies

1. Basis of accounting:-

   These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

   The financial statements have been prepared under the historical cost convention on accrual basis.

2. Use of Estimates

   The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3. Revenue Recognition: -

   Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.

   Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4. Property, Plant & Equipment:-

   Property, Plant & Equipment including intangible assets are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

   Company has adopted cost model for all class of items of Property Plant and Equipment.

5. Depreciation :-

   Depreciation on Fixed Assets is provided to the extent of depreciable amount on the /SLM method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

   Depreciation on assets acquired/sold during the year is recognized on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

   The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

   After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

   During the financial year, the company has reviewed life of assets and charged the depreciation on fixed assets based on new life assigned to them.

6. Foreign currency Transactions: -

   Transactions arising in foreign currencies during the year are converted at the rates closely approximating the rates ruling on the transaction dates. Liabilities and receivables in foreign currency are restated at the year-end exchange rates. All exchange rate differences arising from conversion in terms of the above are included in the statement of profit and loss.

7. Investments :-

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

8. Inventories :-

Inventories are valued as under:-

1. Inventories : Lower of cost (FIFO/specific cost/Weighted Average) or net realizable value
2. Scrap : At net realizable value.

9. Borrowing cost:-

Borrowing costs that are attributable to the acquisition or construction of the qualifying assets are capitalized as part of the cost of such assets. A qualifying assets is one that necessarily takes a substantial period of time to get ready for its intended uses or sale. All other borrowing costs are charged to revenue in the year of incurrence.

10. Retirement Benefits:-

The retirement benefits are accounted for as and when liability becomes due for payment. Gratuity valuation has been done by the acturiy and provision has been made based on the actuarial valuation.

11. Taxes on Income:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961. The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted by the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is virtual certainty with convincing evidence that these would be realized in future. At each Balance Sheet date, the carrying amount of deferred tax is reviewed to reassure realization.

12. Provisions, Contingent Liabilities and Contingent Assets:- (AS-29)

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

(i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or

(ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

General:

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

Notes on Financial Statements

1. Trade receivables, Trade payables, Loans & Advances and Unsecured Loans have been taken at their book value subject to confirmation and reconciliation.

2. Payments to Auditors: (**Figure in Lakh)**

Auditors Remuneration	**2025-2026**	**2024-2025**
Audit Fees	3.50	1.50
Total	**3.50**	**1.50**

3. Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

4. Related Party disclosure as identified by the company and relied upon by the auditors:

(A) Related Parties and their Relationship

(I) Key Management Personnel

1. Mr. Pratik Pramod Gupta
2. Mr. Varun Gupta
3. Mr. Pramod Kumar Gupta
4. Mr. Manoj Kumar
5. Mr. Satish Chandra Sharma
6. Mrs. Priyanka Agarwal

(II) Relative of Key Management Personnel

1. Mrs. Ankita Gupta
2. Mrs. Nikita Gupta

(III) Enterprises owned or significantly influenced by Key Management personnel or their relatives

1. Proma Greentech Pvt Ltd (Yashash Commodities Pvt Ltd)
2. Sonpankhi Shares and Securities Pvt Ltd
3. Associated Textile Industries Pvt Ltd
4. Proma Industries Limited
5. YMC India Pvt Ltd
6. Deltech Instruments Pvt Ltd
7. Medilia Ltd
8. Vinpro Recycletech Pvt Ltd

Transactions with Related parties **(Figure in Lakh)**

	Current Year (FY 2025-26)			Previous Year (FY 2024-25)		
Particulars	**Key Management Personnel**	**Relative of Key Management Personnel**	**Enterprises owned or significantly influenced by Key Management personnel or their relatives**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Enterprises owned or significantly influenced by Key Management personnel or their relatives**
Advance Paid						
Proma Greentech Pvt Ltd						30.00
Received Back						
Proma Greentech Pvt Ltd						30.00
Remuneration Paid						
Varun Gupta	24.00			20.00		
Pratik Gupta	24.00			14.00		
Nikita Gupta		24.00		6.00	8.00	

Ankita Gupta		24.00		6.00	18.00	
Kusum Gupta					4.00	
Pramod Gupta		3.00		1.50		

Outstanding Balances **(Figure in Lakh)**

	Current Year (FY 2025-26)			Previous Year (FY 2024-25)		
Particulars	**Key Management Personnel**	**Relative of Key Management Personnel**	**Enterprises owned or significantly influenced by Key Management personnel or their relatives**	**Key Management Personnel**	**Relative of Key Management Personnel**	**Enterprises owned or significantly influenced by Key Management personnel or their relatives**
Loans Taken	0.00	0.00	0.00	0.00	0.00	0.00
Loans Repaid	0.00	0.00	0.00	0.00	0.00	0.00

5. % of imported & indigenous raw material **(Figure in Lakh)**

Particulars	FY 2025-26		FY 2024-25	
	%	Amount	%	Amount
Imported	**0.00**	-	**0.00**	-
Indigenous	**100**	6842.12	100	5418.39

6. Value of Imports		
Raw Material	Nil	Nil
Finished Goods	Nil	Nil
7. Expenditure in Foreign Currency	Nil	Nil
8. Earning in Foreign Exchange	Nil	Nil

9. Previous year figures have been regrouped/rearranged wherever necessary.

In terms of Our Separate Audit Report of Even Date Attached.

For MAPSS & Company	**FOR DIVYADHAN RECYCLING INDUSTRIES LIMITED**		
Chartered Accountants			
(Virender Kumar)			
Partner	**PRATIK GUPTA**	**VARUN GUPTA**	**SANJAY KANDPAL**
Membership No. 093571	**Director**	**Director**	**Company Secretary**
Registration No. 012796C			
Place: Noida	**DIN : 06576759**	**DIN : 00471296**	
Date: 28th May, 2026			
UDIN: 26093571PYVZER2362			

Note 2 : Share Capital

Particulars	As at 31st March 2026	As at 31st March 2025
AUTHORIZED CAPITAL		
1,80,00000 Equity Shares of Rs.10/- each	1,800.00	1,800.00
90,000/- Preference Shares Of Rs. 10/- Each	9.00	9.00
Total	1,809.00	1,809.00
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
52,65,357 Equity Shares of Rs. 10/- each, Fully Paid.	526.54	526.54
52,65,357 Equity Shares of Rs. 10/- each, Bonus share	526.54	526.54
37,76,000 Equity Shares of Rs. 10/- each, Public Issue	377.60	377.60
Total	1,430.67	1,430.67

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period.

	As at 31st March 2026	As at 31st March 2025
Equity Shares		
At the beginning of the period Equity & Preference	1,430.67	52.65
Add: Issued Equity Share during the Period	-	90.41
Add: Issued Preference Share during the period		
Less: Shares redeemed / Transfer during the period		
Total	1,430.67	143.07

Terms / Rights Attached to Shares

The Company Has issued only one class of Equity shares having a per value of Rs.10/- per share. Each shareholder is eligible for one vote per share. 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 praportion of their shareholdings

Shareholders Holding more than 5% Shares

Name of Shareholders	No. of Shares Held	No. of Shares Held
	(% of Holding)	(% of Holding)
Pratik Gupta	4998816 (34.94%)	4998816 (34.94%)
Varun Gupta	4968798 (34.73%)	4968798 (34.73%)

During the financial year 2024-25, The company issued bonus shares. The bonus issue has been made pursuant to section 63 of Companies Act,2013 and rules made thereunder, a sum of Rs. 5,26,53,570 capitalized as bonus equity shares out of free reserves and surplus, and distributed amongst the equity shareholders by issue of 52,65,357 share in the proportion of 1:1 i.e One new fully paid-up equity share of Rs. 10/- each (Rupees Ten) for every One existing fully paid-up equity shares of Rs. 10/. (Rupees Ten). As a result of that the issued, subscribed and fully paid up equity share capital of the company is 1,05,30,714 shares of face value of Rs 10 each i. e. Rs. 10,53,07,140.

During the financial year 2024-25, The company successfully completed its Initial Public Offer (IPO) of equity shares.The IPO comprised a fresh issue of 37,76,000 equity shares of face value Rs. 10/- (Rupees Ten) each at an issue price of Rs. 64/- (Rupees Sixty Four) per equity share, aggregating amount Rs. 24,16,64,000.00 raised. The equity shares were listed on the national stock exchange of india limited (SME) with effect from 4th October 2024. The issue was fully subscribed and the proceeds from the fresh issue have been utilized in accordance with the objects of the issue as stated in the offer document/prospectus dated 18th September 2024. The total increase in the equity share capital of the company persuant to the IPO was Rs. 3,77,60,000 and the securities premium amounting to Rs. 20,39,04,000 was credited to the securities premium account.

Note 3 : Reserve & Surplus

Particulars	As at 31st March 2026	As at 31st March 2025
Balance brought forward from previous year	900.70	747.08
Add: Profit for the period	170.53	153.62
Adjustment during the year	165.90	
Total	**1237.13**	**900.70**

Note 3

Particulars	526.54	526.54
Security Premium	1163.35	1163.35
		0.00
Total	**1163.35**	**1163.35**

Note 4 : Long term Borrowing

Particulars	As at 31st March 2026	As at 31st March 2025
Secured		
Term Loans from Bank (refer note below)	337.50	0.00
Less :- Current Maturities of Long Term Debt	-49.99	0.00
Total	**287.51**	**0.00**

During the financial year 2024-25, The company repaid oustanding term loans. The repayment was funded through Proceeds from IPO and has resulted in a reduction in the finance cost for the year. There is no outstanding default as on the balance sheet date in repayment of principal or interest to any bank.

Note 5 : Deferred Tax Liability

Particulars	As at 31st March 2026	As at 31st March 2025
Deferred tax liability	113.22	54.07
Total	**113.22**	**54.07**

Note 6: Long Term Provisions

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity	17.66	12.15
Total	**17.66**	**12.15**

Note 7 : Short term Borrowing

Particulars	As at 31st March 2026	As at 31st March 2025
Secured Loans from Banks		
Loans Repayable on Demand (Cash Credit) (refer note below)	1095.73	135.59
Current Maturities		0.00
Unsecured Loans		
Loans Repayable on Demand		
from others		0.00
Total	**1095.73**	**135.59**

Note:
Secured through primary security - Hypothecation of entire Current assets and Movable fixed assets (except vehicles) of the company, both present and future. And Collatral security of Industrial property located at Kheat / khatuni No 18/18, , 71/71, Khasra No. 755, 756, 758, to 765, Village Kalyanpur, Near Gupta Hospital, Baddi, Solan - 174101.

Note 8 : Trade Payables

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Payable		
Total Outstanding dues of MSMEs	280.04	69.97
Total Outstanding dues of Other than MSMEs	573.57	330.94
Total	**853.61**	**400.91**

Note: refer note no 24 for aging

Note 9 : Other Current Liabilities

Particulars	As at 31st March 2026	As at 31st March 2025
Statutory Dues	11.76	5.60
Current Maturities of Long Term Debt	49.99	0.00
Salary & Wages Payable	29.74	31.14
H P Electricity Board	43.52	22.61
Other Payable	33.30	11.25
Total	**168.30**	**70.59**

Note 10 : Short Term Provisions

Particulars	As at 31st March 2026	As at 31st March 2025
Provision fo Gratuity/ Imprest	0.01	-
Provision fo Income Tax	6.15	34.75
Total	6.16	34.75

Note 11 : Tangible Assets

Particulars	Gross Block				Depreciaton				Net Block	
	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2026	WDV as on 31.03.2025
Tangible Assets										
Land	90.00			90.00	0.00			0.00	90.00	90.00
Office Building	767.84	496.01		1263.86	100.00	25.72	2.09	127.81	1136.05	667.85
Plant & Machinery	2109.38	1638.82		3748.20	782.80	135.93	-168.78	749.94	2998.25	1326.58
Vehicle	50.43	9.90		60.33	23.61	5.47	0.64	29.73	30.61	26.82
Computer	1.70	0.40		2.10	1.34	0.62	0.15	2.11	-0.01	0.35
Office Equipments	8.50	5.80		14.30	5.31	0.18	-0.45	5.04	9.26	3.19
Furniture and fixture	1.75	0.38		2.13	-0.26	0.18	0.45	0.38	1.76	2.01
										0.00
Capital Work in Progress		-		-					0.00	
Total (Current Year)	**3029.61**	**2151.31**	**-**	**5180.91**	**912.81**	**168.10**	**-165.90**	**915**	**4,266**	**2,117**
Total (Previous Year)	**2014.36**	**1015.25**	**-**	**3029.61**	**784.57**	**128.24**	**0.00**	**913**	**2,117**	**1,230**

DEPRECIATION STATEMENT AS PER INCOME TAX ACT

PARTICULERS	RATE (%)	AS ON 01/04/2025	ADDITION		DEDUCTION	BALANCE AS 3/31/2026	DEPRECIATION DURING YEAR	BALANCE AS ON 31/03/2026
			> 180 Days	< 180 Days				
Land	0%	9,000,000				9,000,000	-	9,000,000
Vehicle	15%	2,794,901	990,000			3,784,901	283,867.58	3,501,033
Office Equipment	15%	459,787	212,888			672,675	50,450.59	622,224
Plant & Machinarty	15%	127,175,524	58,840,565			186,016,089	13,951,206.64	172,064,882
Building	10%	51,281,310	25,368,650			76,649,960	3,832,498.02	72,817,462
Furniture	10%	150,136				150,136	7,506.80	142,629
Computer	40%	21,986	40,000			61,986	12,397.20	49,589
TOTAL (Rs.)		**190,883,644**	**85,452,102**	**-**	**-**	**276,335,746**	**181.38**	**2,581.98**

Note 12: Inventories

Particulars	As at 31st March 2026	As at 31st March 2025
Stock in Hand - Raw Material	1,195.06	948.82
Stock in Hand - Finished Goods	113.89	268.97
Total	1,308.96	1,217.79

Note 13 : Trade Receivables

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables Outstanding for a period less than Six Months		
(a) Secured Considered good		
(b) Unsecured Considered good	295.66	455.70

Trade Receivables Outstanding for a period exceeding Six Months (a) Secured Considered good (b) Unsecured Considered good		
Total	295.66	455.70

Note: refer note no 25 for aging

Note 14 : Cash & Cash Equivalent

Particulars	As at 31st March 2026	As at 31st March 2025
Cash-In-Hand	0.22	0.95
Balances with Banks in current accounts	1.19	1.37
Total	**1.41**	**2.32**

Note 15 : Short Term Loans and Advances

Particulars	As at 31st March 2026	As at 31st March 2025
Fixed Deposits	29.74	27.50
Advace to Staff	-	2.00
Other Security Deposits	21.26	11.99
Total	51.00	41.49

Note 16 : Other Current Assets

Particulars	As at 31st March 2026	As at 31st March 2025
TDS & TCS Receivables	10.60	12.88
GST Refund Receivable	14.14	151.95
Imprest		0.41
Prepaid Expenses	7.99	5.33
Balance With Revenue Authority	417.67	198.10
Total	450.41	368.68

Note 17: Revenue from operation

Particulars	As at 31st March 2026	As at 31st March 2025
Revenue from operation	7,941.35	5,948.23
Total	7,941.35	5,948.23

Note 18 : Other Income

Particulars	As at 31st March 2026	As at 31st March 2025
Interest Received	2.44	2.73
Commission Outward		46.34
Freight Income	1.47	0.88
Other Income	0.32	
Balance write off	0.04	0.02
Government Grant	-	14.14
Total	4.27	64.12

Note 19: Cost of Material Consumed

Particulars	As at 31st March 2026	As at 31st March 2025
Raw material at the beginning of the year	949.38	354.67
Cost of raw material and components purchase	6,476.24	5,418.39
Direct Expenses		
Additional local Tax	8.35	8.33
Electricity Expenses	291.01	292.97
Labour Charges Contract	69.75	58.62
Packing Charges	0.14	0.05
Shifting Charges	53.24	103.22
Wages paid	145.73	130.92
Carriage inward	32.87	24.00
Loading & Unloading Charges	10.48	2.55
Less: Raw material at the end of the year	1,195.06	948.82

Total	6,842.12	5,444.90

Note 20 : Change in Inventories

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Stock of Finished Goods	268.41	98.10
Closing Stock of Finished Goods	113.89	268.97
Total	**154.52**	**-170.87**

Note 21 : Financial Cost

Particulars	As at 31st March 2026	As at 31st March 2025
Finance cost	79.75	29.63
Total	79.75	29.63

Note 22 : Employee Benefits Expenses

Particulars	As at 31st March 2026	As at 31st March 2025
Salary & Wages	99.42	102.56
Gratuity Expense	5.99	-
Staff Welfare	7.12	7.41
Esi exp	0.96	1.83
Epf exp	10.77	10.14
Total	124.27	121.94

Note 23 : Other Expenses

Particulars	As at 31st March 2026	As at 31st March 2025
Bank Charges	5.85	4.17
Audit Fees	3.50	2.00
Align Books /Tally Software	0.06	1.00
ASBA Commission for IPO	0.00	0.07
Bonus	4.58	4.17
Business Promotion	-	5.30
CETP Charges	1.13	2.91
Clearing Agency Charges	-	0.05

Commission on Purchase	0.50	1.51
Director's Remuneration	50.50	48.00
Diwali Exp	0.28	0.08
Director's Sitting Fees	1.00	2.01
Fees and Tax Exp	11.33	10.00
Carriage Outward	136.78	56.01
General Expenses	0.55	0.12
Insurance	7.99	3.85
ID Charges (Electricity) Charges	-	7.30
Late fee on Gst/Tds Return	-	0.56
Legal,Consultancy & Professional Fees	11.25	5.00
Medical Exp	0.78	0.25
Membership Fees	1.58	0.08
Printing and Stationey	2.86	1.82
Professional Fees	6.71	8.96
Professional tax Paid	-	0.17
Rent Paid	24.70	11.95
Repairs & Maintenance	11.49	38.61
Running Vehicle & Maintenance Expense	1.73	2.41
Security Services Charges	18.02	14.16
Travalling & Conveyance Exps	3.18	4.74
Postage & Courier Expenses	0.01	0.69
Testing Charges	1.22	3.53
Telephone Expenses	0.42	0.39
Commission on Sale	28.97	0.54
Donation Paid	3.00	-
Total	341.03	242.40

Note 24 : Trade Payable Aging

Particulars	As at 31st March, 2026				
	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	280.04	-	-	-	280.04
Others	573.57	-	-	-	573.57
Dispute dues-MSME	-	-	-	-	-
Dispute dues-Others	-	-	-	-	-
Total	853.61	-	-	-	853.61

Particulars	As at 31st March 2025				
	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	69.97	-	-	-	69.97
Others	330.94	-	-	-	330.94
Dispute dues-MSME	-	-	-	-	-
Dispute dues-Others	-	-	-	-	-
Total	400.91	-	-	-	400.91

Note 25 : Trade Receivables Aging

Particulars	As at 31st March, 2026				
	Outstanding for following periods from due date of payment				
	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivable- Considered good	295.66	-	-	-	-
(ii) Undisputed Trade Receivables- Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables- Considered Goods	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered doubtful	-	-	-	-	-
Total	295.66	**-**	**-**	**-**	**-**

	As at 31st March, 2025				
	Outstanding for following periods from due date of payment				
Particulars	Less Than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years
(i) Undisputed Trade Receivable- Considered good	455.70	-	-	-	-
(ii) Undisputed Trade Receivables- Considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables- Considered Goods	-	-	-	-	-
(iv) Disputed Trade Receivables- Considered doubtful	-	-	-	-	-
Total	455.70	-	-	-	-