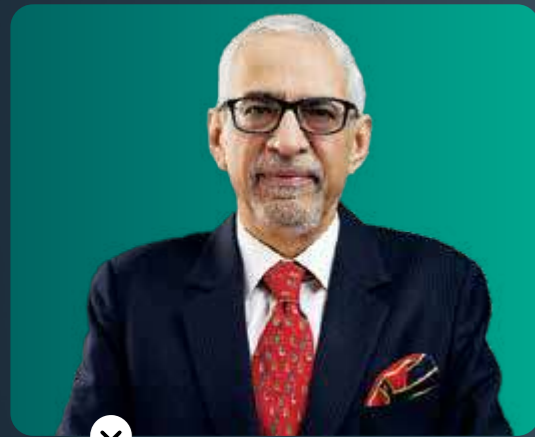




IOL Chemicals and
Pharmaceuticals Limited

Excellence Anchored in the Values

WHAT'S INSIDE THE REPORT



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Chairman Message



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MD Message



Website -
www.iolcp.com



Scan the QR code to
know more about us

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In a world that moves fast and demands more, we believe that the pursuit of excellence must be principle-driven.

It must be anchored in values that do not shift with tides.

Anchored in purpose that outlasts trends.

Anchored in integrity, innovation and impact.

At IOL Chemicals & Pharmaceuticals Ltd, excellence is a way of being. It is the result of choices rooted in our **core (TREC) values** i.e., Transparency, Responsibility, Efficiency and Collaboration, values that hold us steady through transformation, expansion and reinvention.

We do not chase growth at the cost of ethics, nor seek scale without purpose. Our excellence is anchored in our respect for people, in our commitment to quality, in our stewardship of the environment and in our pursuit of profit with purpose. It reflects in our zero-discharge operations, our backward-integrated supply chain and our DSIR-recognised R&D.

In times of change, values are our compass.
In moments of progress, they are our anchor.

**This is how we Lead.
This is how we Grow.**

This is
**Excellence
Anchored in
the Values.**

Our Core Values

Transparency



Responsibility



Efficiency



Collaboration



For more information, visit [page 77](#)

ABOUT THE REPORT

This integrated report presents an overview of IOL Chemicals and Pharmaceuticals Limited's performance and strategic direction for the financial year ended March 31, 2025. While the disclosure goes beyond mandatory compliance, it is structured in alignment with the principles outlined by the International Integrated Reporting Council (IIRC). The primary audience for this report includes our shareholders and prospective investors, while the content is also relevant to regulators, customers, employees, suppliers, and community stakeholders.

The disclosures are guided by the Companies Act, 2013, Indian Accounting Standards (Ind AS), and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. By combining financial and non-financial information, the report aims to provide a holistic view of how IOLCP creates and preserves value in the short, medium, and long term.

SCOPE AND BOUNDARY

This report presents a consolidated overview of the operational and strategic performance of IOL Chemicals and Pharmaceuticals Limited for the financial year ended March 31, 2025. The content is structured around the six-capital framework advocated by the International Integrated Reporting Council (IIRC), offering an integrated perspective on how various business inputs are transformed into outcomes.

The information covered in this report focuses on standalone operations and includes relevant financial and non-financial metrics. It captures key developments across our pharmaceutical and specialty chemicals segments, operational footprint, governance structure, and ESG initiatives. All data and commentary are intended to reflect the scale, progress, and direction of IOLCP as a standalone legal entity.

REPORTING FRAMEWORKS

The report has been developed in alignment with the principles outlined by the International Integrated Reporting Council (IIRC) and with reference to the Global Reporting Initiative (GRI) Standards.



- The companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

ASSURANCE

The facts and figures presented have been reviewed by the Board of Directors and the Management. Intertek has performed a limited assurance review on the sustainability information contained within the Integrated Report.

OUR STAKEHOLDERS AND MATERIALITY ASSESSMENT

We maintain ongoing engagement with investors, customers, employees, regulatory authorities, and communities to understand their areas of interest and relevance. Based on structured materiality assessment, we evaluate and rank the ESG themes that hold the greatest relevance for these groups. This process guides the focus of our disclosures, aligning our reporting with the expectations of those we interact with most closely.

Our Stakeholders




 Customers	 Service contractors	 Employees and contractual labourers
 Shareholders/ Investors	 Suppliers/ Vendors	 Communities
 Government authorities	 Non-governmental organisation	

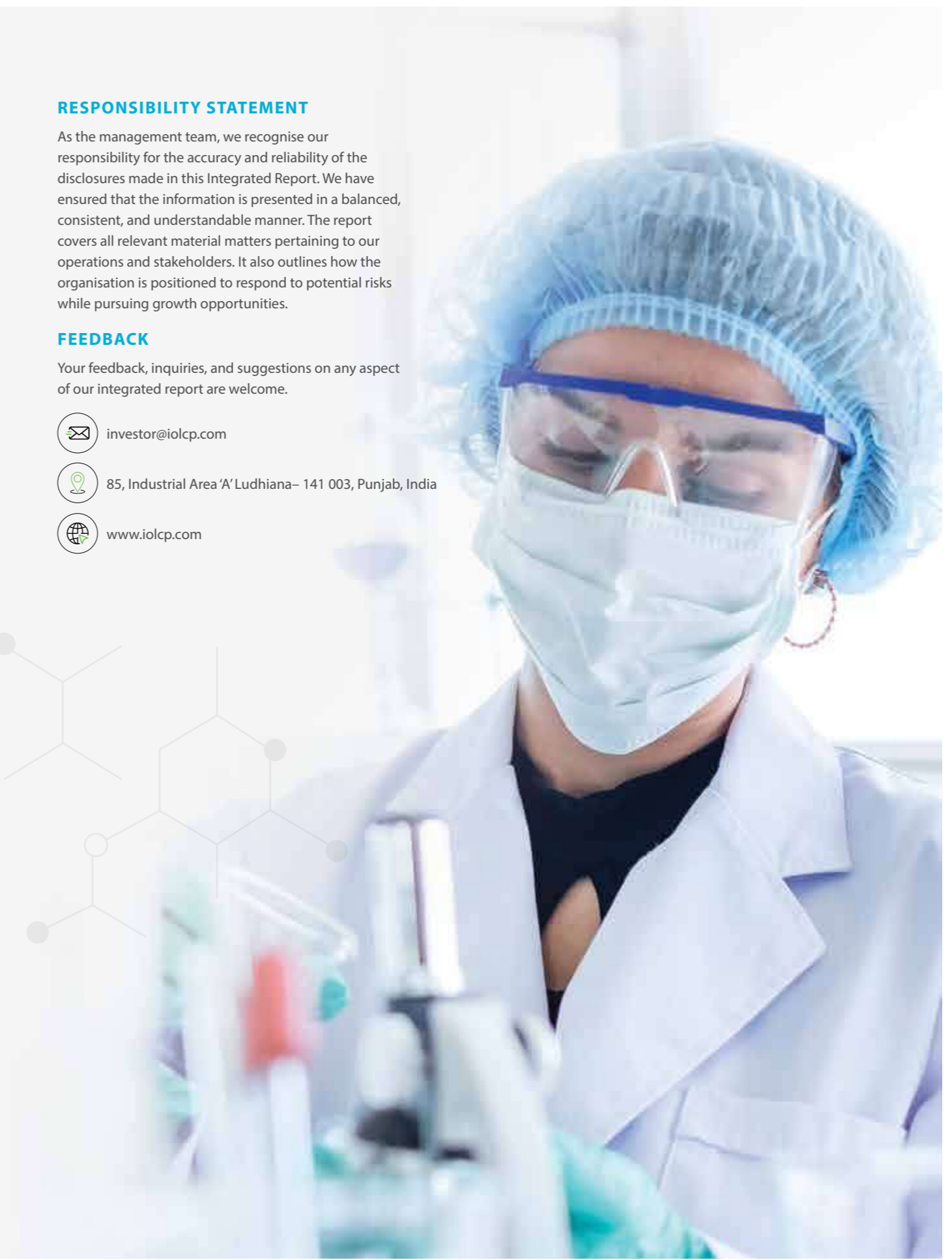
RESPONSIBILITY STATEMENT

As the management team, we recognise our responsibility for the accuracy and reliability of the disclosures made in this Integrated Report. We have ensured that the information is presented in a balanced, consistent, and understandable manner. The report covers all relevant material matters pertaining to our operations and stakeholders. It also outlines how the organisation is positioned to respond to potential risks while pursuing growth opportunities.

FEEDBACK

Your feedback, inquiries, and suggestions on any aspect of our integrated report are welcome.

-  investor@iolcp.com
-  85, Industrial Area 'A' Ludhiana- 141 003, Punjab, India
-  www.iolcp.com





ABOUT US

Crafting excellence for a healthier world



IOL Chemicals & Pharmaceuticals Ltd is one of the leading manufacturer of Active Pharmaceutical Ingredients, intermediates and specialty chemicals. With integrated operations and a strong global footprint, we serve highly regulated industries by delivering consistent, high-quality products.

Our expansive manufacturing ecosystem spans over 180 acres and is anchored by a vertically integrated model, particularly for products like Ibuprofen. This model ensures reliable supply, robust quality control and process consistency, critical factors for regulated pharmaceutical markets.

We have made significant investments in infrastructure, R&D and regulatory compliance to meet the evolving

demands of our pharmaceutical and chemical clients. Our in-house R&D facility, recognised by DSIR, is supported by an experienced scientific team focused on expanding our product pipeline across key therapeutic areas, including anti-diabetic, cardiovascular, gastrointestinal and central nervous system segments.

With regulatory approvals from USFDA, EDQM and ANVISA, we continue to

strengthen our position in international markets. Our strategy emphasises backward integration and operational resilience, ensuring scalability and sustained value across pharmaceutical and chemical domains.



OUR VISION

To be amongst the most admired companies in APIs, Intermediaries, and Specialty Chemicals globally.



OUR MISSION

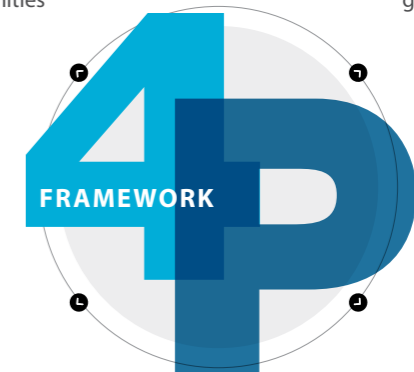
To provide top quality products in APIs and intermediate specialty chemicals through continuous innovation and cutting-edge technological means, that also keeps safety and our environmental impact to optimal levels.

People

We maintain transparent relationships with our customers, employees, suppliers, partners, investors and local communities

Principle

Our operations comply with all legal, regulatory and ethical standards, supported by robust internal controls and governance practices.



Planet

We reduce emissions, improve energy efficiency and apply green chemistry to minimise our environmental footprint.

Profit

We aim to generate sustainable profits without compromising on our ethical standards or environmental responsibilities.

NUMBERS THAT DEFINE US

~ **2900**
Employees

Long Term Debt Free
Since 2020

Customer base spanning across
80+
Countries

100%
Zero Liquid Discharge facility

20
Commercialised products

CARE A+
Stable Outlook

MARKET POSITIONING



Largest producer of **Ibuprofen** globally, with approximately 30% market share, and the only company worldwide that is backward integrated.



Largest producer of **Ethyl Acetate**, at a single location in India.



Second-largest producer of **Iso Butyl Benzene (IBB)** globally, with approximately 30% market share.

MILESTONES

Landmarks on the path of innovation



1986-91

Incorporated and established **Acetic Acid plant**
Listing on BSE

1996

Commissioned **Ethyl Acetate plant**

1999

Commissioned **Acetic Anhydride plant**

2000

Commenced **Ibuprofen Unit-1**

2007

Dedicated Ibuprofen Unit-01 operational
Commissioned **4MW CoGeneration Plant**

2010

Listing on NSE; Commissioned **13 MW Co-Generation Plant**

2009

Commissioned **IBB, MCA and Acetyl Chloride plants**

2013

Received **EU-GMP certification**

2015

Received **US FDA EIR for Ibuprofen**

2016

Commissioned Unit-03 for **new product development**

2017

Converted Unit-2 into a **dedicated Ibuprofen facility**

2018

Commissioned Unit-04 (**Dedicated to Metformin**)
Commissioned Unit-05 (**Clopidogrel and Fenofibrate**)

2019

Commissioned Unit-06 (**Dedicated to Pantoprazole**)

2020

Commissioned Unit-07 (**Dedicated to Metformin**)

2021

Commissioned Unit-08 and Unit 10 (**Multi-product facilities**)

2022

Commenced commercial production of **Paracetamol with backward integration**

2023

Increased Paracetamol capacity to **3,600 TPA**;
Recommissioned **state-of-the-art Acetic Anhydride plant**

2024

Purchased **101 acres land on Chandigarh Bathinda Highway**

2025

Commissioned new **Paracetamol Unit-11**
Increased **Clopidogrel capacity to 240 MTPA**

PRODUCT PORTFOLIO

Precision-crafted products for global markets



ACTIVE PHARMACEUTICALS INGREDIENTS

As part of our API vertical, we research, develop and manufacture a broad portfolio of high-quality active pharmaceutical ingredients used globally in the production of essential medicines. With a strong emphasis on innovation, we specialise in developing generic APIs that are both effective and affordable. Our integrated operations, at a single, fully backward-integrated facility, enable us to efficiently produce multiple derivatives while maintaining strict quality standards.

A key area of focus remains the continuous improvement of our flagship product, Ibuprofen. In response to the evolving needs of the industry, we have made substantial investments in research and development (R&D), expanding our product pipeline across various therapeutic categories.

Our API products

- Ibuprofen
- Dex-Ibuprofen

- Ibuprofen Sodium
- Ibuprofen Lysinate
- Metformin HCL
- Paracetamol
- Clopidogrel
- Levetiracetam
- Fenofibrate
- Pantoprazole Sodium
- Lamotrigine
- Losartan Potassium

RESEARCH PREMIUM

Our various therapeutic segments

- Anti-Inflammatory
- Analgesic and Antipyretic
- Anti-Diabetic
- Anti-Convulsant
- Anti-Platelet
- Anti-Cholinergic
- Anti-Cholesterol
- Proton Pump Inhibitor

Did you **KNOW?**

We are the only Company in the world with complete backward integration for all intermediates and Key Starting Materials (KSMs) used in the production of Ibuprofen.

2nd largest global manufacturer

of Iso Butyl Benzene (IBB) with a

~30%
market share

SPECIALITY CHEMICALS

Established in 1996, our specialised chemicals business has consistently grown through strategic development and capacity expansion. We focus on producing high-demand chemicals, such as Ethyl Acetate, an environmentally friendly solvent widely used across various industries. Our dedication to quality and dependable supply ensures that our customers receive consistently high-quality products.

Industries where our chemicals are used

- Pesticides
- Paints
- Ink
- Textiles
- Flexible packaging
- Pharmaceuticals
- Food processing
- Chemical ingredients

OUR PRODUCT PORTFOLIO

Ethyl Acetate
1,00,000 TPA

Acetic Anhydride
(Major Input for Paracetamol)
25,000 TPA

Iso Butyl Benzene
(KSM for Ibuprofen)
12,000 TPA

Mono Chloro Acetic acid
(Input for Ibuprofen)
7,200 TPA

Acetyl Chloride
(Input for Ibuprofen)
5,200 TPA

● Product ● Installed capacity



STRENGTHS

The forces that drive us



EXPANDING THE NON-IBUPROFEN BUSINESS

To adapt the evolving market demands, we have expanded our business portfolio to include high-value APIs, targeting diverse therapeutic areas such as anti-diabetic, anti-cholesterol, analgesic and others.

Product	Installed Capacity	Regulatory Filings	Therapeutic Area
Metformin Hydrochloride	7200 MTPA	USDMF, CEP & ANVISA GMP Approved, China DMF Active	Anti-Diabetic
Fenofibrate	Multiproduct Plant	USDMF, CEP & ANVISA GMP Approved, China DMF Active	Anti-Cholesterol
Paracetamol (Acetaminophen)	10,800 MTPA + 3600 MTPA	USDMF Under Review, CEP & ANVISA GMP Approved	Analgesic & Anti-pyretic
Levetiracetam	Multiproduct Plant	USDMF Under Review, CEP & ANVISA GMP Approved	Anti-Epileptic
Clopidogrel Bisulphate	240 MTPA	USDMF Filed, CEP & ANVISA GMP Approved, China DMF Under Review	Anti-Platelet
Pantoprazole Sodium	240 MTPA	USDMF Filed, CEP & ANVISA GMP Approved	Proton Pump Inhibitor
Lamotrigine	Multiproduct Plant	USDMF Filed, CEP & ANVISA GMP Approved	Anti-Convulsant
Losartan Potassium	Multiproduct Plant	USDMF Filed, CEP & ANVISA GMP Approved	Anti-Hypertensive

GLOBAL REACH AND INDUSTRY LEADERSHIP

Our ability to fulfil diverse market demands with high-quality products has established us as one of the industry leaders. As the world's leading manufacturer of Ibuprofen and the only backward-integrated Company in this sector, we hold a significant global market share, demonstrating our comprehensive production capabilities and strategic market position.



BACKWARD INTEGRATION

In the production of Ibuprofen, we have achieved complete backward integration by overseeing every stage of the manufacturing process, including Key Starting Materials (KSMs) and Intermediates. This integration improves supply chain efficiency and cost-effectiveness while ensuring the unmatched quality, reliability and safety of our products.

~30% global share and largest producer of Ibuprofen

FINANCIAL STABILITY AND GROWTH

We have maintained a debt-free status, reflecting our sound financial management. Our commitment to responsible business practices is evidenced by this financial stability, providing confidence and reassurance to our valued shareholders.

Long Term Debt Free

Since 2020

VIBRANT AND STRONG TEAM

Driven by our expertise, knowledge and commitment, our team of over 2,900 skilled and experienced professionals propels our progress. Together, we cultivate a supportive and encouraging environment that fosters continuous growth.

Team size of **~ 2900** employees

DEDICATION TO SUSTAINABILITY

Equipped with cutting-edge facilities, our expansive campus promotes innovation and operational excellence. Our commitment to sustainability is exemplified by our zero-discharge effluent treatment plant.

180+ acres Existing Facility

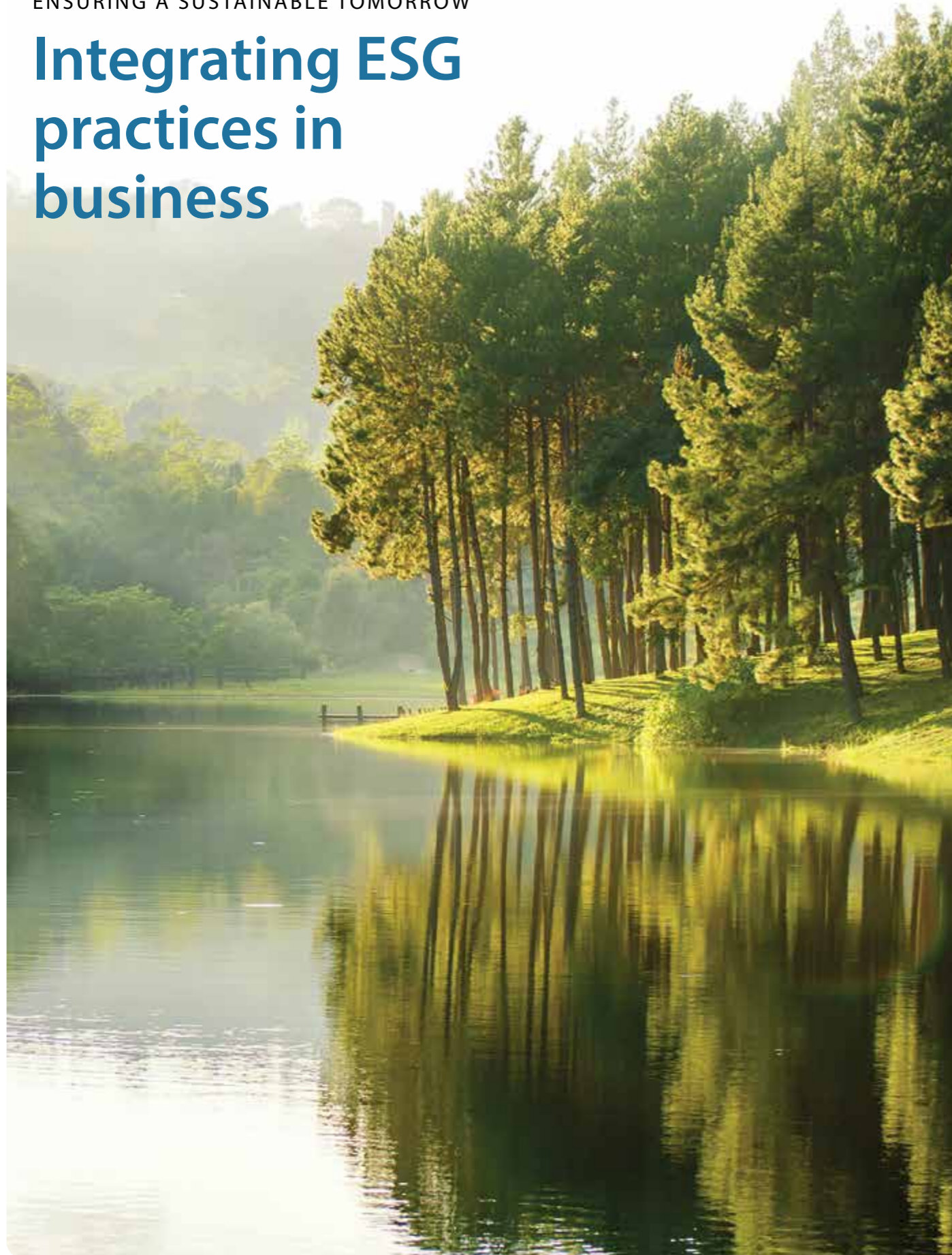
101 acres land on Chandigarh Bathinda Highway for future expansion

36.56% Green belt in the facility



ENSURING A SUSTAINABLE TOMORROW

Integrating ESG practices in business



ENVIRONMENT



- State-of-the-art Zero Liquid Discharge (ZLD) facility
- Committed to minimising environmental impact
- Continuous monitoring of environmental footprint with the implementation of targeted sustainability initiatives
- Continuous Air Quality Monitoring System (CAAQMS) to monitor real-time concentrations of all key pollutants in ambient air
- Achieved a 6.75% reduction in combined Scope-1 and Scope 2 greenhouse gas (GHG) emissions along with a 14% reduction in Scope 3 emissions.



SOCIAL



- We are committed to making a positive impact on the communities surrounding our operations through dedicated CSR initiatives
- Our philanthropic efforts aim to drive sustainable and meaningful change, reflecting our core values and commitment to social responsibility
- Certified under the SA 8000: 2014 Social Accountability Standard.



GOVERNANCE



- We prioritise strong and effective corporate governance to safeguard the interests of all our stakeholders.

100%
Water neutral

100%
Zero Liquid Discharge

0
Frequency and severity rate

81%
Power requirement met via renewable energy

6.75%
Reduction in Combined Scope-1 and Scope-2 GHG Emission

5%
Reduction in water consumption KL/ton of production in FY 2024-25

ALIGNMENT WITH SDG'S

Sustainability is embedded into the way we operate and make decisions. Our efforts are aligned with global development priorities, ensuring that our actions contribute meaningfully to pressing environmental, social and governance challenges. By integrating sustainability across our business and community interventions, we support key Sustainable Development Goals (SDGs) that address health, education, clean energy, climate resilience, and inclusive growth.



ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

We strive to promote a safety culture within the organisation by ensuring physical health and mental well-being for all employees, customers, and other stakeholders. Several programs have been implemented to improve healthcare infrastructure and services. Furthermore, we prioritise employee health and safety by implementing comprehensive occupational health and safety measures across operations. This is to reduce injuries among our employees and contractors

What we Target?

Zero percent deviation in safety



Our Targets

- Provide all basic medicines to nearb spensaries/ Primary Health Centre
- Zero Reportable accident
- Zero LTIFR & LTISR
- Zero fatalities



Our Aspirations

- To ensure safety compliance of all the employees.
- To ensure well- being of all employees.



Key Actions

- Onsite and offsite Mock drills.
- We have installed fire alarm system and smoke detectors.
- Toolbox talk in place.
- Sessions conducted for mental health well-being.
- Health check-ups conducted on regular basis.

Capitals Impacted Human

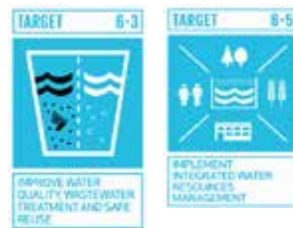
Safety of Employees and workers :- Lost Time Injury Rate in 2024-25
Employees-0 Workers-0 LTIFR-0 LTISR-0



ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

We conduct water risk assessments by closely following established environmental guidelines and regulatory frameworks to ensure sustainable water management. We systematically evaluate our water consumption patterns, identify potential sources of water contamination, and assess the availability and quality of local groundwater resources. This proactive approach allows the company to implement effective measures such as optimising water use efficiency, enhancing wastewater treatment and recycling, and maintaining strict controls to prevent any contamination of groundwater. We not only mitigate water-related risks but also contribute positively to the conservation of water resources, ensuring long-term environmental sustainability and operational resilience.

What we Target?



Our Targets

- 100% water neutrality



Our Aspirations

- 5% Reduction in water consumption KL /Ton of Production.



Key Actions

- 100% water neutral facility utilizing surface water.
- Maintaining 100% Zero Liquid Discharge Facility.
- 5% Reduction in water consumption KL /Ton of Production.
- Enhanced recycling and reuse of effluent.
- Installation of smart water-saving devices.
- Promotion of water conservation through awareness campaigns.
- Waste heat utilization.
- Steam condensate enhancement & recovery.
- Dual Plumbing in toilets to save fresh water.
- High pressure jet cleaning devices for cleaning of equipment.
- Six sigma projects for optimization of water consumption at site.



Alignment with our ESG objectives

- Zero Liquid Discharge Implementation at IOLCP.
- Reuse, Recycle of treated effluent in process.

Capitals Impacted



Natural



Manufacturing



Financial



ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

We strive to increase the consumption of clean and sustainable energy. We have been actively involved in promoting renewable energy and sustainable practices. IOLCP has invested in renewable energy projects, such as the installation of 510 KW & 62.1 KW, reservoirs Solar panels, to reduce reliance on fossil fuels and promote clean energy generation. Additionally, we have implemented energy efficiency measures across its operations, aiming to minimise energy consumption and reduce carbon emissions.

What we Target?



Our Targets

- Aiming for the usage of 100% biofuel in the process.
- 500 KW solar panel to be installed on site.



Our Aspirations

- Maximizing use of renewable energy on site.



Alignment with our ESG objectives

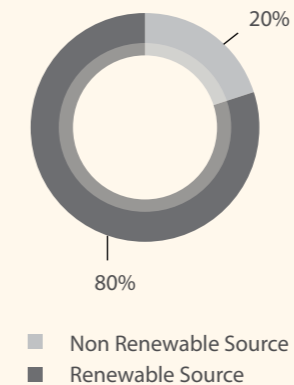
- Energy reduction targets to reduce GHG Scope 2 emissions.

100%

Carbon Neutral

- 100% carbon neutral by 31st March 2033.
- Reduction of emissions through increasing reliance on renewable energy.

Our Energy Mix



Key Actions

- Installation of 510 KW solar panels on site.
- Phase wise 1.5 MW Solar Panel Installation for Carbon Neutral.
- Installation of 62.1KW solar panels on site.
- 80% Energy derived from renewable sources

Capitals Impacted



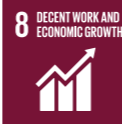
Natural



Manufacturing



Financial



PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

We strive to foster economic growth and community development, enhancing business ethics and compliance. We are contributing to SDG 8 through various business operations and initiatives, such as creating employment opportunities, fostering inclusive economic growth, and promoting fair labour practices. We prioritise employee well-being, providing training, fair benefits, and ensuring decent working conditions

What we Target?



Our Targets

- Zero instances of human right violations at workplace
- Robust policies and governance system in place
- Employee satisfaction survey for decent working conditions



Our Aspirations

- Accredited as exceptional workplace by reputed body



Alignment with our ESG objectives

- Promoting Human Rights
- Responsible Sourcing
- Employee - Well being

~3%

Total women employees

Zero

POSH Cases

Zero

Human Rights Infringement Incidences



Key Actions

- 100% Permanent employees covered under accident insurance
- Pat on the Back: Monthly
- IOL Champions Award: Quarterly
- IOL Excellence Award: Annually

Capitals Impacted



Human



Social and Relationship



BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALISATION AND FOSTER INNOVATION

We strive to build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation pacing with excellent R&D. Our focus on sustainable R&D excellence is not just a commitment, but a promise for a future that is responsible, sustainable, and filled with promising innovations. We have played a significant role in promoting sustainable industrialisation by implementing advanced manufacturing processes and technologies. Through these efforts, we have contributed to economic growth, job creation, and the development of sustainable industries.

What we Target?



Our Targets

- Conduct LCA for 100% of all IOLCP products by 2033.
- 25% Reduction of Life Cycle Assessment (LCA) emission of two products by 31' March 2028.



Our Aspirations

- Identify opportunities for new product development with low environmental footprint.



Alignment with our ESG objectives

- Embracing circularity.
- Fostering culture of innovation for sustainable product development.
- Robust IT System.

03

Patents held

₹21.02 Crores

Invested in R&D

ISO 27001 certified

Information Security Management System



Key Actions

- Driving R&D agility through Digital Transformation.
- Digitization in value chain.
- Deepening capabilities in intermediates research.

Capitals Impacted



Intellectual



Natural



Social and Relationship



ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

We are deeply committed to ensuring sustainable consumption and production patterns across our operations. Emphasising comprehensive resource efficiency, we continuously optimise water and energy use, incorporate renewable energy, and implement advanced waste management protocols to minimise environmental impact. Our efforts are complemented by responsible sourcing, investments in new technologies, and a culture of ongoing improvement, positioning it as a leader in sustainable industrial practices. Through these integrated actions, we not only reduce its carbon footprint but also foster resilient infrastructure, community development, and a sustainable future for industry and society alike.

What we Target?



Our Targets

- To support resilient infrastructure and community development, contributing to a sustainable future for industry, society, and the environment.
- To ensure Zero Complaints are received for Environment.
- Certification Continuation with zero major non-conformities for ISO 9001, ISO 50001, ISO 14001 etc.



Our Aspirations

- To be recognized as a leader in sustainable industrial practices by continuously adopting and promoting eco-friendly manufacturing processes and green chemistry innovations.
- To actively contribute to community greening, afforestation, and ecological restoration initiatives fostering social and environmental well-being.



Alignment with our ESG objectives

- Environmental Responsibility
- Social Commitment
- Governance Framework

ISO 14001 Certified

Environmental Management System Coverage

Responsible Care Logo

holder till November 2027



Key Actions

- ISO 9001 - Quality Management System certified.
- ISO 50001 - Energy Management System certified.
- Actively conduct Sustainability awareness campaigns throughout the year.
- Celebration of World Environment Day every year.
- Sustainability meets organized monthly.
- Sustainability reports published annually.
- Carbon Sink Verification done for 1338 trees.
- Purchased 7.84% ISCC approved raw materials for Specialty chemical production.
- 100% of expired or unused Activated Pharmaceutical Ingredients (API) collected for recycling or waste treatment.

Capitals Impacted



Human



Social and Relationship



TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

We undertake measures to combat climate change and its catastrophic impacts by reducing scope 1, scope 2 and scope 3 emissions and integrating a decarbonisation strategy by enhancing clean energy solutions. We have made substantial investments in renewable energy sources, such as solar, to decrease reliance on fossil fuels. Additionally, we have implemented energy-efficient practices across our operations and adopted innovative technologies to minimise greenhouse gas emissions. We have also conducted a climate risk assessment for the manufacturing location.

What we Target?



Our Targets

- Reduce at least 35% by 31st March 2033 of scope 3 GHG emissions.
- Reduce at least 58.8% by 31st March 2033 of scope 1+2 GHG emissions.



Our Aspirations

- To limit global temperature increases to well below 2 degrees Celsius above pre-industrial levels, with efforts to limit the increase to 1.5 degrees Celsius.



Alignment with our ESG objectives

- Accelerate Climate Actions

25227.12 MTCO₂e

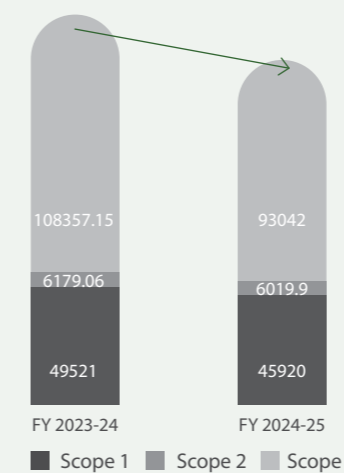
Emissions savings



Key Actions

- To reduce coal consumption and increase consumption of Biofuel.
- GHG report published on official website as per ISO 14064-1.
- Responsible Care Logo achieved.
- LCA Carbon Footprint calculation for three products carried out for Ethyl Acetate, Paracetamol, Acetic anhydride.
- Purchased 7.84% ISCC approved raw materials for Specialty chemical production.
- 100% of expired or unused Activated Pharmaceutical Ingredients (API) collected for recycling or waste treatment.
- IOLCP SBTi targets approved, validated & published on SBTi official website.
- Zero cases of environmental non-compliance.
- 6.75% Combined Scope (1 + 2) Reduction.
- 14% Scope 3 emission Reduction.

Our Emissions



Capitals Impacted



Natural



Manufacturing



Social and Relationship

GROWTH STRATEGY

Prepared for the future



In order to sustain our leadership, we continue to leverage our core strengths in API and specialty chemicals, driving innovation, operational excellence and market expansion.

MEDIUM TERM PLAN (3-5 YEARS)

Strategic Priority	Objective	Key Actions	Performance Indicators
Product Diversification and Expansion	Enhance leadership in Key API's while bolstering business resilience through diversified and balanced revenue across therapeutic segments and geographies.	<ul style="list-style-type: none"> Launch APIs with high backward integration in priority therapeutic areas Expand production capacity for Paracetamol Metformin and Clopidogrel 	<ul style="list-style-type: none"> Revenue growth from non-Ibuprofen portfolio Optimised capacity utilisation of new facilities
Strengthening Global Presence	Deepen access to regulated international markets	<ul style="list-style-type: none"> Secure API approvals in US and EU Strengthen marketing footprint in regulated regions 	<ul style="list-style-type: none"> Export revenue growth
Operational Efficiency and Cost Management	Enhance profitability through efficient operations and leaner cost structures	<ul style="list-style-type: none"> Drive automation and digitisation in production Expand backward integration into KSMS 	<ul style="list-style-type: none"> EBITDA margin improvement (target: ~15%) Cost reduction through integrated systems
Capital Allocation and Financial Discipline	Maintain a healthy financial position while investing in high-yield projects	<ul style="list-style-type: none"> Allocate ₹150–200 crore annually through internal accruals Prioritise high-ROI infrastructure investments 	<ul style="list-style-type: none"> Zero-debt status Annual CAPEX within defined budget ROI/ROCE
Human Capital Development	Build a skilled and future-ready workforce	<ul style="list-style-type: none"> Continue with training and development programs Hire for key functions: R&D, production, business development 	<ul style="list-style-type: none"> Retention rate ≥ 95% Average training: 40 hours per employee/year
Market Leadership in APIs and Specialty Chemicals	Achieve leading global market share in at least five core products	<ul style="list-style-type: none"> Expand a research-driven API portfolio Invest in R&D infrastructure Partner with global pharma for co-development 	<ul style="list-style-type: none"> Market share growth across five priority APIs

LONG TERM PLAN (5-10 YEARS)

Strategic Priority	Objective	Core initiatives	Performance Indicators
Sustainability and Environmental Stewardship	Lead the industry in sustainable manufacturing practices	<ul style="list-style-type: none"> Implement zero-waste processes Transition to renewable energy 	<ul style="list-style-type: none"> Scope 1 + 2 Combined 58.8% Reduction by 2033 Scope 3 40% GHG emission Reduction by 2033 Renewable energy use 95% by 2030 100% Water Neutrality
Digital Transformation and Technology Upgrades	Strengthen operational efficiency with advanced digital tools	<ul style="list-style-type: none"> Leverage AI for sourcing, maintenance and quality control Deploy IoT for real-time monitoring 	<ul style="list-style-type: none"> Downtime reduction Higher inventory and production efficiency
Global Supply Chain Resilience	Establish an agile and reliable global supply ecosystem	<ul style="list-style-type: none"> Develop multi-supplier networks Set up regional distribution centres 	<ul style="list-style-type: none"> Improved logistics continuity Expanded regional distribution capacity
Innovation and New Product Development	Develop advanced solutions to meet emerging healthcare needs	<ul style="list-style-type: none"> Invest in biopharma and biotech Launch new formulations and delivery methods 	<ul style="list-style-type: none"> Increased patent filings Revenue growth from new launches

CHAIRMAN'S MESSAGE

Building tomorrow on a foundation of values



DEAR SHAREHOLDERS,

It is a privilege to present our Integrated Annual Report, which outlines the progress made over the past year and reaffirms our focus on generating enduring value for our shareholders.

For us, excellence transcends mere financial metrics— it lies in our consistent progress, even as we navigate the most demanding challenges. The year under review, marked by shifting global dynamics and pronounced sectoral headwinds, required adaptability, strategic foresight and innovation. Despite these obstacles, we remained steadfast in our pursuit of long-term adjust, enabling us to emerge as a more diversified and future-ready organisation.

THE MARKET AT A GLANCE

The global economy stood at a critical juncture as major policy shifts unfolded. While the pharmaceutical industry benefitted from consistent demand especially for essential and chronic therapies, pricing pressures impeded growth, particularly in developing markets such as India. Conversely, the global specialty chemicals sector showed early signs of recovery from the prolonged inventory destocking cycle.

Amid various global headwinds, India maintained its position as one of the fastest-growing economies in the world. Driven by

robust domestic demand, substantial infrastructure spending and transformative manufacturing-led reforms such as Make in India and the China+1 strategy, the nation is steadily strengthening its position as a global hub for pharmaceuticals and chemicals.

These tailwinds are creating opportunities for Indian companies to deepen global integration and drive growth through market expansion and innovation. India's leadership in bulk drug manufacturing, coupled with the global push for supply chain de-risking and self-reliance, aligns well with our strengths in large-volume APIs, fully backward-integrated processes, and green chemistry. This evolving landscape offers a favourable platform for us to expand our global footprint, strengthen partnerships, and capture new markets worldwide.

MEASURING OUR PROGRESS THROUGH NUMBERS

At a time when India has rightly earned the moniker of Pharmacy of the World and holds a prominent position in the global chemical market, we at IOL are consistently strengthening our capabilities to contribute to the nation's growth story. As a result of our concerted efforts, strategic foresight and unswerving dedication, we have delivered a resilient performance in FY 2024-25, which was underpinned by prudent cost management, operational efficiencies, and disciplined capital allocation.



Operational efficiency and quality assurance will continue to play the role of guiding compass to our success story. Our research initiatives align with emerging global needs, encompassing green chemistry, cost-efficient synthesis, process optimization and deeper backward integration.



Our transition into a multi-product, multi-market organisation is well underway and progressing as planned. Further, we aim to leverage a well-planned approach of differentiated product development, disciplined financial management and a forward-looking investment approach to ensure competitive advantage.

UNLOCKING SUSTAINABLE VALUE CREATION

To truly build a future-ready organisation, we are consciously strengthening capabilities across every facet of IOL—bolstering infrastructure, upgrading systems and, most importantly, empowering our people. On this journey, our Board will continue to provide active oversight, guiding us through risk management, compliance requirements and evolving consumer aspirations. Additionally, we have robust governance frameworks in place to streamline decision-making and ensure integrity through every business interaction.

Operational efficiency and quality assurance will continue to play the role of guiding compass to our success story. Our research initiatives align with emerging global needs, encompassing green chemistry, cost-efficient synthesis, process optimization and deeper backward integration.

GROWING RESPONSIBLY

Our sustainability efforts encompass a broad spectrum, including dedicated water stewardship initiatives, a determined shift towards clean energy transition, significant carbon footprint reduction and the cultivation of truly ethical supply chains. Our vision for a sustainable organisation extends far beyond financial progress; it

embodies a promise for a better tomorrow for all. During the year under review, we demonstrated our dedication to responsible resource management by using surface water and recycling water recovered from our cutting-edge zero-liquid discharge (ZLD) facility to achieve 100% water neutrality. Additionally, we were able to significantly reduce Scope 1+ Scope 2 Combined greenhouse gas emissions by 6.75% and Scope 3 emissions by 14.13%.

This year, we advanced our ESG credentials by securing globally recognised certifications and further bolstering our internal capabilities in environmental management. To achieve these goals, we have trained 30+ team members in resource efficiency, environmental sustainability and green supply chain management as part of our efforts to improve team members' ESG proficiency.

At IOL, sustainability is not treated just as a buzzword, it is deeply embedded in our corporate DNA. From driving resource efficiency and emissions reduction to enabling community upliftment, our meticulously designed initiatives create a broader, meaningful societal impact. Our social responsibility efforts are equally robust, focusing on enhancing the well-being of communities and fostering inclusive growth. All of these actions are diligently overseen by a Board comprised of individuals who bring invaluable expertise, extensive experience and an unwavering adherence to transparent reporting practices.

The well-being of our employees holds paramount importance for us. We have undertaken varied initiatives to foster a safe culture for our team, and we actively champion diversity and inclusion as well as continuous learning. Our commitment to social sustainability is reflected in our proactive policies and programs that ensure a healthy, equitable workplace.

PREPARED FOR TOMORROW

FY 2024-25 was a year of strategic consolidation, operational strengthening and systematic investments, all aimed at fostering long-term growth. Our pursuit of excellence remains anchored in strong values and a bold vision for the future. Powered by innovation, sustainability and a desire for inclusive stakeholder value creation, we are poised to scale new heights.

On behalf of the Board of Directors, I extend our heartfelt gratitude to our employees for their dedication and drive, and to our shareholders, bankers, customers and partners for their continued trust and support in our mission.

Sincerely,

Rajender Mohan Malla
Chairman

MD'S MESSAGE

Vision, values and the pursuit of excellence



DEAR SHAREHOLDERS,

At IOL, we have cultivated a robust value culture, meticulously built on collaboration, mutual respect, honesty and support. Looking back, it gives me immense joy to share the key highlights from a period that tested our mettle. It was a time that profoundly demonstrated the enduring power of our ethos, the resilience of our organisation and the remarkable efficiency of our integrated business model.

Led by a result-driven team, our relentless pursuit of excellence empowers us to push the limits of possibilities and stride ahead with innovation and strategic foresight. For us, excellence is not merely a goal; it is deeply embedded in our values. These guiding principles shape our every operation and interaction, establishing an organisation that withstands the test of time.

EXCELLENCE IN ACTION

API business

Despite persistent pricing pressures across the global pharmaceutical sector, our API business delivered a strong performance. A key driver of our sustained long-term success has been the strategic decision to diversify our API portfolio beyond Ibuprofen.

Further, a significant milestone was the commissioning of our fully backward-integrated Paracetamol unit (Unit-11) at Barnala. This

substantial ₹155 crore investment, funded entirely through internal accruals, has enhanced our Paracetamol capacity to an impressive 10,800 MTPA and significantly bolstered cost efficiency as well as supply reliability. Additionally, we expanded our Clopidogrel capacity by 33%, aiming to capitalise on the increasing demand for cardiovascular APIs.

On the other hand, non-Ibuprofen APIs now account for 34% of our total API revenues, a notable increase from 18% five years ago. This growth can be primarily attributed to our focused investments in therapeutic categories such as antidiabetics, antipyretics, anticholesterol and antiepileptic drugs etc. We also recorded strong demand for products such as Metformin, Paracetamol, Pantoprazole, Clopidogrel, fenofibrate and Levetiracetam.

Simultaneously, we received approvals from the Chinese CDE for Ibuprofen and CEP certifications for Mesalazine and Quetiapine Fumarate from EDQM, bolstering our efficiency to serve regulated markets. With 16 USDMFs and 19 CEPs filed, we are well-positioned to expand our global footprint and increase export revenue.

Specialty Chemicals

Our Specialty Chemicals business continues to play a critical enabling role, primarily by supporting our captive API requirements. Amidst the global chemical sector navigating the complexities of inventory destocking, we ensured our operations remained largely insulated from external shocks. Backward integration for Ibuprofen

RESEARCH PREMIUM



Our research and development efforts span a wide range of focus areas, including generic APIs, process innovation, green chemistry and waste reuse. These dedicated efforts enrich our product portfolio, champion our sustainable approach and fortify our competitive positioning in the market.

and Paracetamol was undertaken through the in-house production of Acetic Anhydride, catering to both captive consumption and merchant sales. This approach supported greater supply assurance and cost efficiency.

Our focus remains on operational excellence, cost efficiency and quality assurance. By integrating the production of key intermediates such as IBB, Acetic Anhydride, Para-aminophenol (PAP), Monochloroacetic acid (MCA) and Acetyl Chloride, we continue to mitigate supply chain risks and improve our margin profile.

BUILDING A ROBUST FOUNDATION FOR SUSTAINED EXCELLENCE

Expanding with strategic brilliance

We have established ourselves as a leading organisation in the global pharmaceutical and speciality chemicals sectors. To maintain our competitive edge, we pursue a strategy of consolidation and capacity enhancement. With the acquisition of 101 acres of land along the Chandigarh-Bathinda Highway, coupled with crucial approvals for environmental, industrial and infrastructure development currently underway, we are setting the stage for future expansion.

As we look to scale our export footprint and accelerate medium-term growth, we remain committed to strengthening infrastructure and building enduring customer partnerships.

Innovating to unlock long-term value

Our R&D facility, approved by the Department of Scientific and Industrial Research (DSIR), spearheaded by a dedicated team of over 50 scientists, is central to our success story. We have already successfully launched more than 20 products in the market, with various products currently in the pipeline. Our research and development efforts span a wide range of focus areas, including generic APIs, process innovation, green chemistry and waste reuse. These dedicated efforts enrich our product portfolio, champion our sustainable approach and fortify our competitive positioning in the market.

EXCELLENCE BEYOND BUSINESS

ESG

Our vision for a sustainable organisation extends far beyond just financial progress, it embodies a promise for a better tomorrow for all. During the year under review, we achieved 100% water neutrality through surface water usage and maintained a zero-liquid discharge (ZLD) status. We also significantly reduced greenhouse gas emissions by 6.75% in Scope 1 and Scope 2 and by 14.13% in Scope 3. These accomplishments were validated through certifications such as Responsible Care, ISO 37001 ABMS, ISO 27001 ISMS, SEDEX SMETA and CDP ratings.

In this journey, we ensure to maintain integrity, honesty and transparency. Our strong ESG governance, driven by board-level oversight, upholds accountability every step of the way. Additionally, we have trained over 30 employees in resource efficiency and green supply chain management, strengthening internal capabilities to achieve our long-term sustainability targets.

People and Communities

Our team remains the driving force behind our operational excellence. To ensure our employees feel valued and acknowledged, we at IOLCP strive to enhance employee well-being. We foster a culture of safety through a well-structured health and safety system to ensure our employees' safety remains the top priority for the organisation. Further, structured training and initiatives focused on diversity and inclusion foster a holistic work culture that assures both personal and professional growth.

Our commitment to promoting inclusive growth incorporates driving meaningful change in the communities around us. Guided by UN SDGs, our CSR programmes focus on education, healthcare, environmental conservation and social upliftment, empowering underserved communities.

FORMULATING A SUCCESSFUL GROWTH STORY

Despite navigating global headwinds and evolving industry dynamics, IOL continues to demonstrate adaptability, strategic foresight and disciplined execution. With a solid foundation, clear vision and a dedicated workforce, we are well-positioned to scale our business in the years ahead. Our backwards-integrated model, diversified product offerings and steadfast ESG focus enable us to deftly handle short-term challenges and deliver lasting value to all stakeholders.

Lastly, I wish to express my heartfelt gratitude to all our valued shareholders. Thank you for your continued trust and support in us.

Regards,

Varinder Gupta
Managing Director

STAKEHOLDER ENGAGEMENT

Partners in progress



INVESTORS/STAKEHOLDERS

Key Expectations

- Financial report accessibility, sustainability investment strategy, performance and operational performance
- Opportunities for comments or feedback on corporate strategies
- Assurance of responsible corporate governance and ethical practices

How we engage

- Returns on investments and dividend information
- Annual reports or quarterly, investor meetings, newsletter, online portals
- Shareholders surveys and voting, investor advisory and voting
- Corporate governance reports, ethical Standards disclosures
- Dividend notifications, Annual General Meetings
- Publishing of Sustainability and GHG report on website

Frequency of engagement

- Quarterly and need based
- Annual



EMPLOYEES AND CONTRACTUAL LABOURERS

Key Expectations

- Sharing policies, plans, programmes, guidelines, regulations and decisions
- Providing valuable opinions and technical expertise
- Promoting favourable working circumstances, attending to employee welfare and providing competitive financial benefits
- Prioritising health, safety at work and fair pay first to reduce adverse effects

How we engage

- Policies
- Trainings
- Internal communication
- Mails
- Display on notice boards
- Management review meetings
- Monthly meetings
- Safety Committee meetings
- Works Committee meetings

Frequency of engagement

- As and when required



SERVICE CONTRACTORS

Key Expectations

- Continuous agreements and prompt payments or perks

How we engage

- Agreements and rules pertaining to wage payment

Frequency of engagement

- As and when required



SUPPLIERS AND VENDORS

Key Expectations

- Policies, plans, programs, guidelines, regulations, and decisions

How we engage

- Regular meetings and interaction
- Assessment during management review sessions

Frequency of engagement

- Frequent and need based



GOVERNMENT AUTHORITIES

Key Expectations

- Adherence to laws, rules, and industrial, national and international codes and standards.
- Obtain the licenses, authorisations and permits that are required.
- Compliance duties are reviewed by the Department of Environmental Management.

How we engage

- Annual Reports and website updates
- Submissions to the appropriate authorities based on the regulation registration and compliance reports on authority websites
- Strong EHS management system implementation (ISO 14001:2015 and 45001:2018)

Frequency of engagement

- As and when required



COMMUNITIES

Key Expectations

- To guarantee that there are no detrimental effects on the environment or human health, protecting soil, water and air
- Numerous projects by organisations pertaining to infrastructure, the environment, education and health
- Employment opportunities

How we engage

- Public information on the website, meetings with representatives of the society and an external communication register
- CSR Committee for coordinating the effect assessment and need identification

Frequency of engagement

- Frequent and need based



CUSTOMERS

Key Expectations

- Ensuring goods or services don't negatively impact the health or business of customers

How we engage

- Using data from customer feedback forms
- Evaluating data and applying it to improve our offerings (sales and marketing)

Frequency of engagement

- Frequent and need based



MEDIA

Key Expectations

- Plans, programmes, policies, directives, rules, and choices

How we engage

- External correspondence via assigned management personnel

Frequency of engagement

- As and when required



NON-GOVERNMENTAL ORGANISATION

Key Expectations

- Value addition to the communities, plans, programmes, policies, directives, rules and choices,

How we engage

- Community development projects
- Stakeholder engagement initiatives
- Inclusive growth programmes

Frequency of engagement

- As and when required

MATERIALITY ASSESSMENT

Listening. Learning. Prioritising.

A thorough understanding of the business environment and the associated risks and opportunities is essential to achieving our long-term objectives. To ensure we continue delivering value and meeting stakeholder expectations, we have implemented a robust risk management framework to identify, assess and mitigate potential threats.

Additionally, we follow a structured materiality review process to evaluate and report on economic, environmental, social and governance factors. This ensures alignment with our priorities and stakeholder interests.



ENVIRONMENT

- 1) Water and effluent
- 2) Climate change and Energy management
- 3) Waste management

SOCIAL

- 4) Employee Safety, Health and well being
- 5) Employee Engagement
- 6) Local communities
- 7) Human rights
- 8) Supply chain management

GOVERNANCE

- 9) Ethics
- 10) Stakeholder engagement
- 11) Risk management

RESEARCH PREMIUM

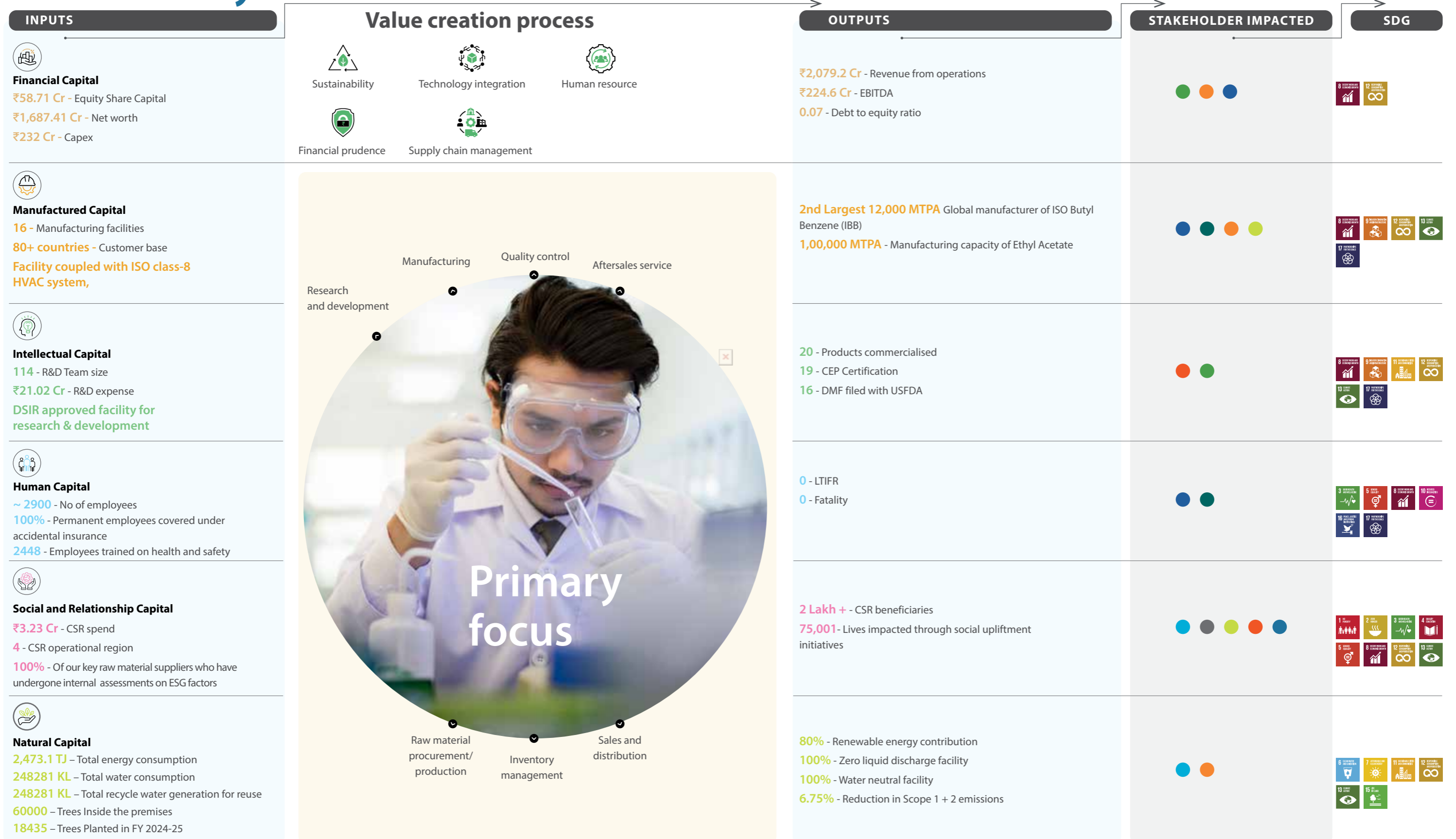
IOL Activities	Main impact generated (Actual/Potential)	Relevant material issue
Energy Insensitive Operations	Drives up GHG emissions, contributing to climate risks and potential regulatory exposure	2
Initiative on Solar Panel Installation	Lowers carbon footprint by shifting towards clean, renewable energy sources	2
Active Monitoring of Air Quality	Helps meet stringent environmental norms and mitigates reputational and compliance risks	2
Efficient Working of ZLD (Zero Liquid Discharge) Plant	Enhances resource efficiency while reducing water-related operational costs	1
Waste and Effluent from Manufacturing Processes	<ul style="list-style-type: none"> ♦ Risk of contaminating surface and groundwater ♦ Hazardous materials may persist in the environment 	1
Water Recycling Initiatives	Improves operational efficiency and helps reduce overall water-related costs	1
Introduction of Electric Vehicles (EVs)	Contributes to lower emissions and supports transition to clean mobility	2
Management Systems (SA8000, ISO 45001, 50001, 14001, 9001)	Enhances operational discipline, regulatory compliance and promotes employee health and safety	5
Talent Development Program	<ul style="list-style-type: none"> ♦ Adequate skill and knowledge development ♦ Increases operational efficiency ♦ Sustainable business growth 	5 10
Incident Risk management	<ul style="list-style-type: none"> ♦ Prevent accidents through robust processes in management operation and closure ♦ Emergency preparedness and response plans ♦ If not implemented thoroughly, operational hazards may occur (like waste streams affecting the environment, livelihoods, and communities) 	4 11
Diversion of waste	Reduction in waste to landfills	3
IOL Workplace Health and Safety Program	<ul style="list-style-type: none"> ♦ Helps prevent near-miss incidents ♦ Strengthening workplace safety 	4 11
CSR Activities	<ul style="list-style-type: none"> ♦ Enhances the financial stability of local communities ♦ Risks related to operating in areas with vulnerable communities such as Indigenous people 	6 9 10
Transportation Activities	<ul style="list-style-type: none"> ♦ Emissions from transportation may impact the ecosystem ♦ Increase in dust and operational safety 	2 4
Whistle Blower Policy	<ul style="list-style-type: none"> ♦ Limits violations and helps take corrective action 	9
Business Ethics and Anti-corruption Policies	<ul style="list-style-type: none"> ♦ Violations may increase compliance costs ♦ Reduces corruption and bribery risks 	9
Procurement	<ul style="list-style-type: none"> ♦ Prioritises local suppliers ♦ Promotes community welfare and retail business 	8



VALUE CREATION MODEL

The alchemy of value

● Investors/ Stakeholders ● Government authorities ● Employees and contractual labourers ● Service contractors
● Non-government organisation ● Suppliers/ Vendors ● Customers ● Communities ● Media



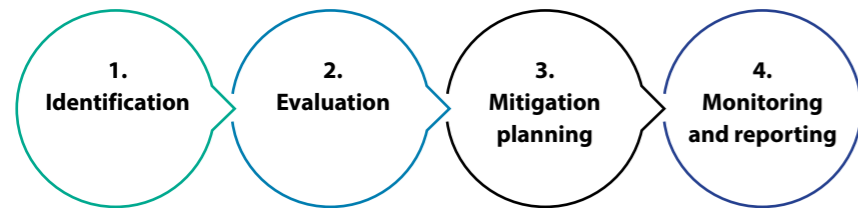
RISK MANAGEMENT

Navigating uncertainty with confidence



Risk management is integrated into our core operations to enable early identification, comprehensive assessment and effective mitigation of risks across financial, regulatory, operational and environmental areas.

The framework is applied consistently across all business functions and is reviewed on a regular basis by the management and the Audit Committee to ensure it remains aligned with evolving business priorities and industry conditions.



RISK MANAGEMENT FRAMEWORK

Our Enterprise Risk Management (ERM) framework has been developed through a methodical and collaborative process. It commenced with strategic discussions at the top management level to ensure alignment between risk perspectives with overall business objectives, forming the foundation for a formal ERM policy. Subsequently, one-on-one interactions were conducted with functional leaders across Finance, Sales, Marketing, Procurement, IT and Supply Chain to identify specific risk exposures relevant to

their respective domains. Insights gathered from these interactions were consolidated into an updated risk register, which serves as the central repository for identified risks and corresponding mitigation strategies. Comprehensive mitigation plans were then formulated, outlining actionable measures and monitoring protocols. Oversight is maintained by the Risk Management Committee, which ensures timely implementation, review and continuous improvement of risk responses. This structured approach enhances organisational resilience and strengthens stakeholder confidence in our risk management practices.

Risk Management Committee

The Risk Management Committee oversees the identification, assessment and management of risks across business operations, finance, compliance and other critical functions. It evaluates potential exposures to anticipate challenges and refine mitigation strategies in alignment with the organisation's risk tolerance and strategic goals. The Committee ensures regular reporting to the Board, promoting informed decision-making and transparent governance. This structured oversight reinforces operational discipline and maintains stakeholder trust.

RESEARCH PREMIUM



OPERATIONAL RISKS

Risk Area	Risk Description	Impact on business	Mitigation strategy	ESG Linkage
Information Technology	Cyber Attack	<p>Financial Capital: Security breaches could result in significant financial losses through operational disruption, regulatory penalties and adverse impacts on liquidity and profitability.</p> <p>Intellectual Capital: Exposure of confidential information, including process knowledge and R&D data, may hinder innovation and weaken the Company's competitive edge.</p> <p>Relationship Capital: Breaches in data security can erode stakeholder trust, affecting customer retention and limiting future business opportunities.</p>	A comprehensive cybersecurity and IT risk management framework is in place to protect digital infrastructure. Regular Vulnerability Assessment and Penetration Testing (VAPT) helps identify and address gaps, while ongoing monitoring ensures timely threat detection and system protection.	
Manufactured Facility	Supply Chain Disruption	<p>Manufactured Capital: Dependence on a single production site increases vulnerability to operational disruptions caused by natural disasters, geopolitical events or equipment failure.</p> <p>Financial Capital: Interruptions in operations may result in revenue loss due to delayed order fulfilment or cancellations.</p> <p>Human Capital: Disruptions may impact employee efficiency and hinder routine workflows, reducing overall operational efficiency.</p>	Establishing multiple manufacturing sites to diversify production capacity and reduce concentration risk. Enhancing supply chain resilience and implementing contingency protocols. Providing cross-functional training to employees to support flexible redeployment as needed.	
Quality	Inconsistent Product Quality	<p>Relationship Capital: Substandard product performance may lead to a decline in customer confidence and long-term relationships</p> <p>Financial Capital: Poor quality can result in customer attrition, warranty claims or penalties, directly impacting revenue and profitability</p> <p>Intellectual Capital: Recurring quality issues can damage the organisation's reputation, reducing market acceptance of new products and undermining differentiation efforts.</p>	A quality risk management system has been implemented, supported by routine audits and alignment with recognised external standards. Focused training initiatives are conducted to strengthen quality across functions	

RISK MANAGEMENT CONTD...

Risk Area	Risk Description	Impact on business	Mitigation strategy	ESG Linkage
Business Continuity Planning	Disruption to seamless operations during unforeseen events	<p>Manufactured Capital: Production may be temporarily affected in the absence of alternate arrangements</p> <p>Financial Capital: Operational disruptions can result in short-term revenue loss due to halted services or delayed deliverables</p> <p>Social Capital: Interruptions may strain relationships with customers, suppliers and other stakeholders</p>	A comprehensive Business Continuity Plan (BCP) has been established, covering critical operations with defined recovery parameters. Periodic Business Impact Analyses are conducted to ensure the plan remains relevant, effective and responsive.	
Fire/Hazard Management	Fire incidents at manufacturing sites	<p>Manufactured Capital: Fire incidents may cause damage to physical infrastructure and affect production continuity</p> <p>Financial Capital: Asset damage and potential legal or financial liabilities may result in considerable financial risk exposure</p> <p>Human Capital: Fire hazards pose serious safety risks to personnel, with the potential for injury or loss of life</p>	<p>Fire protection systems are installed and maintained.</p> <p>Regular fire safety drills and training sessions are conducted to enhance employee preparedness and awareness.</p> <p>Clearly defined emergency response protocols are in place, supported by accessible safety equipment and designated evacuation procedures.</p>	
Research and Development	Loss of Business Potential due to Insufficient Investment in R&D	<p>Intellectual Capital: Limited R&D investment may hinder innovation, reducing the organisation's ability to develop differentiated offerings and maintain a competitive edge</p> <p>Financial Capital: Fewer new product introductions can negatively impact future revenue growth</p> <p>Human Capital: Inadequate investment in skilled talent and R&D capabilities may constrain the execution of development priorities</p>	<p>Increased investment in R&D infrastructure, technology and talent.</p> <p>Adoption of digital tools to enhance research efficiency and accelerate development cycles.</p>	

FINANCIAL RISKS

Risk Area	Risk Description	Impact on business	Mitigation strategy	ESG Linkage
Product Concentration	Reduce flexibility in adapting to regulatory or market shifts	<p>Financial Capital: A high reliance on a limited range of products increases exposure to external market fluctuations, demand shifts, and price volatility and may significantly impact financial stability.</p> <p>Intellectual Capital: A weak innovation pipeline may constrain business growth and competitiveness.</p>	We are diversifying our portfolio across multiple therapeutic segments and specialty chemicals, reducing reliance on any single product line. This enhances operational flexibility and strengthens resilience to external changes.	
Foreign Exchange Exposure	Influence import costs and the realisation of export revenues	<p>Financial Capital: Volatile exchange may erode profit margins and impact profitability</p> <p>Manufactured Capital: Changes in forex rates may affect raw material prices, affecting cost structures</p>	We have implemented a robust system to continuously monitor forex exposure continuously. Hedging strategies are employed and periodic reviews ensure alignment with current market dynamics.	
Fraud Monitoring and Ethical Conduct	Inadequate controls or weak ethical culture may lead to fraud or unethical behaviour, affecting compliance, stakeholder confidence, and financial integrity.	<p>Financial Capital: May result in financial losses and legal penalties</p> <p>Relationship Capital: Can erode trust with customers, suppliers and other stakeholders</p>	A robust internal control system is in place, supported by regular fraud awareness training and policy reviews to uphold ethical standards.	

RISK MANAGEMENT CONTD...

ESG RISKS

Risk Area	Risk Description	Impact on business	Mitigation strategy	ESG Linkage
Environmental, Social and Governance (ESG)	Affect resource efficiency, stakeholder trust and regulatory standing	<p>Natural Capital: Non-compliance may contribute to environmental harm and inefficient resource use</p> <p>Social Capital: Weak ESG practices can undermine community relationships and stakeholder confidence</p> <p>Financial Capital: Regulatory breaches may result in penalties and revenue loss</p>	A structured ESG framework guides compliance with evolving standards. Regular training builds awareness, supported by clear policies on emissions, resource management and ethical workplace conduct.	

REGULATORY RISKS

Risk Area	Risk Description	Impact on business	Mitigation strategy	ESG Linkage
Regulatory Compliance	Disrupt operations and undermine stakeholder confidence	<p>Financial Capital: May lead to penalties, legal costs and reduced profitability</p> <p>Relationship Capital: Reputational damage and erosion of stakeholder trust</p> <p>Manufactured Capital: Regulatory breaches may result in production delays or shutdowns</p>	A compliance management framework is implemented, led by a designated Compliance Officer. Regular monitoring, policy reviews and updates ensure alignment with evolving legal requirements.	



GOVERNANCE

Our ethical backbone



We uphold strong principles of integrity and transparency in our operations, with defined processes for oversight, reporting and compliance.

This ensures accountability and supports value generation for key stakeholders, including employees, contractors, shareholders, suppliers, customers and the communities where we operate. By aligning with industry standards and operational benchmarks, we reduce risk, build operational resilience and position ourselves to effectively meet evolving priorities.

Our Governing Principles

Our governance framework protects stakeholder interests and supports the sustainable growth of our business. The following principles underpin our approach to governance:

- Promotion of ethical and responsible decision-making
- Timely and balanced disclosure
- Respect for the rights of shareholders
- Legal and statutory compliance in letter and spirit
- Board composition that adds value
- Safeguarding integrity in financial reporting
- Recognition and management of business risks
- Acknowledgement of the legitimate interests of stakeholders

COMMITMENT TO GOVERNANCE

We implement a structured corporate governance framework that ensures clear decision-making, robust risk management and accountability across the organisation. This drives operational efficiency and aligns management practices with established governance standards to deliver long-term value to stakeholders.

GOVERNANCE COMMITTEES

To ensure effective oversight and governance, we have established several key committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Banking and Finance Committee
- Strategy and Growth Committee

POLICY IMPLEMENTATION

We have established comprehensive policies that define responsibilities and set clear operational standards. These policies govern conduct, ensure compliance and align processes with regulatory and organisational requirements. They provide a practical framework for decision-making and protect the interests of the business and its stakeholders. Few major policies are enlisted as below. All policies are available at iolcp.com/about-us/policies.

Code of Conduct for Directors and Senior Management

The Code of Conduct outlines mandatory ethical standards for our leadership. It is reinforced through regular training for the Board, senior management, employees and partners. Each year, Directors and senior management formally affirm their commitment to Company's interests and disclose any conflicts of interest or material transactions that could affect impartiality.

Business Responsibility Policy

A designated function head is responsible for implementing and monitoring the Business Responsibility Policy. Functional leaders develop actionable plans and compliance checklists to meet policy requirements. The Board assigns oversight to specific Directors or senior officials. Stakeholders may report concerns related to the policy's implementation at investor@iolcp.com, ensuring timely investigation and resolution.

Anti-Sexual Harassment Policy

We enforce a strict zero-tolerance policy against sexual harassment to ensure a workplace where all employees are treated with respect and fairness. This policy applies to all employees and sets out prevention measures and clear procedures for reporting and addressing complaints.

Corporate Social Responsibility (CSR) Policy

Our CSR policy integrates social responsibility with business objectives by supporting initiatives that contribute to community welfare and economic development. The CSR Committee oversees the planning, implementation and monitoring of these programmes to ensure alignment with the policy.

Vigil Mechanism and Whistle Blower Policy

The policy provides a confidential channel for employees to report unethical behaviour or misconduct within 45 days of awareness. The Audit and Risk Management Committee reviews all concerns and may conduct or delegate investigations. Based on the investigation outcomes, the Committee recommends appropriate disciplinary measures.

Nomination and Remuneration Policy

This policy guides the appointment and remuneration of Directors, Key Managerial Personnel (KMP) and senior management. It establishes the structure for compensation, commissions and increments, subject to Board approval and compliance with regulatory and shareholder requirements.

Environment, Health, Safety and Sustainability Policy

We comply with all environmental, health and safety regulations and integrate these requirements into our daily operations. Through the use of efficient technologies and active employee engagement, we regularly monitor EHS performance and implement targeted safety programmes to prevent incidents. Sustainability is a key factor in all major business decisions and the policy is communicated clearly to all relevant stakeholders.

Energy Policy

We monitor and reduce energy consumption in manufacturing and distribution, focusing on APIs, intermediates and specialty chemicals. Our approach involves continuous monitoring of energy use, identifying efficiency improvements and ensuring compliance with energy regulations. Energy goals are included in business planning and procurement prioritises energy-efficient products and services. The policy is communicated internally and is available to stakeholders on request.

Sustainable Procurement Policy

Our procurement practices prioritise sustainability, ethical sourcing and environmental responsibility. We comply with all relevant legal and ESG requirements, prefer eco-friendly products, engage local suppliers and maintain transparency throughout the supply

chain. By communicating this policy to stakeholders, we encourage collective responsibility and drive continuous improvement, supporting sustainable resource use and long-term value creation.

Social Accountability Policy

We promote a fair, ethical and inclusive workplace by prohibiting child labour, forced labour and discrimination. This policy safeguards employee rights related to health and safety, fair compensation, reasonable working hours, freedom of association and collective bargaining. Aligned with SA 8000 standards, the policy undergoes regular review. Awareness initiatives ensure all employees and stakeholders understand and uphold our social responsibility commitments.

Quality Policy

We deliver consistent product quality and strive to enhance customer satisfaction by adhering to Good Manufacturing Practices and continuously improving our Quality Management System. We ensure ongoing training, team empowerment and strict process discipline.

Anti-Bribery and Corruption policy

We maintain a zero-tolerance approach to bribery and corruption across all our operations. In alignment with ISO 37001:2016, we prohibit any form of improper payments or undue advantage, whether made directly or through third parties. We conduct regular risk assessments and due diligence on partners, vendors, and other business associates. Our employees receive periodic training to identify and avoid bribery-related risks.

Information Security Policy

We are protecting the confidentiality, integrity, and availability of all information we manage. Our approach ensures compliance with applicable requirements, integrates IT safeguards into business practices, and promotes responsible behaviour across our systems. We guide our teams on secure practices, regularly review our information security management system, and adopt new technologies to strengthen digital resilience.

BOARD OF DIRECTORS



MR. RAJENDER MOHAN MALLA
Chairman and Independent Director

Mr. Rajender Mohan Malla is a distinguished professional with a Bachelor's degree in Commerce from Shri Ram College of Commerce, an M.Com degree, and an MBA from the University of Delhi. With a career spanning four decades, he has held senior roles in prominent banks and financial institutions, significantly contributing to their growth and success. His extensive expertise and leadership experience are invaluable to our organisation.



MR. VARINDER GUPTA
Managing Director

Mr. Varinder Gupta is an esteemed industrialist with over 37 years of extensive experience in the chemical and pharmaceutical industry. His strategic vision and comprehensive oversight have driven innovation and excellence within the organisation, positioning IOL as a leader in the pharma and API sectors.



MR. KUSHAL KUMAR RANA
Director (Works)

Mr. Kushal Kumar, with a Bachelor's in Chemistry, Physics, and Math, Master's in Chemistry and Strategic Leadership development program (SLDP) from IIM Bangalore, has over 32 years of experience in the pharmaceutical industry. His expertise in quality assurance, quality control, EHS Statutory and regulatory compliance is instrumental in maintaining the company's high standards.



Rajni Jha
Independent Director

Ms Rajni Jha is a highly accomplished Senior Pharmaceutical Regulatory, Quality, and Compliance professional with over 32 years of extensive experience in the pharmaceutical industry. An IIT Kanpur scholar and Regulatory Affairs professional, she has made significant contributions across various departments, including Chemical Research, Corporate Regulatory Affairs, Quality Assurance and Drug Regulatory Affairs- RA & QA [R&D & Manufacturing plant] & Techno Commercial Team. Ms Rajni Jha has done M.Sc. in Synthetic Organic Chemistry from Kanpur University. She is an IIT Kanpur Scholar - Research work at I.I.T Kanpur.



MR. VIKAS GUPTA
Joint Managing Director

Mr. Vikas Gupta, an alumnus of Kings College, London, holds a B.Sc. (Hons.) in Business Management. He is academically equipped and possesses significant organisational capacity. With a pivotal role in IOL's strategic department, he has been instrumental in guiding the company's chemical and pharmaceutical business over the last nine years.



MR. ABHIRAJ GUPTA
Executive Director

Mr. Abhiraj Gupta, holding a Bachelor of Science in Management and Engineering in Business Management from the University of Warwick, UK, has been associated with the company since September 2017. He oversees the non-Ibuprofen API and chemical business, R&D, regulatory, and digital marketing. Under his leadership, the non-Ibuprofen API business has shown remarkable performance.



MR. HARPAL SINGH
Independent Director

Mr. Harpal Singh, a Chartered Engineer and Fellow of the Institution of Engineers (India), has over 36 years of experience in banking and financial services. A Certified Associate of the Indian Institute of Bankers, he has held senior positions, including General Manager of Punjab National Bank, overseeing the bank's operations in Punjab.



MR. SHARAD TYAGI
Independent Director

Mr. Sharad Tyagi, with a degree in engineering from Delhi University and an MBA from IIM Ahmedabad, has over 37 years of entrepreneurial experience in pharmaceuticals, OTC, automotive catalysts, and specialty chemicals. He has held prominent positions, including Managing Director of Boehringer Ingelheim India and Senior Vice President at Dr. Reddy's, contributing significantly to their strategic growth.



Finance Capital

₹2,101.6 Cr

Revenue

₹224.6 Cr

EBITDA

₹101 Cr

NET Profit

Structured Growth with Financial Prudence

We uphold financial discipline as a core enabler of our growth momentum. Through careful financial planning, which includes selective investments and efficient deployment of resources, we have delivered balanced returns to stakeholders while maintaining a resilient balance sheet. Our approach to capital allocation, shareholder payouts, and long-term investments has established a stable platform for sustained value creation.

Focus area

- Driving long term value creation
- Optimising capital deployment
- Enhancing cashflow efficiency
- Strengthening shareholder value
- Safeguarding finances

SDG Impacted

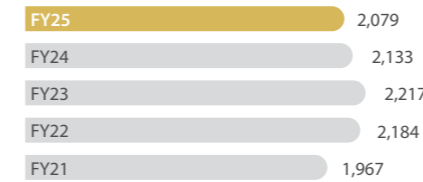


RCH PREMIUM

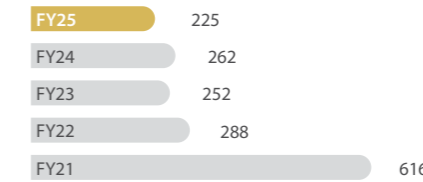
STRENGTHENING FINANCIAL RESILIENCE THROUGH OPERATIONAL EFFICIENCY AND STRATEGIC INVESTMENT

We continued to build on our strategic priorities through focused investments, operational enhancements, and a disciplined financial approach. The company expanded its capabilities and laid the groundwork for future growth across both its pharmaceutical and chemical businesses.

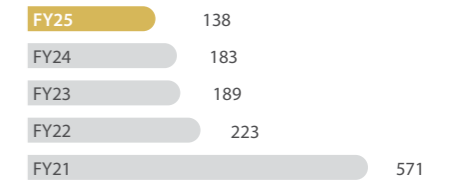
Revenue from Operations (₹ in Cr)



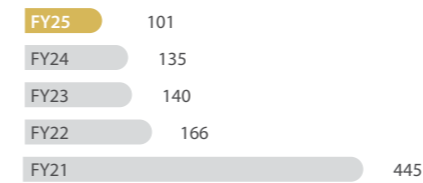
EBITDA (₹ in Cr)



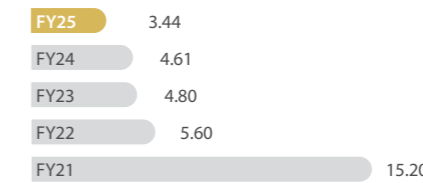
PBT (₹ in Cr)



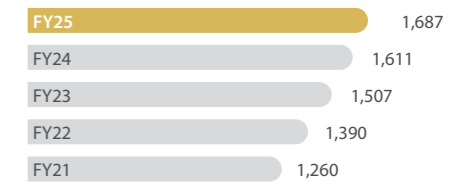
PAT (₹ in Cr)



EPS (in ₹) Face value per equity share ₹2/- each



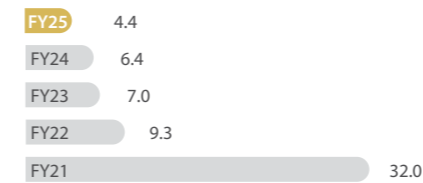
Net Worth (₹ in Cr)



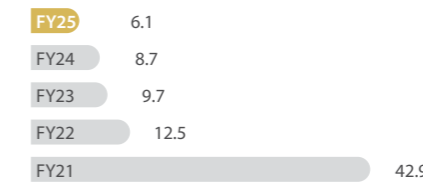
**The equity shares of the Company, during the current year, have been sub-divided from existing face value of ₹10/- per equity share to face value of ₹2/- per equity share based on approval by the shareholders through Postal Ballot on 31-Jan-2025. The Record Date for effecting this sub-division of equity share was 11-Mar-2025. Accordingly, basic and diluted earnings per equity share for previous years have been adjusted/computed on the basis of number of equity shares after sub-division.

KEY RATIOS

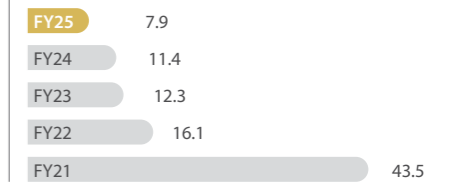
Return on Assets (in %)



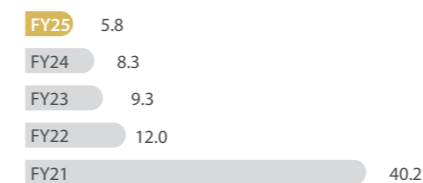
Return on Equity (in %)



Return on Capital Employed (in %)



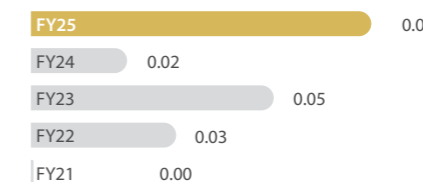
Return on Net Assets RoNA (in %)



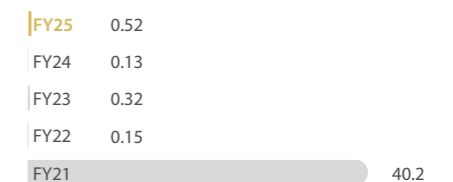
Capital Efficiency and Internal Funding

All capital expenditure during the year was funded entirely through internal accruals, underscoring the company's robust cash flow management and debt-free status. The company has also acquired new land near to its current facility to support long-term expansion plans.

Debt to Equity (in times)



Debt to EBITDA (in times)

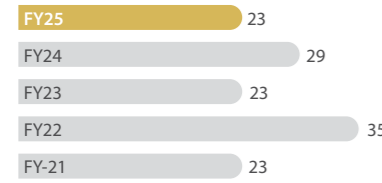


FINANCE CAPITAL CONTD...

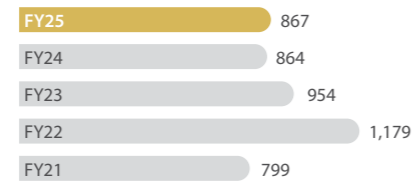
**FINANCIAL PERFORMANCES
ACROSS VERTICALS**

The commissioning of a new Paracetamol manufacturing unit with a capacity of 10,800 MTPA and the enhancement of Clopidogrel capacity from 180 MTPA to 240 MTPA during the latter part of FY25 mark significant progress in broadening the company's API portfolio. These initiatives reflect IOL's emphasis on expanding its manufacturing footprint in non-Ibuprofen APIs and reducing product concentration risk.

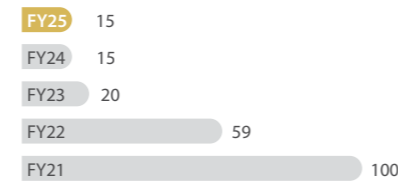
Dividend
(₹ in Cr)



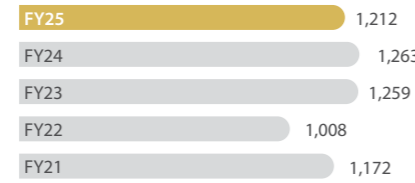
Chemical segment Revenue (net of intersegment)
(₹ in Cr)



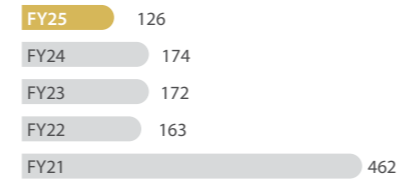
Chemical segment EBIT
(₹ in Cr)



Pharma segment Revenue
(₹ in Cr)



Pharma segment EBIT
(₹ in Cr)



Supply Chain Integration and Cost Optimization

IOL continued to advance its backward integration initiatives, resulting in reduced dependency on external sources for key raw materials. These measures are not only driving cost optimization but also strengthening the company's competitive positioning.

Technology-Enabled Governance

The Company has taken significant steps toward digital transformation by implementing enterprise-grade solutions such as SAP HANA, ZOHO, LIMS, and SuccessFactors. These platforms are driving improved financial oversight, streamlined processes, and enhanced organizational productivity.

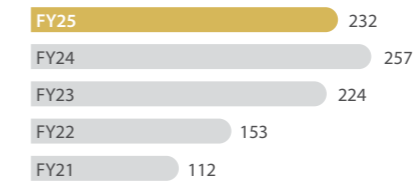
Shareholder Engagement and Value Creation

The company remains committed to building long-term shareholder value through consistent dividend distribution, regular investor interactions, and plant visits for analysts. Book value per share and net worth have continued to rise year-on-year, supported by strong internal accruals and reinvestment into high-potential projects.

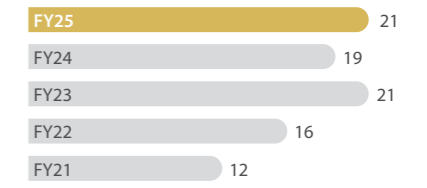
Exploring Growth-Oriented Investments

Looking forward, we are identifying new investment avenues to strengthen revenue growth and improve profitability, with a clear focus on enhancing shareholder value. Our planned investments in upcoming projects are intended to support both top-line expansion and margin improvement. As part of this strategy, we have initiated land acquisition near our current facilities and are evaluating cost efficiency measures to drive greater value addition across operations.

Capex
(₹ in Cr)



R&D investment
(₹ in Cr)





Manufactured Capital

16

Commercial Manufacturing Facilities

26%

Export

04

Multi-product facilities

Advanced capabilities, integrated supply chain

Through sustained capacity expansion and a diversified product base, we have positioned itself as a key global supplier across APIs and specialty chemicals. The facilities reflect a commitment to quality excellence, with processes aligned to meet the requirements of highly regulated markets.

Focus area

Capacity Expansion and Product Diversification

Quality Excellence and Regulatory Readiness

Integrated Operations and Process Efficiency

SDG Impacted



MANUFACTURING EXCELLENCE AT IOL

Our manufacturing infrastructure is engineered to deliver consistent, high-quality output across APIs and specialty chemicals. Combining advanced technologies, specialized facilities, and a focus on sustainable operations, the company's manufacturing platform supports global supply needs while adhering to strict industry standards.

Key Features of Our Manufacturing Excellence

Dual Production Systems

- APIs produced in batch processes to ensure precision and consistency
- Intermediates and specialty chemicals produced in continuous delivery mode, supported by DCS (Distributed Control System) technology for optimal control

Specialized Process Capabilities

- Facilities handle reactions, filtration, centrifugation, drying, blending, sieving, and micronisation operations
- Dedicated and multiproduct blocks enable flexibility across therapeutic categories and chemical applications

Advanced Utility and Infrastructure Setup

- ISO class-8 HVAC systems for controlled environments
- PSA nitrogen and purified water systems supporting critical processes
- Steam generation capacity of 185 MTPH, powered by multiple boilers
- Decentralized utilities capable of managing a temperature range from -20°C to 275°C
- Dedicated 17MW co-generation plant enhancing operational reliability

Sustainability and Safety Integration

- Four-stage zero liquid discharge (ZLD) effluent treatment plants integrated into operations
- Solvent recovery systems ensuring efficient resource use
- Onsite Environmental, Health, and Safety (EHS) cell overseeing compliance and continuous improvement



MANUFACTURED CAPITAL CONTD...

OUR MANUFACTURING UNITS

We continue to strengthen our manufacturing foundation through targeted expansion and integration of modern technologies. Our focus on operational discipline, sustainable practices, and ongoing process enhancement enables us to improve efficiency, ensure product consistency, and meet the evolving requirements of global markets.

All manufacturing operations at IOL Chemicals and Pharmaceuticals Limited are carried out at our integrated specialty chemicals and API facility in Barnala, Punjab. Spread across over 180 acres, the site houses state-of-the-art infrastructure designed to meet global quality benchmarks. Our API manufacturing units operate in compliance with current Good Manufacturing Practices (cGMP), ensuring consistency and reliability across processes. As one of India's established API producers, we focus on delivering high-quality, cost-effective pharmaceutical solutions that support healthcare access and industry partnerships.



PILOT PLANT

- Multi-product facility with ground +1 storey layout
- Supports high-temperature and hydrogenation reactions
- ISO-Class-8 finishing area for controlled operations
- Includes in-built micronisation capability



UNIT 1

- Dedicated Ibuprofen facility with ground +3 storey layout
- Installed capacity of 6250 MTPA
- USFDA audited and EU GMP approved
- ISO-Class-8 finishing area with dedicated solvent recovery system



UNIT 4

- Multi-product facility dedicated to Paracetamol manufacturing
- Ground +2 storey structure with automated utility systems
- EU GMP approved with ISO-Class-8 finishing area
- Integrated solvent recovery system for efficient operations



UNIT 5

- Dedicated Clopidogrel Bisulphate (Form-II) manufacturing facility
- Ground +1 storey structure with 240 capacity
- EU GMP approved with ISO-Class-8 finishing area
- Equipped with dedicated solvent recovery system



UNIT 2

- Dedicated Ibuprofen facility with ground +2 storey structure
- Installed capacity of 5750 MTPA
- USFDA audited and EU GMP approved
- ISO-Class-8 finishing area with solvent recovery system



UNIT 3

- Multi-product facility with ground +1 storey structure
- EU GMP approved with ISO-Class-8 finishing area
- Equipped with isolator for intermediate handling
- Supports, hydrogenation, and high-temperature reactions
- 17 SSRs (MSGL) with total capacity of 75 KL
- Includes micronisation, vacuum drying, and solvent recovery system



UNIT 6

- Dedicated Pantoprazole Sodium manufacturing facility
- Ground +2 storey structure with 240 MTPA capacity
- EU GMP approved with ISO-Class-8 finishing area
- Integrated solvent recovery system for process efficiency



UNIT 7

- Dedicated Metformin HCL facility with ground +2 storey layout
- Installed capacity of 7200 MTPA
- ISO-Class-8 finishing area with automated filling and packing
- Equipped with dedicated solvent recovery system

MANUFACTURED CAPITAL CONTD...



UNIT 8

- Multi-product facility with ground +1 storey structure
- ISO-Class-8 finishing area with 10 SSRs totaling 60 KL capacity
- Equipped with vacuum drying and micronisation systems
- Includes dedicated solvent recovery plant



UNIT 9

- Design for multi-product manufacturing
- Offers flexibility to align evolving markets



UNIT 10

- Dedicated facility for fenofibrate with ground +1 storey structure
- EU GMP approved with ISO-Class-8 finishing area
- Equipped for high-temperature reactions
- 18 SSRs (MSGL) with a total capacity of 110 KL
- Includes micronisation and vacuum drying systems



UNIT 11

- State of the art manufacturing facility for paracetamol
- Supported by backward integration, with in-house production of key intermediates, Para Amino Phenol (PAP) and Acetic Anhydride, essential for Paracetamol manufacturing.

CHEMICAL DIVISION



ETHYL ACETATE

- Dedicated manufacturing facility with 100,000 MTPA capacity
- Fully automated plant with DCS-based operations
- 8600 KL of integrated storage capacity
- Finished product purity up to 99.99%
- Dedicated drum filling and packaging setup.



ISO BUTYL BENZENE UNIT

- Dedicated manufacturing facility with 12,000 MTPA capacity
- Fully automated operations enabled by DCS technology
- Equipped with high-pressure gas induction reactors
- Energy-efficient distillation column setup
- Includes 450 KL propylene handling and storage facility



ACETYL CHLORIDE / MCA / IPCA UNIT

- Dual-technology manufacturing with DCS-based operations
- Designed for complex chemical processes
- Utilizes specialized metallurgy: glass-lined, graphite, and PTFE
- Supports safe handling of corrosive and high-purity materials



ACETIC ANHYDRIDE

- Dedicated unit producing 25,000 MT of Acetic Anhydride per annum.
- Completely DCS based automated plant
- Purity by GC >99.5%

MANUFACTURED CAPITAL CONTD...

ANCHORING SCALABLE AND FUTURE-READY GROWTH

Our manufacturing platform remained a critical pillar of our operations, enabling both continuity and calibrated expansion. Our output mix reflects a deliberate shift toward high-value, regulated products. While volumes in Ibuprofen and Paracetamol moderated during the year, targeted capacity enhancements across other therapeutic areas helped balance operational throughput and position us for growth in the coming cycle.

₹1,212 Cr

Revenue from API

₹867 Cr

Revenue from Speciality chemical

Capacity Expansion Aligned to Strategic Priorities

The commissioning of a new 900 MT/month Paracetamol unit, alongside the expansion of Clopidogrel capacity from 15 MT/month to 20 MT/month, marked important additions to our portfolio. In Metformin, the repurposing of an existing unit 4 is underway.

Capital Investments Supporting Long-Term Efficiency

The RO MEE installation at our ETP also reflects our dual emphasis on resource circularity and environmental management.

DIGITAL TRANSFORMATION DRIVING OPERATIONAL INTELLIGENCE

We continued to scale our digital backbone to enable faster, smarter operations.

Systems such as SAP, LIMS, MES, DCS, BMS, and Trackwise were fully implemented across all units, facilitating data traceability, real-time monitoring, and integrated plant maintenance. Our new Paracetamol facility

has been fully digitised, offering a blueprint for future automation rollouts.

Additionally, batch size optimisation particularly in Ibuprofen, where volumes per run tripled from 1000 kg to 3000 kg illustrates how process redesign can drive scale without proportional increases in resource use.

CAPACITY-LED GROWTH WITH STRATEGIC INVESTMENTS

Over the past year, we have made targeted investments in enhancing capacity and upgrading infrastructure to support a more diversified and future-ready product portfolio. These efforts have not only unlocked volume growth in key therapeutic segments but also laid the groundwork for sustainable scalability across our manufacturing base.

Strategic Focus Areas

Paracetamol Block Commissioned

A new 900 MT/month dedicated facility for Paracetamol began operations in March 2025, enabling greater self-sufficiency and market responsiveness.

Metformin Block Conversion

An existing plant is being re-engineered to support 950 MT/month of Metformin production by the end of FY26, reflecting adaptive use of existing infrastructure.

Clopidogrel Capacity Enhancement

Expansion from 15 MT/month to 20 MT/month completed, supporting volume growth in regulated markets.

Infrastructure for Future Growth

101-acre land parcel acquired for future expansion; environmental clearances and regulatory processes initiated for greenfield project.





Intellectual Capital

₹21.02 Cr

R&D Expenditure in FY 25

114

R&D employees

~1.01%

Revenue spends on R&D

Advanced capabilities, integrated supply chain

As an API-focused pharmaceutical company, our development approach is centred on addressing the specific requirements of each customer. Throughout the research and development process, we actively engage with end users and incorporate their feedback to ensure our products are aligned with practical needs and expectations.

Focus area

Broadening Therapeutic Horizons

Integrating Digital Tools for R&D Agility

Building future ready capabilities

SDG Impacted



R&D PREMIUM

STRENGTHENING RESEARCH IN GENERIC APIS

Our R&D efforts remained focused on expanding the depth and quality of our generic API portfolio. This included the development of molecules addressing lifestyle and chronic conditions, particularly in the antidiabetic, antihyperlipidemic, and cardiovascular categories.

Our teams employed advanced process chemistry, including chiral resolution, high-pressure hydrogenation, and Grignard reactions, to drive improvements in yield, purity, and cost efficiency. Alongside new product development, significant emphasis was placed on optimising existing synthesis pathways to ensure better scalability and environmental alignment. These initiatives are helping position IOL to meet evolving therapeutic needs with more reliable, affordable, and high-quality solutions.

03

patents held

DEEPENING CAPABILITIES IN INTERMEDIATES RESEARCH

In line with our backward integration strategy, we have intensified our focus on intermediates as a strategic R&D priority. A dedicated team within the R&D function now leads the development and evaluation of key starting materials and intermediates, ensuring tighter control over quality, cost, and supply continuity.

This approach supports the expansion of intermediates as a distinct value segment within the business. During the year, efforts were directed toward developing intermediates for priority therapeutic areas, including those associated with Clopidogrel and Gliflozin-class drugs.

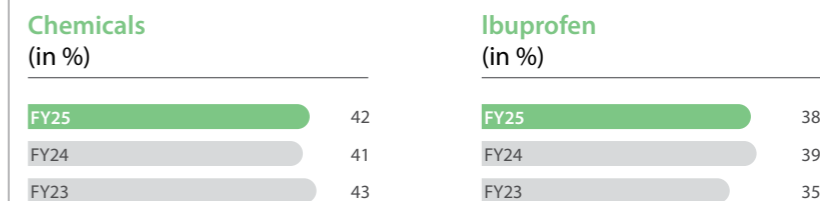
Our integrated intermediate development aligns closely with the broader objective of enhancing supply assurance and reducing dependency on external sources.

ENSURING STRATEGIC ALIGNMENT WITH MARKET DEMAND

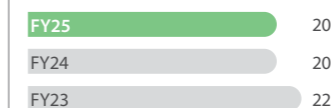
We maintain close alignment between our R&D focus and evolving market requirements by conducting periodic strategic reviews with cross-functional teams. These interactions help us track shifts in demand for both generic APIs and intermediates, and proactively refine our research priorities.

In FY 2024–25, a greater share of revenue in the Ibuprofen and Chemical segments was derived from proprietary technologies, reflecting the continued contribution of backward-integrated platforms and in-house innovation. Meanwhile, the Other API category continues to build strength through sustained R&D efforts in high-growth therapeutic areas.

Percentage of revenue derived from proprietary products or technologies



Other API's (in %)



Graphs not scaled

Driving R&D Agility Through Digital Transformation

Digital systems have become a core enabler of speed, accuracy, and integration across IOL's research workflows. From early-stage molecule selection to scale-up and commercial readiness, our R&D function is supported by a range of advanced tools that enable data-driven decisions and seamless collaboration.

Risk Description	Impact on business
SciFinder	Route scouting, literature analysis
Digital Lab Notebooks	Experimenting logging, data capture
DOE	Process optimization
ASPEN	Process simulation
Dynochem	Scale-up modelling
AI/ML tools	Predictive analytics, automation
Data security	IP protection and controlled access

Digitisation in value chain

We have embedded digital technologies across the R&D value chain, from early-stage development to scale-up and commercial readiness. This integrated approach enables seamless data flow, improves process visibility, and supports consistent quality outcomes across research functions.



Social and Relationship Capital

₹3.23 Cr

CSR Spend

2 lakhs+

Beneficiaries

SA 8000: 2014

Certified

Creating positive change through purposeful engagement with the communities

We focus on building long-term associations through responsible practices, transparent communication, and community-focused initiatives. With initiatives spanning healthcare, education, and rural development, the company nurtures trust and shared value across stakeholders, aligning its growth with the well-being of the communities it serves.

Focus area

Education and skill development

Health and sanitation

Social upliftment

Animal welfare

Sustainability

SDG Impacted

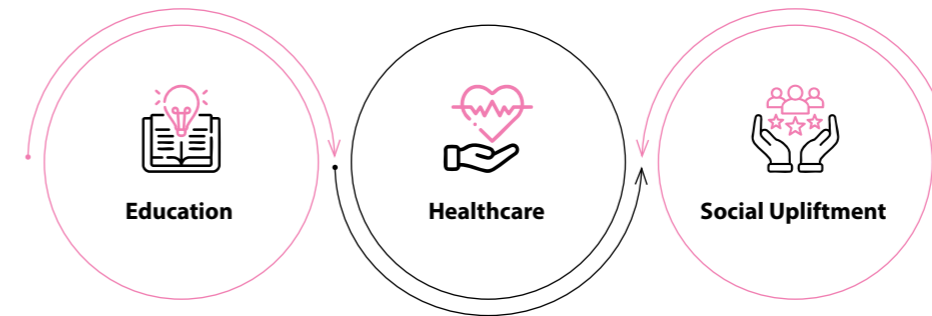


RCH PREMIUM

Social Capital

We believe our responsibility extends beyond business operations; we drive meaningful community development by aligning our initiatives with long-term societal needs. Our work is rooted in partnership, sustainability, and practical impact. During FY 2024–25, our focused interventions were education, healthcare, and social upliftment, aiming to improve quality of life in the regions we operate.

OUR CSR FOCUS AREAS



EDUCATION

We view education as a catalyst for change. Our efforts are focused on creating supportive environments that encourage learning and reduce disparities in access, particularly for underprivileged children. Creating an equitable learning environment for children across rural and semi-urban communities remains central to our outreach efforts. We continue to invest in school infrastructure, digital tools, and learning aids that enhance both access and outcomes.

33,100

Lives impacted through Education initiatives

Enabling Access to Schooling

In collaboration with schools and community stakeholders, we supported the enrolment of children from economically constrained backgrounds by providing essential materials and facilitating entry into formal education. To reduce dropout risks and enhance continuity, we supplied uniforms and extended support through need-based scholarships.

Strengthening School Infrastructure

We created and upgraded infrastructure in schools in Barnala and in Ludhiana. These improvements included construction of classrooms, washrooms, playgrounds, libraries, and sheds for mid-day meal preparation. We also installed air cooling and ventilation systems to ensure a more comfortable environment for students and staff, contributing to overall classroom effectiveness.

Uniform Distribution to Schools in Ludhiana

We distributed school uniforms to underprivileged students at multiple schools in Ludhiana, aiming to reduce barriers to school attendance. This initiative supported both educational continuity and student dignity by ensuring that learners had access to appropriate attire for the classroom environment.



SOCIAL AND RELATIONSHIP CAPITAL CONTD...

Solar Power Plant at Sacred Heart Convent School

We installed a 36.72 kW solar plant at Sacred Heart Convent School, Ludhiana, to support clean energy adoption and lower operating costs. The project also aims to introduce students to sustainable practices by integrating environmental responsibility into their everyday learning environment.



Skill and Digital Learning Support for Deaf Students

We provided sewing machines and a smart LED TV to the School for Deaf Children in Ludhiana. This initiative enabled vocational skill-building and interactive digital learning, helping students develop practical abilities and improve engagement despite communication challenges.



Safe Drinking Water at Government High School, Ayali Kalan

We installed RO-equipped water coolers at Government High School, Ayali Kalan, to ensure students have access to clean and safe drinking water. This effort directly supports student health and creates a more conducive environment for learning in government school settings.



HEALTHCARE

We recognise the essential role that healthcare plays in ensuring social resilience, especially for underserved communities. Our efforts are directed toward strengthening public health infrastructure and improving access to medical support for those with limited resources. By supporting hospitals, clinics, and local institutions, we aim to improve care delivery across both preventive and emergency contexts.

81,017

Lives impacted through healthcare initiatives

Medical support to Hospitals

In Ludhiana, we extended comprehensive support to CMC Hospital through the provision of advanced diagnostic tools including infrared thermometers, a peripheral neuropathy screener, and the OHM 3000 system. Additionally, we supplied IT and operational infrastructure such as laptops, printers, a photocopier, and a refrigerator. Funds were also provided for the treatment of stroke patients and the pediatric surgery department.

Support to Rural Dispensaries

We facilitated uninterrupted access to basic healthcare in rural areas by supplying medicines on a regular basis to dispensaries in Ghunnas, Sanghera, Rureke Kalan, Prem Nagar, Dhaura, Fatehgarh Channa, and Dhurkot. These centres play a critical role in providing first-line treatment and preventive care to local communities.

Direct Patient Assistance

In addition to institutional support, we also extended financial and medical aid for the treatment of economically disadvantaged patients, ensuring access to timely interventions for those unable to afford care.



SOCIAL UPLIFTMENT

We remain focused on supporting individuals and institutions that serve the most vulnerable segments of society. Our initiatives in this space are designed to improve basic living conditions, enable comfort, and contribute to the functional needs of care-based facilities. By addressing both material and infrastructural gaps, we aim to improve the quality of care delivered in these settings.

~75,001

Lives impacted through social upliftment initiatives

Blanket Distribution at Mata Mansa Devi Shrine, Panchkula

To offer relief during the peak of winter, we distributed blankets to underprivileged individuals at Mata Mansa Devi Shrine, Panchkula. This initiative supported

community welfare and highlighted the role of collective care in addressing seasonal hardships for vulnerable populations.

Plant Distribution in Villages

We distributed plants in Dhurkot, Kaleke, Dhanaula, and Kotdunna to encourage green practices and community-level participation in environmental preservation. The initiative aims to build local awareness around sustainability while contributing to long-term ecological improvement in these rural areas.



SOCIAL AND RELATIONSHIP CAPITAL CONTD...

Relationship Capital

ENSURING REGULATORY ALIGNMENT

We maintain a structured approach to compliance, designed to meet evolving statutory and industry-specific requirements. A central legal register is maintained to capture all applicable laws and regulations across our operations. This register is reviewed monthly through defined internal procedures, with updates tracked via legal publications, government circulars, and communications with regulatory authorities.

Proactive Legal Monitoring

We track changes in regulatory obligations through multiple channels, including memberships in legal update platforms, engagement with statutory bodies, and frequent review of government notifications and websites. These channels ensure we are well-informed of policy shifts that may impact our operations or industry practices.

Periodic Internal Evaluation

Compliance is assessed systematically using internal protocols that align with standard operating procedures. This includes

monthly reviews of the legal register and cross-functional coordination to implement necessary operational changes. Evaluations are designed to ensure timely alignment with updated legal expectations.

Beyond statutory compliance, we engage with regulatory and industry forums to integrate global benchmarks, especially in pharmaceutical and specialty chemical manufacturing. This collaboration enhances our focus on safety, environmental responsibility, and sustainable business conduct.



DEEPENING CUSTOMER ENGAGEMENT

We continue to strengthen our relationships with customers by focusing on accessibility, responsiveness, and technical support alignment. Our approach is centred on ensuring reliable right product availability, clear communication, and tailored solutions that address customer-specific needs across global markets.

Accessible Product Information and Support

We ensure that detailed product specifications and safety documentation are readily available through our website and

customer service channels. Each product is supported by a Material Safety Data Sheet (MSDS), covering safe handling, storage, and emergency response measures. These documents include hazard identification and regulatory information, ensuring that customers are equipped to use our products safely and in compliance with applicable norms.

Customised Interactions and Market Feedback

We provide technical support and tailored material recommendations aligned with customer applications. Product availability and order fulfilment are managed through transparent coordination, supported by

ongoing feedback collection. Engagements through calls, emails, and site visits help us identify shifts in customer expectations and ensure that our offerings remain relevant and reliable.

We increased customer reach and product visibility through participation in industry events and exhibitions, including CPhI India, CPhI Worldwide, CPhI China ChemSpec, and ChemExpo. These platforms provide opportunities to gather direct feedback and exchange insights on market trends. Regular interactions help us refine our portfolio and deepen alignment with sector-specific needs.

SOCIAL DIALOGUE

The people at large representing industry, villagers, govt and semi government agencies plays a vital role in maintaining a continuous role in maintaining social dialogue at every opportunity. We pride ourselves on being a listening organisation that adopts open and effective communication across all levels. We have established various two-way communication platforms to ensure every employee's voice is heard. Our initiatives, including Town hall meetings, Coffee with Site Director and Workers Meet, are organised across different levels at intervals. The status of all the inputs are communicated from time to time.

Some of the initiatives which underline the basic purpose on social dialogue between the employees and community are :

- Ensuring compliance under minimum wages.

- Diversity, equality and inclusion initiatives.
- No child labour.
- No forced labour.
- Opportunity for collective bargaining.
- Ensuring safe and healthy work environment.
- ICC (Internal complaints Committee) under POSH.
- Elected works committee, with equal participation from Management and workmen to always ensure cordial industrial relations.
- Grievance committee : to ensure fair and equal treatment in every resolute.
- Mutual Aid: setup with nearby industries and community to collectively address any untoward incident.

- Community work (CSR): to strengthen the social dialogue, community work in nearby communities is carried out in categories of :
 - Education
 - Plantation (green belt) & Medicines / infrastructure support to spearhead efforts to fortify these community upliftment efforts.

PARTICULAR FY 2024-25

Total Suggestions received	65
Suggestions resolved	60
Suggestions under implementation	3
Suggestions pending	2
% Compliance	96.92%

WAGES, CAREER DEVELOPMENT AND PROGRESSION

The Minimum Wages Act, 1948 mandates the payment of minimum wages to workers employed in scheduled industries and occupations. Its primary objective is to safeguard workers against exploitation and to ensure they receive a wage that guarantees a basic standard of living. Under this Act, the minimum wage is periodically fixed and revised by the respective state governments, considering factors such as the cost of living and the skill level required for the job. At present, the minimum wages applicable are structured according to the skill category of workers as follows: Unskilled – ₹11,389.64; Semi-skilled – ₹12,169.64; Skilled – ₹13,066.64; and Highly Skilled – ₹14,098.64. These rates reflect the

state's efforts to align compensation with the nature of work and prevailing economic conditions.

However, we follow a competency-driven pay structure, which not only considers the skills required to perform the job but also evaluates an individual's integrity, ethics, values, attitude, and aptitude for the position.

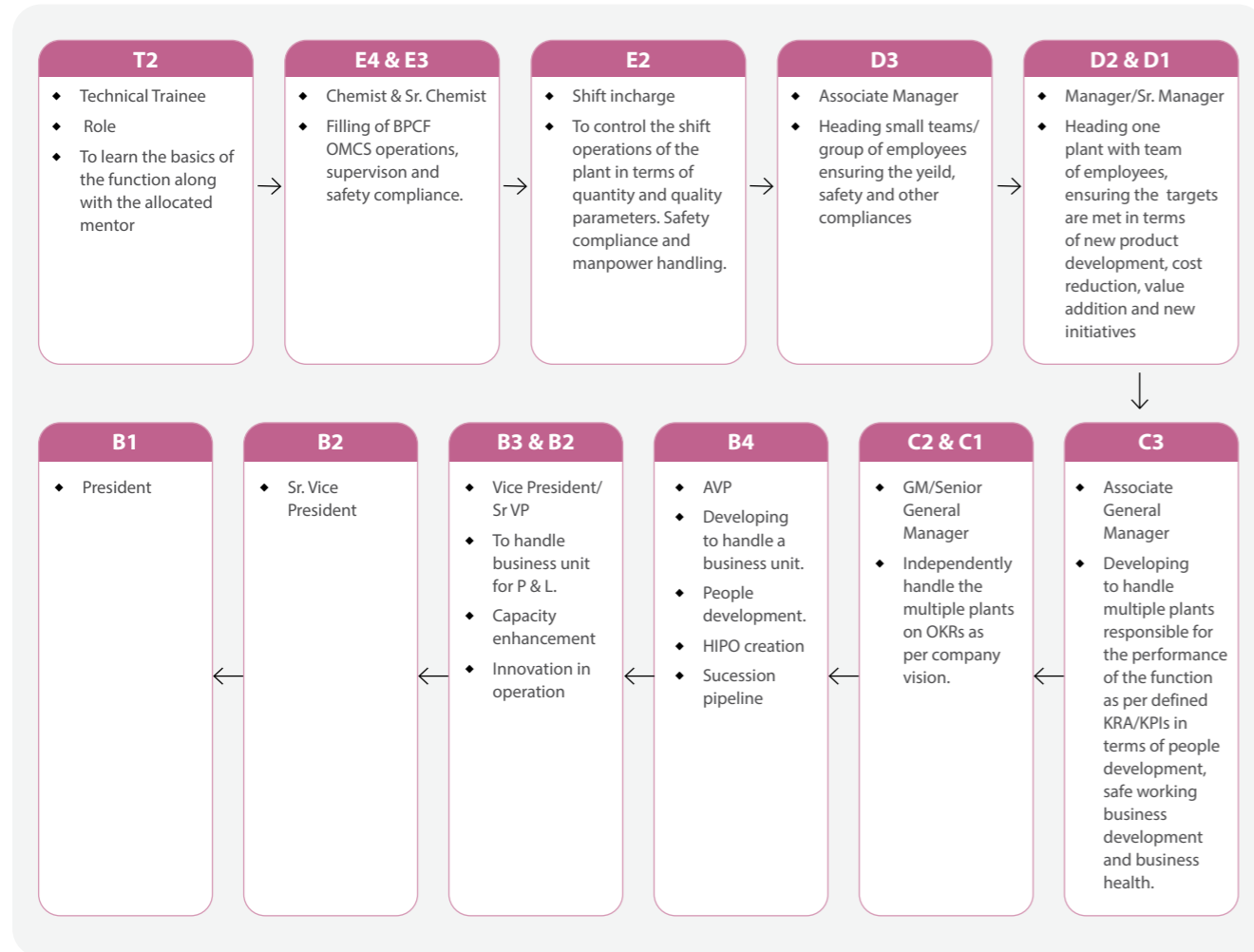
Upon joining, whether as a fresher through campus recruitment or a lateral hire, employees are provided with ample opportunities for career progression through periodic performance reviews, ensuring a professionally fulfilling experience.

In addition, we have established and implemented a comprehensive Professional

Skill Development Policy, aimed at enabling employees to continuously upgrade their skills in areas such as people development, leadership, management, and Research & Development. The long-term impact of this policy is evident in the strong employee retention rates and high levels of job satisfaction.

Employee morale is consistently nurtured through the Reward and Recognition Programme, which acknowledges and appreciates outstanding performance in areas such as operations, safety, and discipline. Furthermore, all employees receive regular performance and career development reviews, reinforcing our commitment to continuous growth and development

CAREER PROGRESSION SKILL PATH



HUMAN RIGHTS

We are committed to upholding human rights as a core component of implemented framework. Throughout our value chain, we have traditionally upheld human rights. It is exemplified by treating everyone with dignity and respect, without exception, and is mirrored in our HR Code and People Policy. In order to respect the spirit of current international human standards and voluntary principles, such as the Universal Declaration of Human Rights and the Fundamental Human Rights Conventions of the International Labor Organization (ILO), the policy has been put into effect in accordance with applicable legislation. All of our workers and employees have received yearly required training on human rights and the Vigil Mechanism.

Recognizing the importance of ethical practices, the company aligns its operations with the UN Guiding Principles on Business and Human Rights. It ensures

compliance with international standards and strives to mitigate risks related to human rights violations. We emphasize fair labour practices, including safe working conditions, reasonable work hours, and non-discrimination policies. Furthermore, the Company actively prevents child and forced labour while promoting the right to a living wage and access to clean water and sanitation. To address human rights impacts comprehensively, we conduct regular human rights checks and SA8000 audit. These evaluations help identify potential adverse effects on vulnerable groups such as workers and communities. The Company integrates findings into its broader compliance framework to prevent and remedy violations effectively. Additionally, we focus on transparency by engaging stakeholders and maintaining accountability through documented actions. As a responsible corporate entity, we recognize our role in fostering sustainable development while protecting human rights. By embedding

these principles into its operations, the company aims to contribute positively to society while ensuring long-term business sustainability.

During the reporting period, we had Zero reported violations of human rights concerning Indigenous people, zero cases of child or forced labour within our boundary, and zero discrimination instances.

PROHIBITION OF CHILD LABOUR AND FORCED LABOUR

We always make sure that no one working for us is younger than eighteen years old. We strongly prohibit forced or compulsory labour in our units. It is believed that there is no substantial risk of forced labour occurrences in any of our suppliers or operations. There were no cases of discrimination, child labour, forced labour, or human rights, labour, or minimum wage breaches within our borders during the reporting period.

MECHANISM FOR RESOLVING GRIEVANCES

We have a robust and efficient grievance redressal system in place. This is required to gather input from our staff, which allows us to collaborate and create solid bonds. Our grievance redressal process guarantees openness and offers a way to voice concerns about pay, working conditions, and other specific issues. We place a high value on candid and organized conversations about labor practices and complaints pertaining to human rights. Sexual harassment claims and employment agreements are handled separately, guaranteeing that each matter receives careful consideration. We prioritize open communication to resolve issues. Employees can first discuss problems with their manager, but if they are unsatisfied with the solution provided, they can file a formal grievance with HR. Grievances are addressed fairly and promptly by a three-tier committee. The grievance management process is communicated to all employees through various channels (Email, Notice Boards, Displays at prominent locations, Training etc.)

STRENGTHENING SUPPLY CHAIN RELATIONSHIPS

Our supply chain strategy is focused on resilience, traceability, agility, and long-term continuity. We work closely with suppliers to ensure responsible sourcing, regulatory alignment, and shared quality standards across the ecosystem. By fostering transparency and operational efficiency, we aim to reduce risk and maintain consistency across inputs critical to both pharmaceutical and chemical manufacturing.

We follow a structured supplier evaluation framework that considers quality assurance systems, regulatory compliance, ethical practices, and financial reliability. New suppliers undergo a rigorous qualification process, as per the defined standard operating procedure while existing partners are periodically re-assessed based on performance data, audit findings, and risk indicators.

Transparent Collaboration and Expectations

Our suppliers are provided with clear purchase protocols and specifications, including delivery schedules, quality requirements, safety, and sustainability obligations. We maintain open

communication to manage supply continuity, pricing transparency, and issue resolution. Expectations on ethical conduct, workplace safety, and environmental responsibility are articulated through our supplier code of conduct.

Focus on Localisation and Continuity

Where possible, we support local sourcing to reduce lead times and build regional resilience, especially for critical intermediates and packaging materials. Contingency planning, secondary vendor development, and inventory buffers are regularly reviewed to ensure continuity during demand fluctuations or external disruptions.



Supplier evaluation parameters

- Quality
- Security of supply
- Cost efficiency
- Sustainability
- Strong technical support
- Continuous improvement
- Innovations
- Market information

Supplier engagement mechanism

- Supplier training
- Annual supplier meets
- Supplier Performance Review and Feedback Mechanism"
- Supplier Grievances mechanism

Engaging with Ecosystem Partners

We collaborate with a wide range of ecosystem partners to align operational priorities with broader industry developments. These include regulatory agencies, research institutions, industry associations, and technical collaborators. Our engagements are aimed at strengthening capabilities, promoting compliance, and advancing shared objectives in sustainability and innovation.

Participation in Industry Platforms

- Participate in key forums and industry associations across pharmaceuticals and specialty chemicals
- Stay informed on policy developments, evolving compliance frameworks, and sectoral trends
- Access to technical standards and peer benchmarking insights
- Contribute to shaping industry practices on quality, safety, and environmental responsibility

Collaborative Knowledge Sharing

- Collaborate with technical institutions and domain experts for knowledge exchange
- Enhance process understanding and operational efficiency through external inputs
- Strengthen regulatory preparedness and compliance planning
- Improve visibility into emerging risks and industry shifts
- Support adoption of updated practices across manufacturing and quality systems

COMPETENCY BUILDING SUPPLIERS

We foster a collaborative work environment that encourages continuous learning and skill development, ensuring that all stakeholders are equipped to contribute effectively to our growth and success. Our approach involves internal training programs focused on technical development, soft skills, regulatory compliance, and Environmental Health Safety & sustainability (EHS &S) practices.

Additionally, we engage with external training institutes to provide specialised technical and behavioural sessions for selected employees. This comprehensive approach not only enhances employee capabilities but also ensures that stakeholders across different levels of the organisation are well-informed about industry trends and best practices. By investing in stakeholder competency development, we aim to strengthen our market position through innovation-driven strategies while maintaining high-quality products and services.

This focus on competency building aligns with the Company's broader commitment to integrated thinking and sustainable business practices, ultimately benefiting both internal stakeholders like employees and external ones such as customers, communities and Vendors. We are auditing our vendors from time to time to foster them towards Sustainability and helping them to achieve the global Goals.



SUPPLIER AUDITS & TRAINING PROGRAMS



■ Number of RM Supplier's
■ Number of Packaging Supplier's

₹10 Cr.
Spend with MSME sources

7.67
% buying from MSME

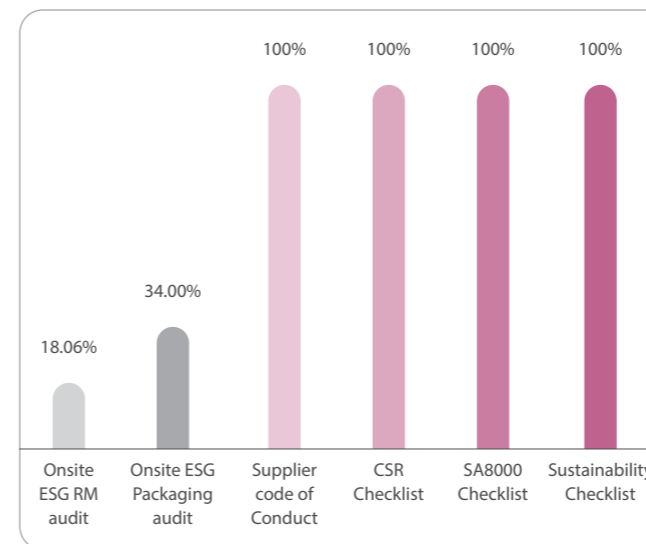
10
% buying from local supplier

Note : These 41 Number of Supplier are of KSM who are contributing to 80% of Spend



As a responsible organization, we are aware about our responsibilities to ensure the sustainable practices are detailed with our business partners. All the buyers and sustainability leaders at IOLCP are working for sustainable growth and greener future. All the buyers and sustainability champions at IOLCP have become a Certified coaches to drive ISO 20400 Sustainable procurement standard and are driving responsible procurement agenda through their personal engagement with business partners on regular basis.

SUPPLIER PERFORMANCE COMPLIANCE TRENDS

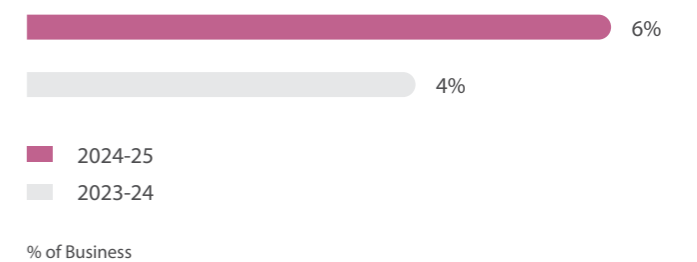


Material Consumption Data

Raw material (Parameters)	Unit	FY 2024-25
Directly Sourced Raw Material	MT	292437
Packaging Materials	MT	336.3171
Packaging Materials	Nos.	3154891

% OF SPENT WITH DIVERSE BUSINESS PARTNERS

Diversification Trend in supply chain



We are committed to having a diverse supply chain. We track our spending on business partners from various backgrounds, such as women-owned, minority owned, veteran-owned, and businesses owned by the differently abled.

Currently, our business portfolio does not include suppliers categorised as minority-owned (MBE), disability-owned (DBE), veteran-owned (VBE), disabled veteran-owned (DVBE), or LGBTQ+-owned (LGBTQ+). However, in accordance with our sustainable procurement policy and ethical business practices, we maintain a strict non-discrimination approach. We are fully open and welcoming to engaging with diverse suppliers in the future. Our commitment to supplier diversity is clearly reflected in our procurement policies and purchase order terms and conditions, and we actively promote and reinforce these principles in our ongoing business operations in line with ISO 20400 guidelines.

SUPPLIER DIVERSITY OVERVIEW

In line with our sustainable procurement practices, we have begun tracking supplier diversity as part of our categorisation framework. During FY2024-25, women-owned businesses accounted for 6% of our supplier base, an increase from 4% in the previous year.



SUSTAINABILITY CERTIFICATIONS ACROSS TEAMS

We continue to build internal capabilities by encouraging relevant sustainability certifications. Team members have been upskilled across key areas such as resource efficiency, green supply chains, and carbon footprint management, as shown below.

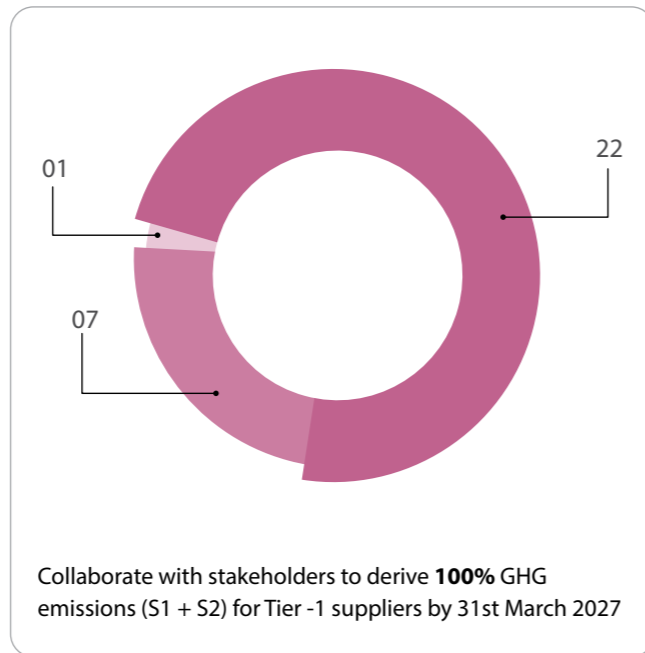
Certified Professional on Resource Efficiency & Environmental Sustainability



Certified professional on Green Supply Chain



Certified Professional on Carbon Foot Print



CERTIFICATIONS AND ENDORSEMENTS

We adhere to globally recognised standards to ensure quality, safety, sustainability, and responsible business practices. Our operations are supported by a wide range of certifications spanning ISO systems, third-party audits, and sustainability frameworks. These endorsements reflect our continued efforts to meet regulatory requirements, industry benchmarks, and stakeholder expectations.

- 14001:2015
- 14064-1
- 27001:2022
- 22000:2018
- 20400:2017
- 37001:2016
- 50001:2018
- 9001:2015
- 45001:2018



Human Capital

2,900+

Total Workforce including employees and workers

100%

Permanent employees covered under accident insurance

2,448

Employees trained on health and safety

Building a Capable and Aligned Team

We place emphasis on developing a workforce that is technically skilled, adaptable, and aligned with the organisation's operational and compliance objectives. Talent development is structured through a combination of hands-on learning, functional training, and cross-disciplinary exposure. Teams across functions are encouraged to stay current with regulatory expectations, digital tools, and evolving industry standards.

Focus area

- Learning and Development
- Talent management
- Employee engagement
- Diversity and Inclusion
- Health and safety
- Rewards and recognitions

SDG Impacted



RCH PREMIUM

Our people represent the foundation of our operations and the continuity of our performance-led culture. With a workforce of ~2900 individuals, we are focused on enabling each employee to contribute with confidence, agility, and technical precision.

LEARNING AND DEVELOPMENT

We continue to strengthen skills through a structured training approach that aligns individual development with operational needs. We targeted interventions covered tools such as Advanced Excel, Power BI, and SAP SuccessFactors, as well as behavioral modules focused on communication and team dynamics. These were supplemented

by technical SOP-based training specific to departments like Quality Control and Mechanical Maintenance.

Our tiered learning approach distinguishes between functional and leadership streams

Functional

Advanced Excel, SAP-SF/EC/PMGM, TrackWise, and domain-centric learning.

Leadership

Workshops on team management, negotiation techniques, and Train-the-Trainer modules, supported by practical learning on the shop floor.



Digital Learning adoption

Digital learning continues to play an integral role across our development programs. Virtual sessions and e-modules have supported scale, consistency, and self-paced growth

- **Virtual Training:** Topics such as Cyber Security Awareness, ICHQ7 Guidelines, and air cargo standards.
- **E-learning Platforms:** Integrated content via SAP SF LMS, TrackWise, and LIMS.
- **External Access:** Employees are encouraged to learn via public digital platforms including SWAYAM and Udemy, enabling cross-skilling beyond immediate roles.

Culture of Learning by Doing

Beyond classroom and online formats, we promote knowledge retention through On-the-Job Training and internal coaching networks. Employees engage directly with new technologies and systems, ensuring that learning is grounded in business application and performance efficiency.



HUMAN CAPITAL CONTD...

TALENT MANAGEMENT

A structured and forward-looking approach to talent development underpins our workforce strategy. Our focus lies in creating pathways for career progression while ensuring our people are equipped to meet evolving business needs.

Structured Talent Processes

The implementation of SAP SuccessFactors SPCDP marks a shift towards data-driven talent development. With features such as the 9-box talent matrix and competency mapping, we are enhancing the visibility and alignment of individual growth plans with business objectives. This platform supports ongoing assessment, personalized development planning, and informed mentorship linkages enabling sharper talent identification and more responsive leadership pipeline planning.

Internal Mobility as a Growth Lever

Internal mobility is a key feature of our approach to talent sustainability. We encourage role rotations and cross-functional exposure to help employees build broader capabilities. With SAP SuccessFactors, employees can now explore roles that match their skills and ambitions

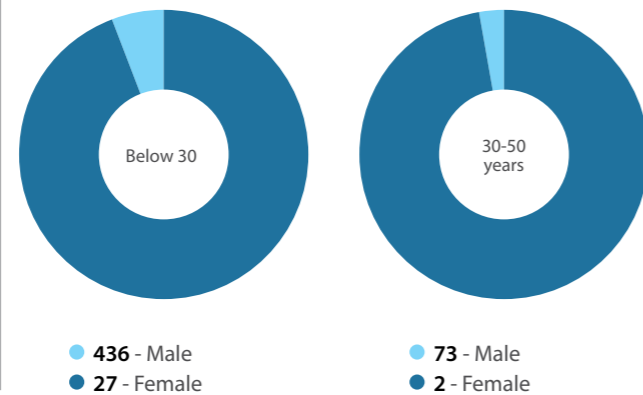
in a transparent manner. This framework not only empowers individuals to pursue internal opportunities but also strengthens retention by making career advancement a lived reality within the organization.

We bring in skilled professionals through competitive offerings and support their growth by providing access to mentorship, leadership development programs, and opportunities for internal career advancement.

New Hires by age and gender for FY 2024-25

Employees				Age Group
For FY 2024-25				
Permanent employees (In numbers)	Below 30	30-50 years	Over 50 years	Total
Male	1,243	1,443	115	2,801
Female	18	70	2	90
Total	1,261	1,513	117	2,891

New Hires by Age and Gender for FY 2024-25



Key Initiatives

Attracting Top talent	Promoting career progression	Performance management	Encouraging Innovation	Rewards and Recognition
Competitive compensation packages	Mentorship programmes	Assess employee performance	Establishing cross-functional teams	Pat on the Back: Monthly
Opportunities for career advancement	Leadership development initiatives	Set clear goals	Hosting idea-sharing sessions	IOL Champions Award: Quarterly
Robust employer branding, emphasising innovation and social responsibility	Internal job postings	Provide continuous feedback for development	Providing resources for experimentation	IOL Excellence Award: Annually
	Educational assistance programmes (Professional Skill Development and Doctorate Policy)		Recognising and rewarding creative contributions	
			Maintaining an open culture that values diverse perspectives	



EMPLOYEE ENGAGEMENT

Our approach to employee engagement is built around listening, responding, and adapting. Through consistent surveys, structured forums, and leadership access, we ensure employees have meaningful avenues to share views and influence their workplace experience.

Survey Based Insights and response

In the latest engagement survey, we recorded an 86.7% response rate significantly above the market average demonstrating a high level of employee involvement

HUMAN CAPITAL CONTD...

78

Pulse Score

4

Mood Score

Strength Areas

Leadership support, work quality, and team collaboration

Areas for Focus

Recognition, burnout, and work-life balance

Actions initiated

- Strengthened team-based leadership initiatives
- Enhanced wellness programs and preventive health measures
- Introduced recognition frameworks for cross-functional excellence
- Rolled out time management modules to support work-life balance

Supportive work environment

- Comprehensive medical insurance with mental health coverage
- Term life and personal accident insurance for all employees
- Regular health camps and wellness sessions, including yoga-based interventions
- Wellness celebrations integrated into workplace events

Collaborative Culture

- Cross-functional teams for strategic projects
- Internal town halls recognizing team milestones
- Buddy programs supporting onboarding and early integration

Innovation through Employee-Led Ideas

Idea generation is integral to our continuous improvement philosophy. Through structured forums linked to our Reward and Recognition Program, employees regularly submit ideas related to cost, quality, and sustainability.

- Submissions are reviewed by cross-functional panels
- Selected ideas are implemented across functions
- Recognized at monthly, quarterly, and annual levels, reinforcing a participative culture

Recognition and Celebrations

Appreciation is embedded into IOL's cultural fabric

- Employee achievements are acknowledged through structured events—monthly town halls, quarterly reviews, and annual gatherings
- Milestone moments such as work anniversaries and project completions are commemorated publicly
- Recognition extends across functions, encouraging healthy performance and collaboration

1,974

Employees trained on human rights issues and policies in FY 25

1,787

Total training hours on human rights issues and policies

Social Accountability



We are an SA 8000:2014-certified organisation, complying with all aspects covering internal and external stakeholders.

- Child Labour
- Forced or Compulsory Labour
- Occupational Health and Safety
- Freedom of Association and Right to Collective Bargaining
- Discrimination
- Disciplinary Practices
- Working Hours
- Remuneration and Management Systems

DIVERSITY AND INCLUSION

We have outlined clear gender diversity goals and are working systematically to meet them over the coming years. Our recruitment and onboarding processes are structured to promote regional representation, supported by strong campus engagement programs that draw talent from across the country. Our approach to equity includes adherence to equal pay standards, ensuring all employees are compensated fairly in line with applicable regulations.



Inclusion through Policy and Action

We are in the process of embedding diversity as a formal component in our talent acquisition strategy. Near-term plans include partnering with diverse sourcing platforms and expanding outreach to ensure broader representation.

Policies and Practices

A structured merit-based system is in place to ensure fair evaluation and career progression. Entry-level hiring follows a qualifications and experience-based matrix, while annual reviews are managed through a performance-linked and transparent framework. The company has zero tolerance for harassment or unfair treatment of any kind. The **POSH (Prevention of Sexual Harassment)** policy is well-communicated,

and training is mandatory across all levels. Grievance mechanisms are accessible and actively monitored.

Our structured approach has contributed to a positive employee environment. This is evidenced by the absence of formal grievances reported under key human rights and workplace equity categories

HUMAN CAPITAL CONTD...

Number of Complaints on the following made by employees and workers	FY 2024-25		FY 2023-24	
	Reported During the year	Unresolved at year end	Reported During the year	Unresolved at year end
Sexual Harrasment	0	0	0	0
Discrimination at workplace	0	0	0	0
Child Labour	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0
Wages	0	0	0	0
Other human right related issues	0	0	0	0
Anti-Bribery	0	0	0	0
Freedom of Association and Collective Bargaining	0	0	0	0
Information Security	0	0	0	0

HEALTH AND SAFETY

We ensure the health and safety of our workforce is fundamental to how we operate. Safety is built into every layer of our operations, forming the foundation of a secure and supportive work environment for employees, contractors, and visitors alike.



Embedding Safety in Daily Operations

We view safety not as a checklist but as an integral part of our workplace culture. Every individual at IOL, from senior leadership to the shopfloor, plays an active role in maintaining a safe and responsive work environment. Open communication

channels, regular safety interactions, and routine hazard identification processes ensure that concerns are surfaced early and addressed effectively.

Employees are encouraged to raise questions or flag unsafe practices

without hesitation. Our safety framework emphasizes awareness and accountability, with routine toolbox talks, walk-through inspections, and functional audits reinforcing this expectation across the organization.

Safety Incidents	FY 2024-25	FY 2023-24
LTIFR & LTISR	0	0
Fatality	0	0
Recordable work-related injuries	0	0
High consequences work related injury	0	0

WORKPLACE BEHAVIOUR FRAMEWORK

Operational discipline is built not only on systems and processes but also on a shared understanding of behavioural expectations across teams. To reinforce consistent performance and drive process reliability, we have adopted a structured behaviour model focused on four core values: Transparency, Responsibility, Efficiency, and Collaboration.

Our Core Values



Transparency

- Flagging risks, defects, or near misses without fear
- Saying "I don't know" when unsure and finding out

- Giving feedback to peers respectfully and directly
- Ensuring documentation is complete, clean, and audit-ready
- Creating an environment where reporting is encouraged, not penalized



Responsibility

- Taking personal responsibility for one's tasks and impact
- Not letting small deviations slide proactively escalating issues

- Following through, especially when no one's watching
- Taking care of cleanroom protocols and compliance as second nature
- Understanding how individual roles impact patients and outcomes

- Organizing workstations for flow, not chaos
- Suggesting small process improvements that save time or reduce errors
- Reducing unnecessary approvals, steps, or delays



Efficiency

- Planning ahead to avoid last-minute issues
- Using downtime to maintain, clean, or prepare



Collaboration

- Sharing learnings or best practices across shifts or teams
- Treating internal handovers like customer deliveries
- Listening to feedback from QC, clients, procurement, and acting on it

- Seeing customer success as shared success
- Helping colleagues solve bottlenecks, even outside one's area

HUMAN CAPITAL CONTD...

ADDRESSING FIRE RISKS THROUGH SMART EARTHING SYSTEMS

Handling of flammable chemicals and solvents during loading and unloading presents the potential for static charge accumulation, which may trigger fire hazards and operational disruptions. Previously, the use of a basic earthing rod offered limited safety, as manual errors such as failing to connect the rod could heighten the risk.

Our Solution

To address this, a Smart Earthing System has been integrated into our horizontal chemical transfer process. This system is interlocked with the pump mechanism, ensuring operations are suspended unless the earthing connection is properly established. Only upon a complete and secure circuit will material transfer commence, thereby eliminating the risk of accidental ignition during loading or unloading.

Strengthening Safety at the Site Level

Employee involvement forms the backbone of our safety culture. Through active participation in Site Safety Committees and anonymous reporting channels, team members regularly contribute ideas and flag concerns. This feedback-driven approach enhances responsiveness and fosters shared accountability

Anticipating Risks with Structured Assessments

We apply the **Hazard Identification and Risk Assessment (HIRA)** methodology to anticipate and mitigate potential safety risks across our chemical manufacturing operations. HIRA is embedded into our broader Environment, Health, and Safety (EHS) governance structure and supports our aspiration of zero-incident operations.

Additional tools including **JSA, HAZOP, What-If Analysis,** and **PSSR** are used to evaluate risks, implement control measures, and ensure compliance. These methods form part of our pre-emptive safety strategy across all units, including powder-handling

processes, where dedicated safety reviews are conducted for every formulation.

Comprehensive Auditing for Assurance

Our commitment to maintaining high safety standards is reinforced through a mix of internal and external audits.

- An annual EHS audit aligned with our Internal Audit Plan
- Periodic internal audits by dedicated teams
- Third-party and customer audits to validate system effectiveness
- ISO certification and surveillance audits for compliance assurance

Creating a Culture of Safety Awareness

Education and awareness are key to sustaining a safe work environment. We deliver safety messaging through multiple channels

- One-on-one conversations
- Notice board updates
- Email bulletins and digital communication
- Safety booklets and campaign materials

Themed campaigns and seasonal initiatives are deployed throughout the year to reinforce safety behaviours and embed safety consciousness into daily routines.



TOTAL REWARDS AND EMPLOYEE WELL-BEING

Our people-first approach is reflected in our Total Rewards framework, which balances competitive compensation, comprehensive benefits, and structured recognition. This framework is designed to address current employee needs while supporting long-term financial security and well-being.

Competitive Compensation with Market Alignment

We follow a dual approach to maintain compensation parity internally and competitiveness externally. Our compensation structures are regularly benchmarked against industry standards for key roles, helping us attract and retain talent while reinforcing internal equity across functions and levels.

Wellness and Healthcare as a Strategic Priority

Under our "Member Care" approach, we offer employees and their immediate families a well-rounded healthcare package. Key features include:

- Medclaim policy covering spouse and dependent children
- Group Term Life and Group Personal Accident Insurance
- Onsite specialist doctor consultations and routine health check-ups
- Lifestyle and wellness programs curated to promote preventive care
- 24/7 emergency support access for employees and their families

Performance-Linked Rewards

Our Variable Pay structure is entirely aligned with company-wide performance goals. This Short-Term Incentive (STI) program ensures that rewards reflect collective progress and individual contributions. By tying incentives to defined business outcomes, we foster:

- Transparency in performance measurement
- Cross-functional alignment
- Clear accountability for outcomes

Retirement Readiness and Financial Well-being

- **Provident Fund (PF) and Gratuity**, ensuring statutory coverage
- **Corporate National Pension Scheme (NPS)**, a voluntary retirement savings plan offering tax advantages and long-term growth

Both employer and employee contribute under the NPS, which is regulated by the Pension Fund Regulatory and Development Authority (PFRDA). Together, these schemes offer employees financial assurance well beyond their working years.

Exclusive Benefits and Differentiators

We offer a range of thoughtfully curated benefits that extend beyond industry norms and position IOL as an employer of choice:

- **Mobile Handset Policy:** Support for seamless professional communication
- **Professional Development Support:** Assistance for certifications, postgraduate education, and doctorate-level studies in R&D
- **Concessional Facilities:** Subsidized food and dedicated transport services across sites
- **Club Memberships:** Opportunities for professional networking and improved work-life balance





Natural Capital

80%

Total Renewable energy generation

18,435

Total Trees planted

100%

Zero liquid discharge

Delivering excellence by nurturing the ecosystem

We remain committed to strengthening our stewardship of natural capital by embedding sustainability into every aspect of our operations. From optimising energy and water usage to reducing emissions and waste, our focus is on driving operational excellence with environmental responsibility. Our facilities operate in alignment with global sustainability benchmarks, ensuring that as we grow, we do so in a way that safeguards the planet and supports a healthier, more sustainable future for all.

Integrating Environmental considerations into Business Strategy

We aim to look beyond business profitability by fostering a balanced relationship with the natural environment. Our commitment to environmental responsibility drives us to adopt sustainable practices and use natural resources thoughtfully. We believe that even small, consistent actions can help reduce our ecological footprint, support biodiversity and contribute to long-term, sustainable growth.

Focus area

- Greenhouse gas reduction
- Adoption of greener technologies
- Development of low carbon products
- Energy conservation
- Enhancing renewable energy usage
- Contribution to Climate change action plan

SDG Impacted



RCH PREMIUM

DRIVING OPERATIONAL EFFICIENCY THROUGH RESPONSIBLE ENERGY USE

Our focus on efficient and responsible energy use supports both high-performance operations and our commitment to the environment. Energy use is optimised through the adoption of efficient technologies and integration of renewable sources. Our operations are governed by the ISO 50001:2018 Energy Management System, which is uniformly applied across all locations to maintain rigorous energy standards.

Parameters	FY 2024-25	FY 2024 - 2025 (Excluding new Expansion) (TJ)	FY 2023-24	FY 2023 - 2024 (Excluding new Expansion) (TJ)
Renewable Energy				
Total electricity consumption	1,974.5	1,544.9	1,775.3	1,502.5
Energy consumption through other sources	0.37	0.37	0.169	0.169
Total energy consumed from renewable sources	1,974.9	1,545.3	1,775.4	1,502.7
Non - Renewable Energy				
Total electricity consumption	495.7	495.7	626.0	616.5
Energy consumption through other sources	2.58	2.58	3.77	3.77
Total energy consumed from non-renewable	498.2	498.2	629.73	620.28
Total energy consumption				
Energy intensity (TJ per rupee of turnover)	1,19,589	98,816	1,12,549	99,344

Transitioning to Renewable Energy

As part of our broader sustainability agenda, we have laid out a structured approach to integrate solar energy into our operations. The roadmap emphasises systematic assessment, operational integration and scalability.

STAGE 1

Site and Demand Mapping

- Conducted a detailed energy audit to identify current consumption patterns and site-specific load characteristics
- Evaluated technical feasibility for solar deployment across rooftops and open areas, factoring in orientation, shading and space availability
- Reviewed funding avenues including government-linked incentives and strategic collaborations.

STAGE 3

System-Wide Installation

- Scaled solar panel deployment across identified locations based on pilot insights
- Aligned solar inputs with operational load centres to reduce grid dependence and enhance process-level efficiency.

STAGE 2

Pilot Deployment

- Commenced with a 62.1 kWh solar pilot installation to validate performance under real-time conditions
- Integrated monitoring tools to measure generation, align output with facility demand and derive performance benchmarks.

STAGE 4

Continuous Review and Technology Addition

- Established a framework for periodic performance evaluation to fine-tune output and system health
- Exploring expansion opportunities through allied technologies such as battery energy storage for improved stability and long-term cost benefits.



NATURAL CAPITAL CONTD...

Insight-driven Energy Management

We monitor energy consumption through real-time metering systems across our facilities to drive operational efficiency. Insights from this data support targeted energy-saving actions. The 17 MW captive co-generation plant utilises biofuels such as rice husk, wapsi and wood chips, reducing dependence on fossil fuels. In FY 2024–25, rice husk usage increased by 7.32% over the previous year, contributing to a meaningful drop in Scope 1 emissions and aligning with the company’s net zero direction.

Energy management practices

Focus Area	Approach	Outcome
Continuous monitoring	Power management system for real-time load tracking	Improved energy efficiency and quick rectification
Daily reporting	Daily 24-hour power reports aligned with ISO 50001	Lower carbon footprint through controlled energy use
Energy management team	Dedicated team for energy saving projects with data analysis	Operational improvement and innovation in energy use
Employee engagement	Idea sharing and regular audits to identify improvements	Regulatory alignment and stronger sustainability



Waste Heat Recovery System

IOL Chemicals and Pharmaceuticals Limited has implemented a waste heat recovery system to improve thermal efficiency and reduce environmental load. Heat from steam condensate in the ethyl acetate unit is used to preheat RO feedwater at the ZLD facility. This measure has enhanced two-stage hybrid RO performance, lowering operating pressures and improving permeate recovery. As a result, freshwater intake reduced by 12,662 KL annually, while the recovered water now serves as high-quality makeup for cooling towers. Additionally, steam condensate reuse contributes to a daily effluent reduction of approximately 25 KL.



RESPONSIBLE WATER STEWARDSHIP

Water conservation is embedded into day-to-day operations through a combination of advanced technologies and process improvements which includes:

- Zero liquid discharge (ZLD) plants
- Enhanced recycling and reuse of water
- Installation of smart water-saving devices
- Promotion of water conservation through awareness campaigns
- Waste heat utilisation
- Steam condensate enhancement and recovery
- Dual plumbing in toilets to save fresh water
- High pressure jet cleaning devices for cleaning of equipment
- Six sigma projects for optimisation of water consumption at site



Enabling Water Circularity

We maintain a disciplined approach to managing water resources across all operational sites. With a focus on reducing dependence on groundwater and improving overall efficiency, the company continues to prioritise closed-loop water systems, recovery infrastructure and process-level water optimisation. All withdrawn water is consumed within the facility with no external discharge, aligning with our Zero Liquid Discharge policy.

Over the last three financial years, consistent efforts have led to a visible improvement in specific water consumption, supported by increased use of surface water and advanced reuse strategies. The following table outlines our water performance indicators.

Parameters	FY 2024-25 (KL)	FY 2023-24 (KL)	FY 2022-23 (KL)
Surface water	2,32,273	2,26,879	2,14,477
Groundwater	16,008	18,256	13,916
Total Volume of Water Withdrawal	2,48,281	2,45,135	2,28,393
Total Volume of Water Consumption	2,48,281	2,45,135	2,28,393
Total Water Discharge	0	0	0
Specific water consumption (KL/ton of product)	1.56	1.64	1.76



NATURAL CAPITAL CONTD...

Responsible Wastewater Management Practices

We follow a structured and integrated approach to water management through the implementation of a Zero Liquid Discharge (ZLD) system. This integrated system ensures zero environmental discharge by enabling full wastewater recycling and protecting vital groundwater resources.

Effluent streams are carefully segregated at the source. Domestic wastewater is treated at a dedicated Sewage Treatment Plant (STP), while industrial effluents undergo multi-stage treatment using a combination of advanced systems. These include Effluent Treatment Plants (ETP), Dissolved Air Flotation (DAF), Reverse Osmosis (RO), Multi-Effect Evaporators (MEE), Mechanical Vapour Recompression Evaporators (MVRE), Agitated Thin Film Dryers (ATFD), and sludge dryers.

Together, these systems allow us to recover high-quality water and stabilised solids through evaporation and filtration techniques. We follow a clearly defined standard operating procedure (SOP) and operate an in-house laboratory to regularly evaluate stream quality.

Maintaining ZLD conditions across our sites helps us reduce reliance on freshwater sources and avoid any form of liquid discharge. This approach strengthens our water management practices and supports our long-term environmental goals.



WATER RISK MANAGEMENT

We conduct regular assessments to evaluate water consumption, identify possible contamination sources, and review the availability and condition of local groundwater. These evaluations are aligned with regulatory frameworks and supported by inputs from local stakeholders and environmental professionals. This helps us improve water use efficiency, strengthen wastewater recycling systems and maintain strict control over discharge quality. Using surface water in our operations supports our goal of achieving water neutrality.

Utilising Rainwater

At our Barnala facility, we have developed a dedicated rainwater collection system that includes mapped catchment areas, rooftop

harvesting and stormwater segregation. All rainwater is directed into separate storage tanks and reused for green belt irrigation, cleaning and other non-process requirements. Wastewater is managed through overhead lines to avoid cross-contamination and a defined procedure for stormwater management is in place to ensure clarity and safety.

Achieving Water Neutrality

We have reached 100% water neutrality by reducing freshwater use and replenishing local sources. Nearby village ponds are regularly desilted to enhance their storage capacity. In addition, treated water from our STP is reused in horticulture, further easing the load on natural water reserves and supporting long-term resource stability.

ADVANCED EMISSIONS MANAGEMENT

We continue to strengthen our air quality control measures by deploying technologies such as bag filters and electrostatic precipitators (ESP) across emission sources. Solvent management is addressed through closed-loop handling systems that limit atmospheric release. Ambient air quality is closely monitored through our installed Continuous Ambient Air Quality Monitoring System (CAAQMS), which provides real-time data on critical pollutants around our operations.

Our internal team regularly verifies air quality assessments carried out by third-party agencies, in line with State Pollution Control Board regulations. Efforts are also underway to transition to cleaner fuels for thermic fluid heaters and furnaces.

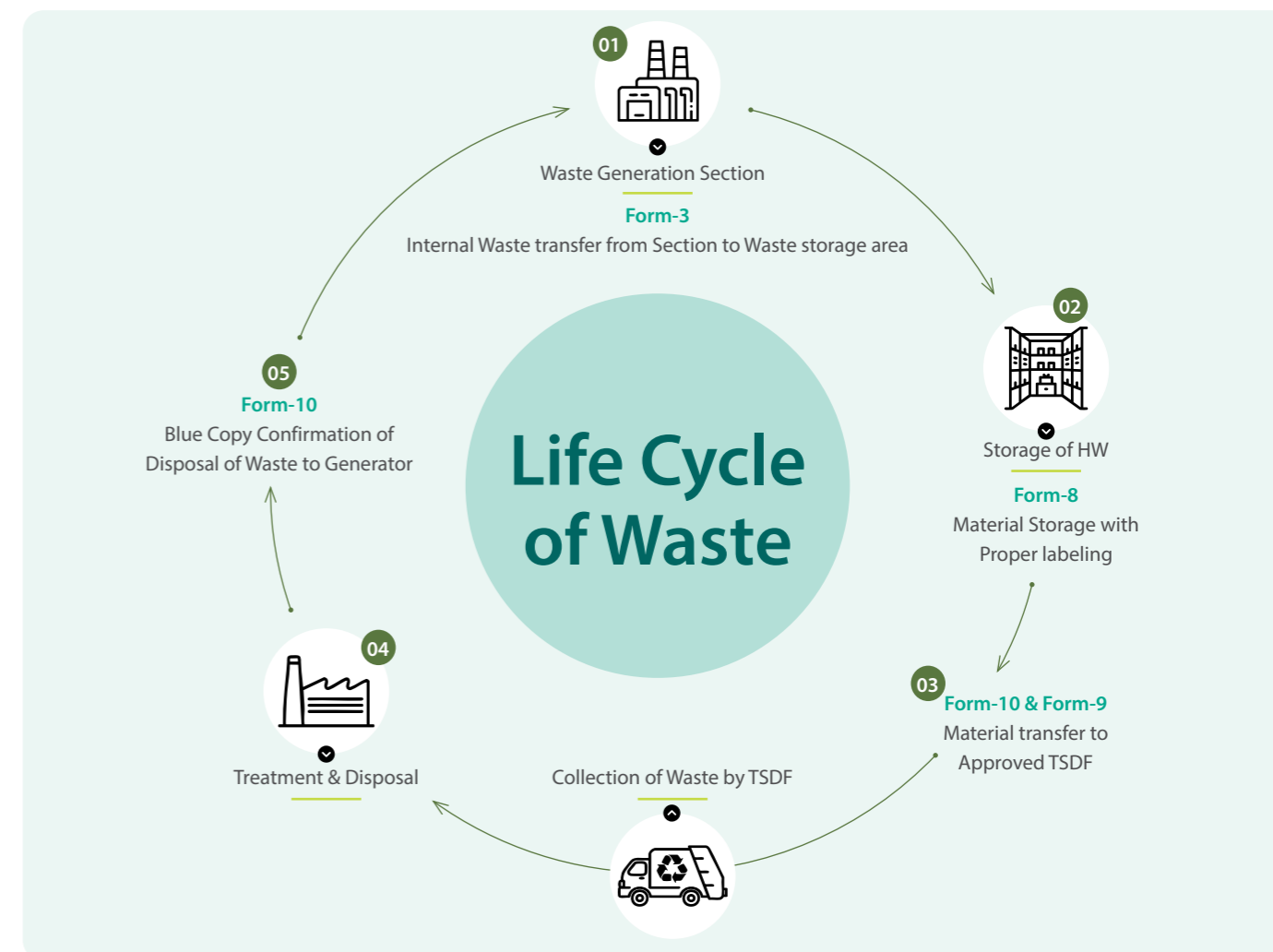
Pollutants	FY 2024-25	FY 2023-24
NOx ($\mu\text{g}/\text{m}^3$)	104	118
SOx ($\mu\text{g}/\text{m}^3$)	8.8	39
PM ($\mu\text{g}/\text{m}^3$)	61.5	94.3
Volatile organic compounds VOC (ppm)	345	350

In addition to pollution control measures, we undertake periodic plantation activities to support ambient air quality and implement solvent recovery systems to minimise VOC emissions. Together, these steps reflect our structured approach to maintaining clean air and improving environmental performance.

CIRCULAR WASTE SOLUTIONS

We follow a structured approach to managing waste across our operations, with an emphasis on segregation, safe disposal and resource recovery. All waste is classified at the source into hazardous and non-hazardous categories. Non-hazardous waste is channelled to authorised recyclers, while hazardous waste is treated using methods such as storage, co-processing and pre-processing, as per regulatory guidelines.

We also apply the Waste Life Cycle methodology to evaluate and refine each stage—from generation and handling to disposal and recovery. Multiple projects are in place to reduce emissions, optimise resource use and support cleaner production.



NATURAL CAPITAL CONTD...

Waste generation and disposal overview

Parameters	FY 2024-25 (MT)	FY 2023-24 (MT)	FY 2022-23 (MT)
Plastic Waste	53.22	60.18	24.35
E-Waste	0.38	1.05	0.52
Bio-medical Waste	0.0107	0.02344	0.0343
Battery Waste	2.03	2.69	2.08
Hazardous Waste	2,705.21	2,458.78	1,665.18
Non-Hazardous Waste	1,634.13	1,898.86	-
Total waste generated	4,394.98	4,421.57	1,692.18
Total Recycled Waste	226.88	62.94	36.36
Incineration	417.59	342.37	179.67
Landfilling	2,067.24	2,075.34	1,473.51
Steam Condensate Recovery	94.3	97.0	-
Total waste disposed	2,484.83	2,417.71	-



Waste-to-Wealth Initiative
Effluent Reduction at Unit-06

In line with our objective to minimise waste, we have initiated a focused project at our Unit-06 plant aimed at transforming waste streams into usable by-products.

- ♦ **Objective:** Reduce both solid and liquid effluent by reclaiming valuable chemicals from process waste.
- ♦ **Process:** A material balance study showed that each batch generated up to 4,000 kg of waste containing 15% dissolved trisodium phosphate (TSP), which was being routed to the Effluent Treatment Plant (ETP). We proposed a process to recover TSP from this stream for potential reuse.
- ♦ **Expected Impact:**
 - ▶ Solid effluent reduction: Up to 15 MTPM
 - ▶ Liquid effluent reduction: Up to 50 MTPM

Waste Handling Hierarchy

We adopt a structured waste management hierarchy that prioritises prevention, recovery and safe disposal. This approach allows us to reduce the generation of hazardous waste, repurpose materials wherever feasible and ensure that unavoidable waste is treated responsibly. The framework is aligned with globally accepted best practices and is embedded into our operational policies and daily workflows.

Primary Pollution and Waste Prevention	Secondary Pollution and Waste Prevention	Waste Management
ACTION AREAS	ACTION AREAS	ACTION AREAS
<ul style="list-style-type: none"> ♦ Modify industrial processes to avoid harmful chemicals ♦ Use alternatives that are less harmful ♦ Minimise material usage and excessive packaging ♦ Design products for longer life, reusability and repairability ♦ Adjust manufacturing systems to prevent hazardous waste generation 	<ul style="list-style-type: none"> ♦ Reuse existing resources and materials ♦ Recover by-products or valuable content from waste ♦ Recycle waste streams wherever possible ♦ Repair and extend the usability of products ♦ Prefer reusable and recyclable products during sourcing 	<ul style="list-style-type: none"> ♦ Treat waste to lower toxicity ♦ Incinerate waste under controlled systems ♦ Direct residuals to approved landfills ♦ Use co-processing techniques in cement or other industries
TARGET	TARGET	TARGET
Produce less hazardous waste	Convert hazardous waste into less hazardous form	Final treatment and safe disposal

NURTURING ECOSYSTEMS

We follow a responsible and structured approach to biodiversity conservation. Our operational area is not located near any identified eco-sensitive zones or habitats of endangered species. Nevertheless, we maintain a green belt around our facilities as part of our regulatory and environmental protocols. Our broader environmental focus includes multiple carbon reduction measures aimed at reducing ecological impact and enhancing green coverage.

Carbon Sink Initiative
Creating Long-Term Environmental Value

We have recently undertaken a large-scale plantation initiative, adding over **60,000 trees** as part of our effort to develop a natural carbon sink. This plantation is expected to reduce **approximately 1,000 MT of CO₂e**, while also contributing to improved air quality, soil stability and groundwater recharge.

18,435
No of trees planted

70 Acres

Green Belt developed inside the premises

60000 trees

Trees inside the premises, as of FY 2024-25

Environmental Impact Assessment (EIA)

We carry out Environmental Impact Assessments (EIA) to evaluate the potential environmental implications of our projects before execution. These assessments enable us to anticipate and address possible impacts while ensuring compliance with applicable regulations. EIAs also help us weigh environmental considerations alongside economic factors for informed decision-making.

To ensure objectivity and transparency, all assessments are conducted by independent third-party agencies. Findings from

these evaluations are used to develop Environmental Management Plans (EMPs), which outline specific actions, assigned responsibilities, timelines and resource allocation for mitigation efforts.

BUILDING TRUST THROUGH ENVIRONMENTAL DIALOGUE

We maintain regular interaction with local communities and regulatory authorities to ensure that the Environmental Impact Assessment (EIA) process remains transparent and inclusive. These engagements support informed decision-making and help align our projects with local environmental and social priorities.

Our outreach goes beyond compliance. We support afforestation drives, biodiversity preservation and water-related initiatives in the regions where we operate. This includes promoting rainwater harvesting, improving local water management systems, and facilitating access to clean drinking water. These efforts reflect our approach to environmental responsibility through meaningful community collaboration.



Management Discussion and Analysis

Economic Overview

Global Economy¹

In CY2024, the global economy grew at 3.3%, showing resilience amid geopolitical conflicts, trade fluctuations and shifting monetary policies. Advanced economies grew modestly at 1.8%, while emerging markets and developing economies expanded more robustly at 4.3%. The US economy thrived with high employment and strong corporate earnings and Europe is on a path to recovery despite political and economic hurdles. China navigated their economic setbacks, creating sustainable growth.

Global headline inflation continued its downward trend, easing from 6.6% in CY2023 to 5.7% in CY2024. However, the pace of decline varied across regions. Advanced economies made steady progress towards inflation targets, while emerging markets grappled with high inflation due to currency depreciation and persistent supply chain issues. Central banks' effective monetary policies, increased energy supplies and strong consumer demand propelled this achievement. Government spending and targeted fiscal measures

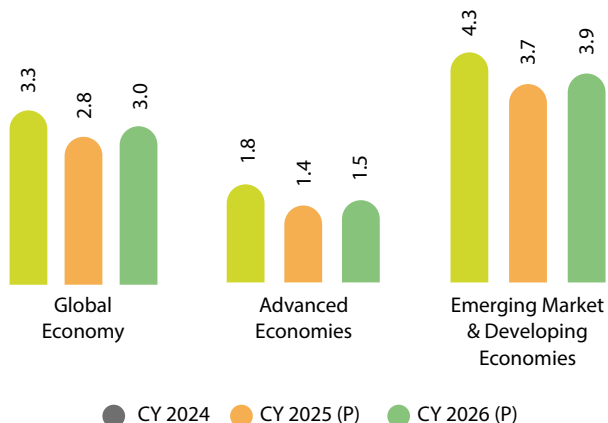
addressed structural and geopolitical challenges, setting the stage for steady recovery. Strategic reforms continue to support long-term growth and stability.

Outlook

While uncertainties persist and the global economy faces ongoing challenges, the outlook for the years ahead remains cautiously optimistic, with GDP growth projected at 2.8% in CY 2025 and 3.0% in CY 2026. EMEs are expected to grow by 3.7%, while advanced economies are forecasted to see a 1.4% increase in CY 2025.

The rise in consumer spending is a key driver of the positive economic outlook. With inflation expected to drop to 4.3% in CY 2025 and 3.6% in CY 2026, household purchasing power is set to improve, fuelling demand across sectors. Advanced economies are likely to reach their inflation targets sooner, providing additional stability. Despite ongoing geopolitical uncertainties, sustained government investments, effective fiscal policies and robust consumer activity are anticipated to maintain a balanced economic landscape.

World GDP Growth Trends (in %)



P – Projected

Source: IMF World Economic Outlook April, 2025

Indian Economy

India continues to lead as the world's fastest-growing major economy, with a 6.5% GDP growth forecast for FY 2025.² Strategic government policies, robust capital investments and rising exports in high-value sectors such as pharmaceuticals, electronics, semiconductors and defence equipment have cemented this growth. Digital innovation,

infrastructure development and a growing middle class ensure a resilient and sustainable economic future for the country. The government's Production Linked Incentive (PLI) scheme, with an outlay of Rs. 1.97 Lakhs Crores, bolstered domestic manufacturing and exports across 14 key sectors.

The decline in inflation from 5.4% in FY 2024 to 3.3% in FY 2025 has stabilised the economic environment, boosting consumer confidence and purchasing power. This trend is expected to drive demand in various sectors, further fuelling economic growth.³ Additionally, India's merchandise exports grew by 5.8% in FY 2025, highlighting its position in global trade. The manufacturing sector, after experiencing some moderation, regained momentum, with the Index of Industrial Production (IIP) reflecting a 3% output growth in March 2025.⁴

Government-led reforms, deregulation efforts and infrastructure development are boosting market confidence, creating a conducive business environment. Continued investments in healthcare, infrastructure and education, along with prudent fiscal and monetary policies, supports India's growth. By addressing structural challenges and improving the ease of doing business, India's economic landscape is becoming more attractive to investors, ensuring long-term stability.

¹<https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

²https://www.mospi.gov.in/sites/default/files/press_release/PRESS-NOTE-ON-SAE-2024-25-Q3-2024-25-FRE-2023-24-and-FE-2022-23-M1.pdf

³https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_15Apr25.pdf

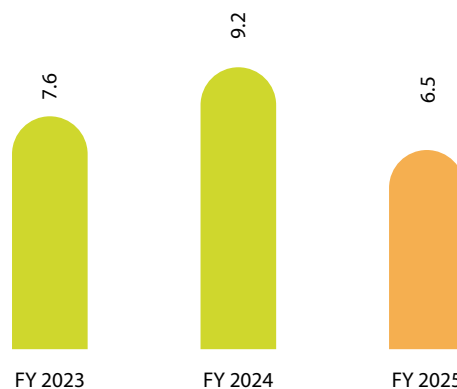
⁴<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2124850>

Outlook

India's growth for FY 2026 is projected to be between 6.3% to 6.8%, bolstered by strategic measures and reforms in the Union Budget. Key measures include elimination of income tax for those earning up to ₹12.75 lakh, which will boost consumer spending⁵ and a total 100 basis points rate cut by the RBI has lowered the repo rate to 5.5%, increasing liquidity and making credit more accessible.⁶ The recommendations of the 8th Pay Commission will further enhance disposable income, driving discretionary spending. Easing retail inflation will further contribute to a stable economic environment.

India's growth benefits from deregulation, infrastructure development and private sector involvement, bolstering market confidence. Reforms have simplified business processes and reduced red tape. India's role as a global pharmaceutical hub is expanding with government support and the chemical industry is also expanding due to global supply chain shifts. Stable inflation and strong forex reserves ensure sustained demand and growth. Continued investments in infrastructure, education and healthcare, along with prudent fiscal and monetary policies, will further strengthen India's position as a global economic powerhouse.

GDP growth trend in India (in %)



Source: MoSPI



⁵<https://pib.gov.in/PressReleaselframePage.aspx?PRID=2098353>

⁶https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=60604

Management Discussion and Analysis (Contd..)

Pharmaceuticals Sector

Global⁷

The global pharmaceutical market is experiencing robust growth, currently valued at approximately \$1.6 trillion and projected to reach \$2.4 trillion by 2030. This expansion is fuelled by rising healthcare needs from an aging population, more chronic diseases and advancements in biopharmaceuticals. Innovations in personalised medicine are enhancing patient care, making treatments more effective and accessible. The generic formulations segment, worth \$460 billion, is expected to grow by 8% annually, reaching \$790 billion by 2030. This trend underscores the rising demand for affordable medications as patents expire, creating opportunities for pharmaceutical companies. The Asia Pacific region is expected to lead the generic drug market, followed by Europe, North America, Latin America, Africa and the Middle East.

The pharmaceutical industry is undergoing a major transformation with artificial intelligence and machine learning speeding up drug discovery and development. These advancements promise greater efficiency and faster time-to-market, benefitting patients globally. Emerging markets, particularly India, are pivotal in this expansion, strengthening supply chains and boosting exports. Despite regulatory and pricing pressures remain, the industry’s adaptability ensures a bright future. Emphasising sustainability and patient-centric solutions, the pharmaceutical sector is poised to advance global healthcare and improve lives.

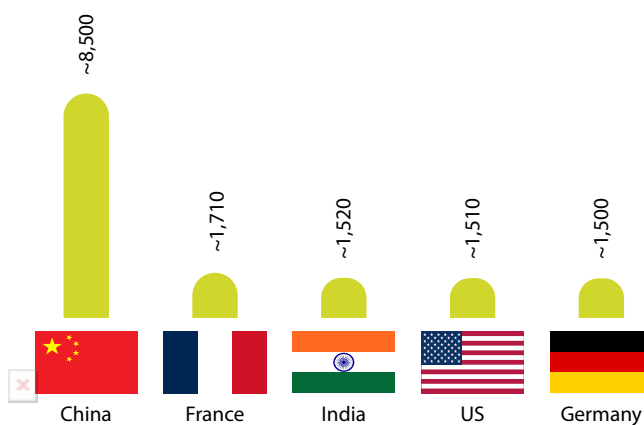


Indian⁸

India’s pharmaceutical industry, valued at approximately \$58 billion, has rightfully earned the title of ‘Pharmacy of the World’. It is ranked as the 13th largest pharmaceutical industry by value and the third largest by volume, globally. Additionally, the sector accounts for 60% of the world’s vaccines and it supplies more than 20% of the world’s global generic medicines and industry. Notably, it meets nearly 40% of the U.S. demand, for generics., with over 3,000 drug companies, 10,000 manufacturing units and more than 650 U.S. FDA-approved facilities.

India is the third-largest nation in terms of pharma exports by volume

Pharmaceutical exports (2023) in thousands of tons



Note: Data for relevant 6-digit India Trade Classification Harmonized System (ITC-HS) codes pertaining to active pharmaceutical ingredients (APIs), formulations, biosimilars, and vaccines taken based on India exports data to enable like-for-like comparison Source: Trade Map

Source: Bain & Company Report⁹








India’s pharmaceutical industry is projected to reach \$120-130 billion by 2030 and \$400-450 billion by 2047. This expansion is driven by an aging population, lifestyle diseases, personalised medicine and government initiatives such as the PLI schemes and favourable FDI policies. Advancements in biotechnology, AI-driven drug discovery and telemedicine are unlocking new opportunities. Continuous innovation, infrastructure investments and regulatory improvements are positioning India to increase its global pharmaceutical market share from 3–3.5% to nearly 5% by 2030.

⁷<https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/>

⁸<https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/>

⁹<https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/>

Growth drivers for the Indian Pharmaceuticals Sector¹⁰

Megatrend	Description
 Enhanced Supply Chain Resilience	Nations are localising pharmaceutical manufacturing to reduce reliance on single-source suppliers, reinforced by India’s ‘Make in India’ and Production-Linked Incentive (PLI) schemes.
 Unwavering Commitment to R&D and Quality	Indian pharmaceutical companies are ramping up R&D investments to meet global quality benchmarks and competitiveness.
 Strategic Shift to CDMO/CRO Value Models	The industry is transitioning from generics to high-value, innovative products, leveraging Contract Development and Manufacturing Organisations (CDMOs) and Contract Research Organisations (CROs) for expert-driven exports.
 Advancing Regulatory Harmonisation	Regulatory frameworks are converging, streamlining approvals and enabling smoother global market access.
 Surging Investments in Indian Pharmaceutical Industry	Private equity (PE) and venture capital (VC) are fuelling the expansion of pharma platforms and strengthening the biotech startup ecosystem.
 Accelerating Digital Transformation and AI Integration	Pharmaceutical companies are adopting digitalisation and generative AI to optimise operations, enhance R&D and drive value chain efficiencies.
 Strengthening ESG Commitments	Indian pharma firms are adopting sustainable practices to align with international ESG standards and expectations.

API (Active Pharmaceutical Ingredients) Industry

Global¹¹

The global Active Pharmaceutical Ingredients (API) market is rapidly growing, fuelled by rising healthcare needs, chronic diseases and pharmaceutical innovation. Investments in R&D have led to efficient, high-quality and sustainable API production methods. Favourable regulatory reforms are streamlining approvals and promoting access to essential drugs. The market is projected to grow from USD 232.13 billion in 2025 to approximately USD 328.94 billion by 2030, with a CAGR of 7.22%. This highlights the increasing role of APIs in global healthcare.

The API industry is set to thrive with the rise of biologics and biosimilars for complex diseases. Advancements in biotechnology lead to sophisticated biologic drugs, requiring specialised API manufacturing. The generic API market is expanding as major drug patents expire. The Asia-Pacific region, especially China and India, is emerging as a powerhouse in API production due to healthcare investments and supportive government policies. North America and Europe maintain strong API demand for advanced therapies and precision medicine. With continuous technological advancements, regulatory support and global collaboration, the future of the API industry looks promising, ensuring better access to essential medications and sustainable healthcare solutions worldwide.

Indian¹²

The Indian API industry is on a remarkable growth trajectory, valued at approximately USD 14.77 billion in 2025 and projected to reach USD 22.02 billion by 2030, with a CAGR of 8.31%. This expansion is driven by increasing healthcare needs, a rising burden of chronic diseases, and the demand for affordable yet high-quality generic medicines. World-class manufacturing facilities, skilled workforce and strong R&D make India a global leader. The COVID-19 pandemic further highlighted India’s critical role in the global supply chain, promoting efforts towards self-sufficiency. Advances in high-value APIs for oncology, cardiovascular and anti-infective treatments has positioned India as a leader in both generic and specialty API segments.

The industry is poised for unprecedented growth, driven by favourable policies, increasing Foreign Direct Investments (FDIs) and technological advancements. The PLI scheme will boost local production and reduce reliance on imports. Strategic collaborations and investments in green chemistry and sustainable API production will further enhance India’s competitiveness. Digital manufacturing processes, AI-driven drug discovery and advanced biopharmaceutical technologies will shape the industry’s future. With a focus on innovation, quality and sustainability, India is set to lead the next wave of pharmaceutical advancements.

¹⁰<https://www.brickworkratings.com/Research/Drugsand%20Pharmaceuticals%20Industry-India-Nov2024.pdf>

¹¹<https://www.mordorintelligence.com/industry-reports/global-active-pharmaceutical-ingredients-api-market>

¹²<https://www.mordorintelligence.com/industry-reports/india-active-pharmaceutical-ingredients-market>

Management Discussion and Analysis (Contd..)

Industry Overview

Chemical Sector

Global¹³

The global chemical industry is expected to rise from USD 6,182 billion in 2024 to USD 6,324 billion by 2025, fuelled by increasing demand for innovative materials that support the energy transition, such as battery chemicals, lightweight composites and sustainable feedstocks. Key sectors such as automotive, construction and electronics continue to drive this demand. Asia Pacific, led by China's strong growth momentum, remains at the forefront. Despite challenges in Europe, the industry's adaptability and innovation position it well for long-term success.

Looking ahead, the chemical industry is poised for growth, with specialty chemicals playing a crucial role in meeting the evolving needs of automotive, electronics, agriculture, pharmaceuticals, and personal care industries. Innovations in biodegradable products, bio-based chemicals and sustainable manufacturing are paving the way for a greener, efficient future. Companies that embrace digitalisation, sustainability and innovative supply chain solutions will thrive, ensuring strong growth and global impact.

Indian¹⁴

India's chemical industry, valued at around US\$250 billion, is crucial to sectors such as agriculture, pharmaceuticals, textiles and construction. The cumulative FDI equity inflow in the chemical industry reached US\$ 22.87 billion from April 2000 to September 2024. Indian companies are attracting investments from Japan,



Korea and Thailand, who are seeking to diversify supply chains. As the sixth-largest global producer, it is poised for significant growth, aiming for US\$300 billion by 2025 and US\$383 billion by 2030. This is fuelled by strong domestic demand, rising exports, favourable government policies and technological advancements. Initiatives such as Production Linked Incentive (PLI) schemes, Make in India and Aatmanirbhar Bharat enhance competitiveness, attracting investments. The focus on innovation, sustainability and digital transformation unlocks new opportunities, solidifying India's role as a global leader in the sector.

Looking ahead, the Indian chemical industry is poised for extraordinary growth, aiming for a market size of US\$1 trillion by 2040 with a 9.3% compound annual growth rate (CAGR). Key drivers include rising per capita consumption, diverse industrial applications, expansion into new markets and a strong emphasis on R&D. Government initiatives, such as the establishment of Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) and plastic parks, will attract significant investments. The sector is also witnessing a shift towards sustainability, decarbonisation and circular economy practices. India's strategic location, skilled workforce and cost advantage make it an ideal global chemical supply hub. With massive investments expected, the industry is set to become a major player in the global market, driving innovation, economic growth and sustainability.

Specialty Chemical Industry

Global¹⁵

The global specialty chemicals market, valued at USD 780.3 billion in 2024, is a vital segment within the chemical industry. Its growth is driven by strong business performance, rising consumer demand, changing lifestyles, and globalisation. A key catalyst has been the increasing use of these chemicals in industries such as oil & gas and personal care. Unlike bulk chemicals, these are produced in smaller volumes but are highly valued for their unique properties. They are essential for enhancing manufacturing processes and product performance across industries such as agriculture, automotive, aerospace, pharmaceuticals and food and beverages. Their applications range from improving crop yields to providing advanced materials for electronics and personal care products.

The specialty chemicals market is projected to reach USD 1,054.7 billion by 2033, growing at a CAGR of 3.23%. This growth is driven by the increasing demand for high-performance, specialised chemicals across diverse industries and a shift towards eco-friendly alternatives due to environmental concerns. Industry leaders are investing in R&D to develop innovative, custom-made solutions, expanding their product offerings and market presence while promoting sustainability.

13<https://www.marketsandmarkets.com/Market-Reports/global-chemical-industry-outlook-89294716.html>

14https://www.ey.com/en_in/insights/chemicals/catalyzing-growth-india-s-chemicals-and-petrochemicals-drive-growth, Ministry of commerce, Indian ministry of chemicals and petrochemicals, News articles, Expert Market Research

15<https://www.grandviewresearch.com/industry-analysis/specialty-chemicals-market>, The Business Research Company- Specialty Chemicals Global Market Report- By Product Type, By Source, By End Use- Market Size, Trends, and Global Forecast 2025-2034

Indian

India's specialty chemicals sector is growing recently, driven by various domestic and international factors. Increased demand in personal care, construction and pharmaceuticals, along with urbanisation and improved living standards, fuels this growth. Government initiatives in R&D and infrastructure development further strengthen the industry.

The industry produces essential products like agrochemicals, dyes, pigments and pharmaceutical ingredients. The industry has a bright future with significant growth ahead. Key strategies include optimising cost-effective manufacturing and investing in R&D for innovation. Addressing challenges such as reliance on imported raw materials will be crucial for long-term success.

Creating a favourable business environment through supportive policies will aid further expansion. The "China plus one" strategy and government initiatives in innovation and technology are driving domestic production of high-value specialty chemicals. With growing global demand in sectors like electric vehicles, green energy and digital infrastructure, India is well-positioned to expand its global market share. The country's cost-competitive manufacturing base and strong process engineering capabilities make it an attractive hub for both domestic and international companies, ensuring India's emergence as a key player in the global specialty chemicals market.

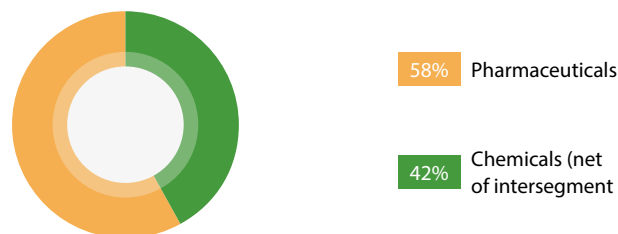
Company Overview

IOL Chemicals & Pharmaceuticals Ltd is a key player in the pharmaceutical and specialty chemicals sectors, serving both domestic and international markets. It leads the global Ibuprofen market with a 35% share and manufactures APIs like Ibuprofen, Metformin and Paracetamol for various therapeutic needs. The pharmaceuticals segment has witnessed robust growth due to healthy demand. The specialty chemicals division serves industries such as food processing, textiles pharmaceuticals, inks, paints and pesticides, remaining integral despite revenue challenges.

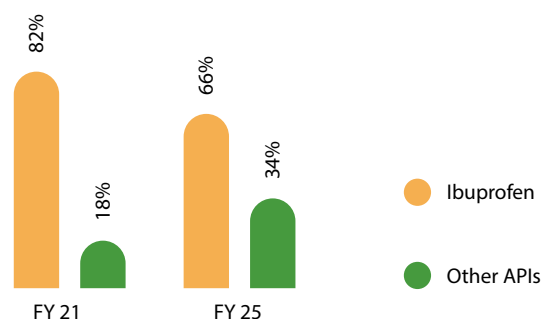
The Company is diversifying its API portfolio by targeting high-demand, non-ibuprofen segments to enhance patient outcomes. This strategic shift has significantly boosted revenue from products like Paracetamol, Metformin, Pantoprazole and Clopidogrel. The Company operates multiple manufacturing facilities and recently acquired land for a new greenfield manufacturing facility for future expansions. With an emphasis on R&D, it has several commercialised products, patents and regulatory submissions. Serving customers in more than 80 countries, the Company is solidifying its position as a global leader in pharmaceuticals and specialty chemicals.

Business segment overview

Key Business Segments- Revenue Mix



Pharmaceuticals Segment



Pharmaceuticals Segment Overview

In FY25, IOL continued to reinforce its leadership in the pharmaceuticals segment, driven by its position as the world's largest manufacturer of Ibuprofen with over 30% global market share and a capacity exceeding 12,000 MT. The company remains the only fully backward-integrated player for Ibuprofen intermediates and KSMs, ensuring consistent quality and cost efficiency. Backward integration has also been extended to Paracetamol, with the commissioning of Unit-11 at Barnala, offering 10,800 MTPA of installed capacity. With 16 DMFs filed with the USFDA and 19 CEPs granted by the EDQM, IOL is well-positioned in regulated markets. Its API portfolio spans key therapeutic areas including anti-inflammatory, anti-diabetic, anti-convulsant, and cardiovascular segments. The company continues to drive a strategic shift towards high-value APIs, increasing their share from 18% in FY21 to 34% in FY25.

Chemicals Segment Overview

IOL is among the leading specialty chemical players in India, with strong global positioning as the second-largest producer of Iso Butyl Benzene (IBB), a key starting material for Ibuprofen, holding approximately 30% market share. The company's integrated operations include captive production of Acetic Anhydride and Acetyl Chloride, which are critical inputs for both Ibuprofen and Paracetamol, ensuring cost and supply chain advantages. With over

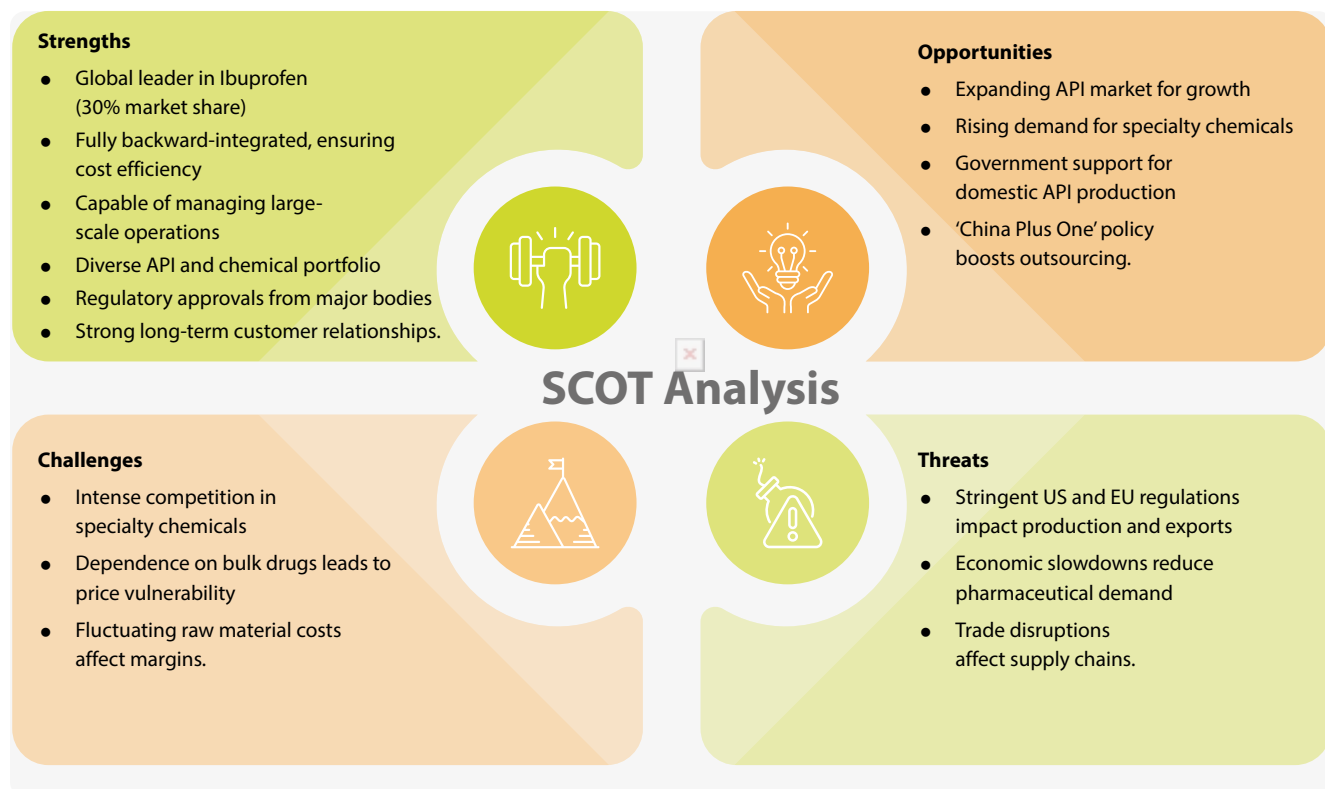
Management Discussion and Analysis (Contd..)

100,000 TPA capacity for Ethyl Acetate and a REACH certification enabling exports to more than 40 countries, IOL remains a key supplier to diverse sectors including pharmaceuticals, packaging, textiles, paints, food processing, and inks. Notably, its green chemistry-based dual technology plant for MCA and Acetyl Chloride enhances environmental sustainability while supporting operational excellence.

Research & Development

At IOL Chemicals and Pharmaceuticals, innovation remains a cornerstone of our growth strategy. In FY 2025, our 114-member strong R&D team, including over 50 highly skilled scientists,

continued to drive progress across key therapeutic areas. With a robust infrastructure backed by DSIR recognition and equipped with advanced technologies, our research efforts led to the commercialisation of 20 products, with 8 more currently in the pipeline. We achieved significant regulatory milestones, holding 16 Drug Master Files (DMFs) with the USFDA, 19 Certificates of Suitability (CEPs) with EDQM and securing 3 patents. Our focus on developing complex, multi-step products and enhancing generic molecule capabilities underscores our commitment to quality, compliance, and sustainable innovation. With a future-ready R&D ecosystem, we remain well-positioned to deliver high-impact solutions for global healthcare needs.



Financial Performances

Consolidated Profit and Loss Statement

Particulars	₹ in Crore	
	FY25	FY24
Revenue from operation	2079.2	2132.8
EBITDA	224.6	261.6
PAT	101.0	135.4
EPS	3.44	4.61

Key Financial Ratios

Particulars	FY25	FY24
Return on Net Worth/ Equity (%)	6.12	8.69
Debtors Turnover	4.21	4.35
Inventory Turnover	4.33	4.57
Current ratio	1.89	2.00
Operating profit margin (%)	10.69	12.09
Net profit margin (%)	4.86	6.35

Risk Management

The Board plays a critical role in managing risks and ensuring robust internal controls, which involves defining the Company's risk tolerance, regularly assessing major risks and meticulously reviewing internal audit reports.

The Company is exposed to various risks that could affect its operations and financial performance. Dependence on key products like Ibuprofen makes it vulnerable to market fluctuations and regulatory changes. Operational risks related to safety, health and environmental compliance in the chemical and pharmaceutical sectors require continuous management and investment. Supply chain disruptions can hamper raw material availability and production costs. Furthermore, domestic and international policy changes could influence operations, particularly in major markets such as the USA and Europe.

To address these risks, IOL has implemented a comprehensive strategy. By diversifying its product portfolio beyond Ibuprofen to include other APIs and specialty chemicals, the Company reduces dependency on a single product line. It adheres to international regulatory standards, invests in cutting-edge technology and infrastructure to elevate safety and compliance as well as conducts regular risk assessments. This approach ensures resilience against operational disruptions and market volatility.

For an in depth note on Risk Management of the Company, please refer to page number 34.

People and Culture

At IOL Chemicals and Pharmaceuticals, our people are at the heart of our progress. In FY 2025, we intensified our focus on building a future-ready, resilient, and high-performing workforce by investing in talent development, employee well-being, and inclusive engagement.

To support career advancement and attract top industry talent, we launched comprehensive training programmes tailored to enhance professional capabilities and foster a culture of continuous learning. These structured initiatives have enabled employees at all levels to grow within the organization and contribute meaningfully to our business objectives

Employee engagement remains central to our workplace philosophy. During the year, we strengthened communication channels and set up employee committees to promote open dialogue, active listening, and collaborative problem-solving. These measures have helped cultivate a sense of ownership and belonging among our employees.



Consolidated Balance Sheet

(₹ in Crore)

Equity & Liabilities	FY25	FY24
Share capital	58.7	58.7
Reserves and surplus	1628.7	1552.6
Net worth	1687.4	1611.3
Borrowings (Long term)	0	0
Borrowings (Short term)	117.04	32.8
Assets		
Non-current assets	1230.7	1124.5
Current assets	1 1.1	1119.5
Current liabilities	609.9	559.8

Recognising that a healthy workforce is key to sustained success, we rolled out a range of wellness programmes focused on physical, mental, and emotional well-being. These initiatives are designed to ensure that our people feel supported, empowered, and equipped to meet the demands of a dynamic business environment.

As of March 31, 2025, IOL Chemicals and Pharmaceuticals employed 2,891 permanent staff across its facilities and offices. Our commitment to developing strong leadership and deepening employee engagement has played a crucial role in driving our recent growth. As we continue to scale new heights, we remain steadfast in our commitment to nurturing talent, encouraging innovation, and building a workplace that inspires excellence.

Internal Control System and Their Adequacy

The Company has aligned its current systems of internal controls including financial controls with the requirement of Companies Act 2013. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company uses best IT system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

The Audit Committee reviews reports submitted by internal auditors regularly and suggest the improvements from time to time which are being implemented by the Company.

Cautionary Statement

Statements in Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be "Forward-Looking Statements" within the meaning of applicable laws & regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include but are not restricted to the economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which Company operates, changes in the Government regulations, tax laws, and other statutes, as also other incidental factors.

Directors' Report

Dear Members

The Board of Directors presents the 38th Annual Report of the Company on the business operations and performance of the Company along with the audited financial statements for the year ended 31st March 2025.

1. Financial performance:

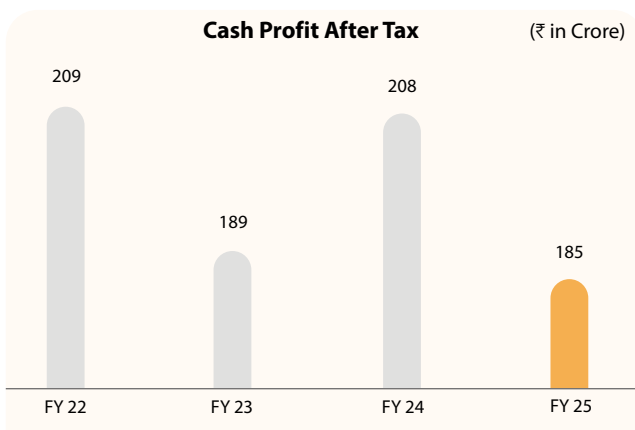
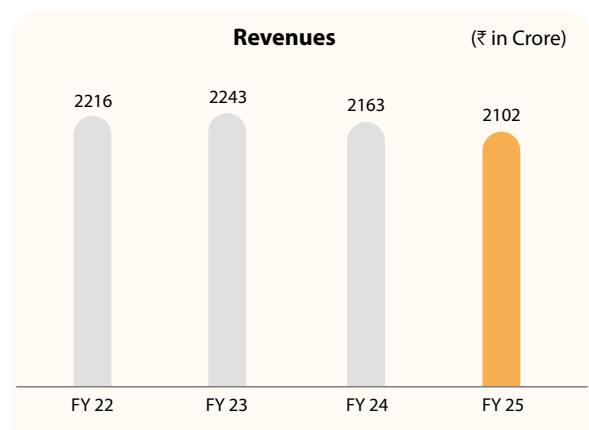
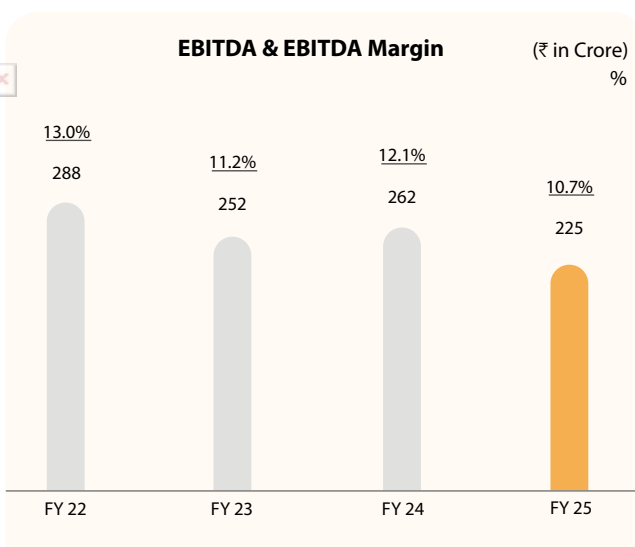
The summary of the financial performance of the Company for the Financial Year ended 31st March 2025, along with the comparative figures for the previous year is provided herein below:

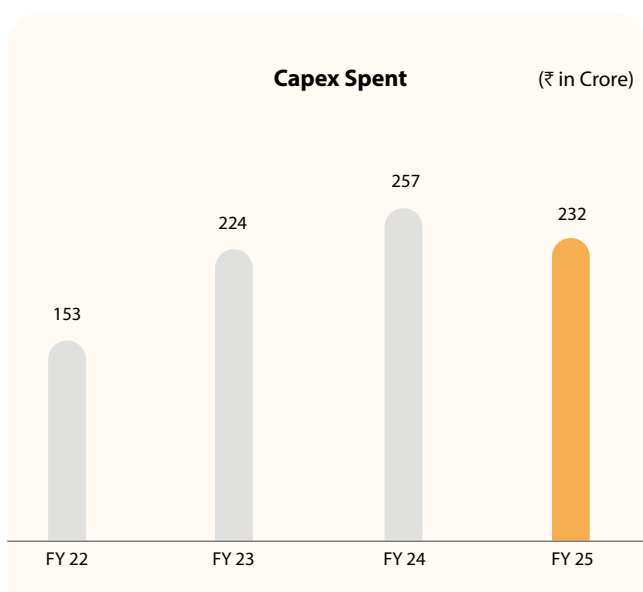
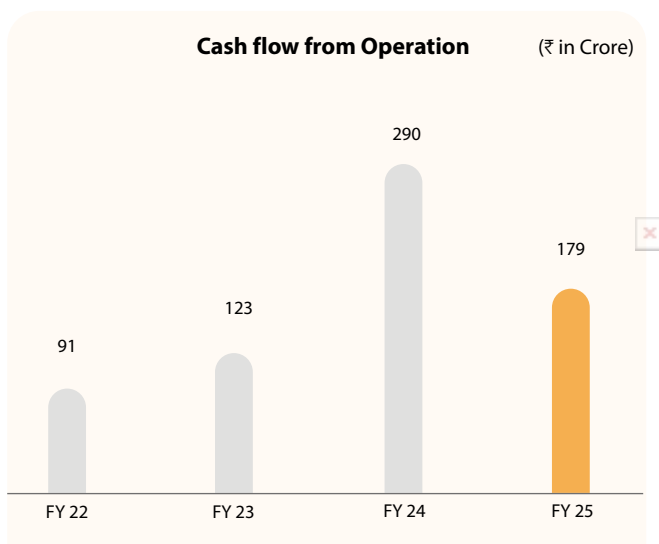
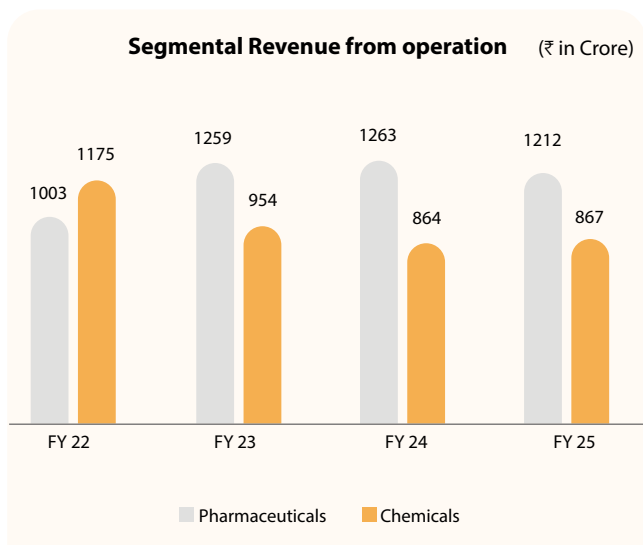
Particulars	Standalone		Consolidated	
	Year ended	Year ended	Year ended	Year ended
	31-Mar-2025	31-Mar-2024	31-Mar-2025	31-Mar-2024
Total income	2101.61	2162.86	2101.62	2162.86
Profit before interest & depreciation	224.57	261.59	224.71	260.66
Interest	14.76	16.10	14.76	16.10
Profit before depreciation	209.81	245.49	209.95	244.56
Depreciation	71.92	62.85	71.99	62.91
Profit before exceptional items	137.89	182.64	137.96	181.65
Exceptional items	0	0	0	0
Profit before tax	137.89	182.64	137.96	181.65
Provision for tax (including deferred tax)	36.89	47.22	36.89	47.22
Profit after tax	101.00	135.42	101.07	134.43

During the year under review, your Company reported a standalone operating revenue of ₹ 2,079.21 crore, as against ₹ 2,132.79 crore in the previous year. The EBITDA for FY 2024-25 stood at ₹ 224.57 crore, marginally lower than ₹ 261.59 crore in the previous year, primarily due to a decline in the selling prices of finished goods.

Pursuant to Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Management Discussion and Analysis Report forms an integral part of this Integrated Annual Report. It provides, inter alia, detailed information on the Company's performance, its state of affairs and industrial operations in India and abroad, significant developments, the external environment, and the economic outlook during the year under review.

During the year under review, there was no change in the nature of the Company's business.





2. Dividend

For the financial year 2024-25, the Board of Directors declared an interim dividend of ₹ 4 per equity share of face value ₹ 10 each, resulting in a total cash outflow of ₹ 23.48 crore during the year. The Board has considered this interim dividend as the final dividend for the year. The dividend has been recommended in accordance with the parameters laid down in the Company's Dividend Distribution Policy.

In accordance with Regulation 43A of the SEBI Listing Regulations, the Board of Directors has formulated and adopted a Dividend Distribution Policy, which is available on the Company's website at <https://www.iolcp.com/about-us/policies>.

3. Transfer to reserves

The Board has decided to retain the entire amount of the profits for the financial year 2024-25 in the profit and loss account. The Board do not propose to transfer any amount to the reserves.

4. Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on 31st March 2025.

5. Share Capital

During the period under review, the Board of Directors approved the sub-division (split) of the Company's equity shares, whereby 1 (one) equity share of face value ₹10.00 (Rupees Ten only) each, fully paid-up, was sub-divided into 5 (five) equity shares of face value ₹2.00 (Rupees Two only) each, fully paid-up.

Subsequently, the members of the Company, through a resolution passed by postal ballot on 31st January 2025, approved the said sub-division/split and the consequential alteration to the Capital Clause of the Company's Memorandum of Association.

Following the requisite approvals from the Stock Exchanges (BSE and NSE) and the depositories (NSDL and CDSL), a new ISIN - INE485C01029 was allotted. The change in the face value of the shares was reflected in the share price on the Stock Exchanges with effect from 11th March 2025, being the record date for the sub-division/split.

The sub-division has made the Company's shares more affordable and has broadened investor participation.

The capital structure of the Company as on 31st March 2025 is as follows:

- Authorised Share Capital: ₹ 80,00,00,000/- comprising 40,00,00,000 equity shares of face value ₹ 2/- each, fully paid-up.



Directors' Report (Contd..)

- Issued, Subscribed and Paid-up Share Capital: ₹ 58,70,55,020/- comprising 29,35,27,510 equity shares of face value ₹ 2/- each, fully paid-up.

6. Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

During the year under review, no amount of unpaid/unclaimed dividend was due for transfer to the Investors Education protection Fund.

Members who have not encashed any dividend declared by the Company, are advised to write to the Company immediately at investor@iolcp.com

7. Subsidiary Companies

Details of subsidiaries / associates of your Company are provided in notes to financial statements.

We have 3 subsidiaries as on 31st March 2025. Out of these 3 subsidiaries IOL Foundations is a Section 8 Company that undertakes the CSR activities of the Company.

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with the provisions of Section 129(3) of the Act, which forms part of the Annual Report. A statement containing the salient features of financial statements of the Company's subsidiaries, associates & joint ventures in Form No. AOC-1 is annexed as **Annexure – 1** to this report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at www.iolcp.com

The company has neither a holding company nor an associate company

8. Re-affirmation of External Credit Rating

During the year under review, the Credit Analysis & Research Ltd (CARE) has reaffirmed the credit rating of the Company for Long term Bank Facilities as '**CARE A+**' (**Single A plus; Outlook: Stable**) and the credit rating for Short Term Bank Facilities as '**CARE A1+(A One plus)**'.

9. Expansion

During the year 2024-25, the Company commenced a new Unit 11 for "**Paracetamol**" production with installed capacity of 10800 MTPA. The Company has enhanced the installed capacity of Unit 5 for manufacturing "**Clopidogrel Bisulphate**" from 180 MTPA to 240 MTPA.

During the year 2024-25, The Company received the approval from National Medical Products Administration (NMPA), China for "Fenofibrate". The Company has got GMP Certificate issued by Brazilian Health Regulatory Agency (ANVISA) for all the 10 APIs manufacturing Units situated at Barnala. Indian Chemical Council (ICC) awarded Responsible Care® Logo to the Company

The European Directorate for the Quality of Medicines & Health Care (EDQM) also granted Certificates of Suitability for "Gabapentin", "Pantoprazole Sodium Sesquihydrate", "Allopurinol" "Valsartan", "Mesalazine" and "Quetiapine Fumarate".

Further, in April 2025, The company has also secured additional approval from Center for Drug Evaluation (CDE) of National Medical Products Administration (NMPA), China for "Ibuprofen".

10. Directors and Key Managerial Personnel



As on 31st March 2025, the Company's Board comprises of eight directors, out of which four are Independent Director (including one woman Independent Director) and four are executive directors.

During the year under review, Ms. Rajni Jha (DIN: 10818947) was appointed as an Additional and Independent Director on the Board of the Company for a period of three years with effect from 28th October 2024. Her appointment as an Independent Director was subsequently approved by the Members through postal ballot on 12th December 2024.

Further, the Board of Directors, in its meeting held on 16th May 2025 re-appointed Mr. Vikas Gupta as Joint Managing Director of the Company for a period of five years with effect from 29th May 2025, based on the recommendation of the Nomination and Remuneration Committee (NRC). The re-appointment of Mr Vikas Gupta is subject to approval of the Members at the ensuing Annual General Meeting (AGM).

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Abhiraj Gupta, Executive Director, is liable to retire by rotation at the forthcoming AGM and, being eligible, offers himself for re-appointment.

Dr. Sandhya Mehta, Independent Director, ceased to hold office with effect from 21st August 2024 upon completion of her tenure, in line with the provisions of the Companies Act, 2013 and SEBI Regulations. The Board places on record its sincere appreciation and gratitude to Dr. Sandhya Mehta for her

invaluable contributions during her decade-long association with the Company.

Mr. Vikas Vij resigned as Chief Executive Officer of the Company due to personal reasons with effect from 30th September 2024.

The brief details of all the directors seeking appointment/re-appointment at the ensuing Annual General Meeting are provided in the explanatory statement to the notice calling the 38th Annual General Meeting.

During the year under review Mr Varinder Gupta, Managing Director; Mr Kushal Kumar Rana, Director-Works(Whole-time Director); Mr Vikas Gupta, Joint Managing Director (Whole-time Director); Mr Abhiraj Gupta, Executive Director (Whole-time Director); Mr Pardeep Kumar Khanna, Chief Financial Officer (CFO); and Mr Abhay Raj Singh, Sr. Vice President & Company Secretary continues to be the Key Managerial Personnel (KMP) of the Company in accordance with the provisions of Section(s) 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. Board Evaluation

Pursuant to the provisions of Companies Act, 2013 and SEBI Listing Regulations, Company has formulated and adopted Policy of Evaluation of Board (the "Board Evaluation Policy") to formulate the procedures and to prescribe & lay down the

14. Directors' Responsibility Statement

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

that in the preparation of the annual financial statements for the year ended 31 March 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

criteria to evaluate Board of Directors. The annual evaluation is carried out by the Board of its own performance and that of its committees and individual Directors by way of individual and collective feedback from all the Directors. The Directors expressed their satisfaction with the evaluation process. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, considering the views of executive as well as non-executive directors. The evaluation criteria are mainly based on the Guidance Note on Board Evaluation issued by the SEBI.

12. Number of Meetings of the Board

During the year the Board met 6 times. The gap between any 2 two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations. The details of meetings of the Board of Directors and its Committees are provided in the Corporate Governance Report forming part of this report.

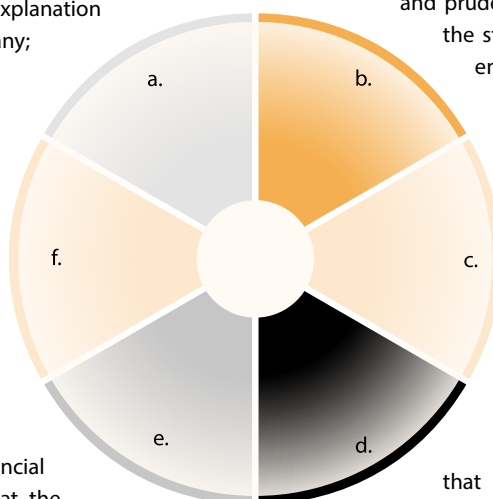
13. Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and in terms of Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company were convened on 26th March, 2025 to review the matters as laid down in the aforesaid Schedule and Regulations.

that such accounting policies as mentioned in Note 1 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit of the Company for that year;

that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

that the annual financial statements have been prepared on a going concern basis;



Directors' Report (Contd..)

15. Declaration by Independent Directors

The Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in the Act as well as the Rules made thereunder and are independent of the management and Company.

16. Nomination and Remuneration Policy

The Board, has on the recommendation of the Nomination & Remuneration Committee, framed a Nomination and Remuneration Policy ("Remuneration Policy"), which provides process for selection and appointment of Directors, key managerial personnel and Senior Management employees including criteria for determining qualifications, positive attributes, fixation of remuneration, independence of a Director and other matters, as required under sub-section (3) of Section 178 of the Act.

The Remuneration Policy is available on the Company's website at <https://www.iolcp.com/uploads/Nomination-and-Remuneration-Policy.pdf>

17. Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee ("NRC") plays a pivotal role in shaping the composition of the Board by developing competency frameworks aligned with the Company's industry landscape and strategic objectives. In doing so, the Committee undertakes a comprehensive analysis of Board composition, grounded in a deep understanding of the Company's strategic direction, business environment, operational needs, financial health, and regulatory obligations.

To ensure the Board remains well-equipped to meet evolving challenges, the NRC conducts periodic gap analyses. These reviews are particularly emphasized during the appointment or re-appointment of Directors. As part of this process, the NRC

assesses potential candidates against a clearly defined set of required competencies, undertakes thorough due diligence, and engages with shortlisted individuals prior to making formal recommendations to the Board.

Your directors firmly believe that Board diversity is essential for fostering robust governance, enhancing innovation, and supporting effective decision-making. A diverse Board brings varied perspectives and experiences that strengthens leadership capability, supports long-term value creation, and promotes an inclusive corporate culture. As such, Board diversity is recognized as a strategic enabler of improved organizational performance, enhanced innovation, and a strong corporate reputation.

In accordance with Regulation 19(4) and 20(4), and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted a formal **Policy on Diversity of the Board of Directors**. This policy underscores the Company's commitment to promoting a balanced and inclusive Board structure and is available on the Company's website at: <https://www.iolcp.com/about-us/policies>

Detailed information regarding the nomination and appointment process of Directors, along with the list of core skills, expertise, and competencies of the Board of Directors, are provided in the Corporate Governance Report, which forms part of the Annual Report.



18. Corporate Governance

The Company has complied with the requirements of the Listing Regulations regarding corporate governance. A report on the Company's Corporate Governance practices and the Auditors' Certificate on compliance of mandatory requirements thereof are given as an annexure to this Report and the same is also available on the website of the Company at <https://www.iolcp.com/investors>

19. Management Discussion and Analysis

In terms of the Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Management Discussion and Analysis (MDA) forms part of the Annual Report. The MDA provides detailed insights on Company's business, financial performance, key achievements, challenges etc.

20. Internal financial control systems and their adequacy

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness

of the accounting records and timely preparation of reliable financial disclosures.

Effectiveness of internal financial controls is ensured through management reviews, controlled self-assessment and Independent Auditors. Refer para on Internal Control Systems and their Adequacy in MD&A for additional details.

21. Risk Management

The Risk Management Committee ('RMC') is constituted to frame, implement and monitor the Enterprise Risk Management ('ERM') Framework of the Company, while Board takes responsibility for the overall process of risk management throughout the organisation. Through an ERM programme, our business units and corporate functions address risks by adopting an institutionalized approach aligned to our objectives. The Business risk is managed through cross-functional involvement and communication across businesses.

RMC reviews on a regular interval monitor and reviews the ERM framework of the Company to assess and manage various existing risk and to identify new risks and prepare mitigation plan.

The Audit Committee also has an additional oversight in the area of financial risks and controls.

A detailed note on Risk Management has been provided in the Management Discussion and Analysis Report, which forms part of this report.

22. Related Party Transactions

There was no material transaction entered with any related party during the year under review. Further, no transaction with related party falls under the ambit of Section 188(1) of the companies Act, 2013. Accordingly, the disclosures of related party transactions as required under Section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form No. AOC-2 is not applicable to the Company for the financial year 2024-25 and hence does not form part of this report.

All related party transactions were approved by the Audit Committee and Board and periodically reviewed by the Audit Committee. The details of the related party transaction during financial year 2024-25 are provided in the accompanying financial statements.

Pursuant to the provisions of the Companies Act 2013 and SEBI Listing Regulations 2015, the Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions and the same is available on the Company's website www.iolcp.com.

23. Corporate Social Responsibility (CSR)

The Board has constituted a Corporate Social Responsibility Committee ('CSR Committee'). The Company has in place a Corporate Social Responsibility Committee ('CSR Committee')

in terms of the requirements of section 135 of the Companies Act, 2013 read with the rules made thereunder.

A brief note regarding the Company's initiatives with respect to CSR and the composition of the CSR Committee and the Annual Report on the Corporate Social Responsibility (CSR) initiatives undertaken by the Company during the year under review are set out in **Annexure - 2** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy is available on Company's website: <https://www.iolcp.com/about-us/policies>

24. Research and Development

The Company remains steadfast in its commitment to research and development—an essential pillar of its mission to deliver innovative solutions that protect and enhance human lives globally. Our R&D initiatives are strategically aligned to develop safe, effective, and differentiated products that meet market demands and comply with global regulatory standards.

During the year, our sustained R&D efforts led to several key milestones

- Approval of two Certificates of Suitability (CEPs) for Quetiapine and Mesalamine.
- Approval of a US Drug Master File (US-DMF) for Fenofibrate.
- Seven new regulatory filings, comprising:
 - 2 CEP submissions,
 - 2 filings with the Korean regulatory authority,
 - 1 filing each with the regulatory agencies of Brazil, China, and Canada.
- Three API molecules successfully completed commercial validation during the year.
- Two API molecules are at Pilot scale validation during this year.

To enhance our analytical proficiency and deepen understanding of API characteristics, we have strengthened our laboratory infrastructure with the installation of advanced equipment:

- High-Resolution Microscope – for in-depth morphological analysis of API particles
- Micromeritics Surface Area Analyzer – for accurate measurement of specific surface area, essential for controlling particle behaviour and formulation performance

These enhancements support robust quality control, facilitate regulatory compliance, and contribute to high-precision product development.

Directors' Report (Contd..)

These achievements underscore our continued emphasis on innovation, regulatory compliance, and expanding our global footprint in the pharmaceutical space.

25. Audit Committee

The Composition and role of the Committee has been provided in the Corporate Governance Report annexed with the report.

26. Statutory Auditors and Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s Ashwani & Associates, Chartered Accountants, Ludhiana, Registration No:000497N were appointed as statutory auditors of the Company from conclusion of 36th Annual General Meeting of the Company held on 10th August 2023 till the conclusion of the 41st Annual General Meeting to be held in the year 2028.

The report of the Statutory Auditors forms part of this Report and Annual Accounts 2024-25. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

27. Secretarial Auditors and Audit Report

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 notified vide SEBI circular No. SEBI/LAD-NRO/GN/2024/218 inter-alia prescribes detailed norms for the appointment, re-appointment, and removal of Secretarial Auditors in listed entities and its material Indian subsidiaries.

Accordingly, in accordance with the Regulation 24A(1)(b) of the SEBI Listing Regulations 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, the Board of Directors of the Company at its meeting held on 16th May 2025 considered the matter of appointment of the Secretarial Auditor and have approved and proposed to the members for their approval at the this (AGM), appointment of M/s B. K. Gupta & Associates, as the Secretarial Auditors of the Company for a term of five consecutive years from FY 2025-26 to FY 2029-30.

The Secretarial Audit Report for the FY 2024-25, issued by the Secretarial Auditor M/s B. K. Gupta & Associates, practicing Company Secretary is annexed herewith as **Annexure - 3** and forms an integral part of this Report.

The Secretarial Audit Report is self-explanatory and does not call for any comments. The Report does not contain any qualifications, reservations, adverse remarks, or disclaimers, except for the following observations:

- Delay in filling the vacancy of the Woman Independent Director within the prescribed timeline, in accordance with Regulation 17(1E) of the SEBI (LODR) Regulations, 2015.

- Non-compliance with the composition requirements of the Nomination and Remuneration Committee under Regulation 19 of the SEBI (LODR) Regulations, 2015.

The Board acknowledges the delay in appointment of a Woman Independent Director, to fill the vacancy caused due to retirement of Dr Sandhya Mehta during the year. The Company made every effort to fill the vacancy, as the Board determined that an expert is required for the role, however, given the specific matrix of skills, expertise, and competencies as identified by the Board for each director, alongside the need for specialized qualifications and experience, it took longer than anticipated to identify and finalize the ideal candidate. The management remains fully committed to ensuring adherence to both the letter and spirit of applicable laws and regulations.

Further, the Secretarial Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013. Accordingly, no disclosure is required under Section 134(3)(ca) of the Act.

28. Secretarial Standards

The Company has proper system in place to ensure the due compliance with the provisions of the applicable secretarial standards issued by the Institute of the Company Secretaries of India.



29. Cost Records & Cost Auditors

In accordance with Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Company maintains cost records as required, and a Cost Accountant conducts the audit of these records.

The Board of Directors, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi, as the Cost Auditors of the Company for the financial year 2025-26 at a remuneration of ₹1,81,500/- plus applicable taxes and out-of-pocket expenses in connection with the cost audit.

Further, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditors as approved by the Board is required to be ratified by the shareholders of the Company and therefore, the same is included in the ensuing AGM notice for the ratification of the shareholders.

The Cost Audit Report for the financial year ended 31st March 2024, provided by the Cost Auditor, does not contain any qualification or adverse remarks that require any clarification or explanation.

30. Particulars of managerial remuneration and related disclosures

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of


the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure-4**.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

31. CEO & CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the Financial Year 2024-25, which forms part of this Report.

32. Annual Return

In terms of Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of your Company is available on the website of your Company at the web-link <https://www.iolcp.com/investors/annual-returns> 

33. Loan, guarantees or investment under Section 186 of the Companies Act, 2013

The particulars of loans, guarantees and investments have been provided in the notes of the financial statements.

34. Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of the Company as on 31st March 2025 and the date of this report.

35. Significant and Material Orders impacting Operations of Company in Future

There are no significant or material orders that have been passed by any Regulators/Court or Tribunals impacting the going concern status and future operations of your company.

36. Reporting of Frauds

There have been no instances of fraud reported by the Statutory Auditors of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder either to the Company or to the Central Government.

37. Industrial Relations

Industrial relations remained cordial and harmonious throughout the year under review.

38. Safety, Health and Environment

The Company is committed to continuously raise awareness of supply chain members to comply with applicable laws and regulations related to labour and employment, including gender diversity, human rights, child labour, wages, working hours, bribery & corruption, occupational health, safety and environment. IOL Responsible Sourcing Standard enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health and safety. Safety is Company's top priority with regard to employment and it is encouraging safety measures at all levels of operations especially at the floor level. Regular training programmes are being conducted to bring in awareness of safety at workplace.

39. Prevention of Sexual Harassment Policy

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"), the Company has a policy which is available on its website at <https://www.iolcp.com/about-us/policies> and robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee is comprised of internal members and an external member who has extensive experience in the field. No complaints have been received during the year 2024-25.

40. Vigil Mechanism

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy can be accessed at company's website: www.iolcp.com

41. Business Responsibility and Sustainability Report

In terms of Regulation 34(2)f of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) of your Company detailing initiatives undertaken by the Company on environmental, social and governance front during the year under review, forms part of this Annual Report and is also available on the website of the Company at www.iolcp.com

42. Energy Conservation / Technology Absorption and Foreign Exchange Earnings and Outgo

Energy conservation continues to be an area of major emphasis in the Company. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings

Directors' Report (Contd..)

and outgo, in accordance with Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure – 5** and forms part of the Report.

Report tracks the sustainability performance of the organization and its interconnectedness with the financial performance, showcasing how the Company is adding value to its stakeholders. The Integrated Report forms a part of this Integrated Annual report.

43. Integrated Reporting

The Company is complying with the applicable requirements of the Integrated Reporting Framework. The Integrated

44. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1.	2.	3.	4.
Issue of equity shares with differential rights as to dividend, voting or otherwise.	Change in the nature of business of the Company.	The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.	Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5.	6.	7.	8.
No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.	No fraud has been reported by the Auditors to the Audit Committee or the Board.	There has been no one time settlement of loans with any bank or financial institution.	There are no proceedings admitted against the Company under the Insolvency and Bankruptcy Code, 2016.

45. Acknowledgement

The Directors wish to place on record their sincere appreciation for the continued support extended to the Company by its investors, bankers, central and state government departments, customers, and suppliers.

The Board also acknowledges and deeply appreciates the dedication, commitment, and hard work of employees at all levels, whose unwavering efforts have been instrumental in driving the Company's sustained growth.

Further, the Board expresses its heartfelt gratitude to you, our esteemed shareholders, for the trust and confidence you have reposed in the management of the Company.

For and on behalf of the Board

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Rajender Mohan Malla
Chairman
DIN-00136657

Place: Ludhiana
Dated :16th May 2025

ANNEXURE – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	IOL-Foundation	IOL Life Sciences Limited	IOL Speciality Chemical Limited
2.	The date since when subsidiary was acquired	15 th March 2022	20 th June 2022	23 rd June 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01 st April 2024 to 31 st March 2025	From 01 st April 2024 to 31 st March 2025	From 01 st April 2024 to 31 st March 2025
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
5.	Share capital	10	10	10
6.	Reserves & surplus	32.17	(3.62)	(3.63)
7.	Total assets	43.37	7.33	7.32
8.	Total Liabilities	1.20	0.95	0.95
9.	Investments	0.00	0.00	0.00
10.	Turnover	155.82	0.00	0.00
11.	Profit before taxation	8.92	(1.14)	(1.13)
12.	Provision for taxation	0.00	0.00	0.00
13.	Profit after taxation	8.92	(1.14)	(1.13)
14.	Proposed Dividend	0	0	0.00
15.	% of shareholding	100	100	100

Note: Part B of the Annexure relating to Associate Companies and Joint Ventures is not applicable as the Company has no associate companies or joint ventures as on 31st March 2025

ANNEXURE – 2

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2023-24

(Pursuant to Section 135 of the Companies Act, 2013)

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

IOL Chemicals and Pharmaceuticals Limited (IOL) believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into IOLCP values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, IOLCP has a value system of giving back to society and improving life of the people and the surrounding environment.

The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. IOLCP believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, the contribution by any corporate may look tiny. However, we believe that every such contribution shall bring a big change in our society.

In line with the provisions of the Companies Act, 2013 ("the Act") and on the recommendations of the Corporate Social Responsibility (CSR) Committee, the Board of Directors has, in its meeting held on November 14, 2018, approved the CSR Policy of the Company. Detailed CSR Policy of the Company has been uploaded on the website of the Company at https://www.iolcp.com/mycgi/iolcp-com/upload_file/CSR_Policy.pdf

CSR Activates:

The identified focus areas for the Company are:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation for river Ganga;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents; vii. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development

2. Composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee comprising of three directors, two being executive directors and one independent director. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors.

Sl. No.	Name of Directors	Designation / nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1.	Mr.Varinder Gupta	Managing Director, Chairman of CSR	4	3
2.	Mr. Vikas Gupta	Joint Managing Director, member of CSR	4	4
3.	Dr.Sandhya Mehta ⁽²⁾	Independent Director, member of CSR	2	2
4.	Mr Harpal Singh ⁽¹⁾	Independent Director, member of CSR	2	2

(1) Mr Harpal Singh was appointed as member of the Committee w.e.f. 28th October 2024

(2) Dr. Sandhya Mehta, Independent Director, member of the Committee retired effective 21st August 2024, after serving a total of 10 years, comprising two consecutive terms of five years each.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:

Composition of CSR committee, CSR Policy and CSR projects approved by the committee, which are available on our website www.iolcp.com

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:Not Applicable

5. (a) Average net profit of the company as per section 135(5): ₹202.95 Crore

(b) Two percent of average net profit of the company as per section 135(5): ₹4.06 Crore

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : Nil

(d) Amount required to be set off for the financial year, if any : 1.24 crore

(e) Total CSR obligation for the financial year (7a+7b-7c): ₹ 2.82 Crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹2.20 crore

(b) Amount spent in Administrative Overheads : 0.06

(c) Amount spent on Impact Assessment, if applicable : Nil

(d) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 2.26 Crore

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amount (in crore)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2.26	0.56	29.04.2025	-	-	-

(f) Details of excess amount for set off if any

Sl. No.	Particular	Amount (in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	3
(ii)	Total amount spent for the Financial Year	4
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2

Directors' Report (Contd..)

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ crore)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 in ₹ Crore	Amount spent in the reporting Financial Year (in ₹ crore).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer.		
1.	2022-23	5.04	1.34	0.67	-	-	0.67	
2.	2021-22	6.12	0.28	0.30	-	-	-	
3.	2020-21	2.93	0.0	0.00	-	-	-	
	Total	14.09		0.97	-	-	-	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes No

If Yes, enter the number of Capital assets created/acquired: N.A.

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

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Sub section 5 of section 135:

During the year under review the Company was required to spend ₹ 2.82 crore (after set-off of excess spent of ₹1.24 crore pertaining to financial year ended 31st March 2024) in accordance with Section 135(1) of the Companies Act, 2013. However, the Company could spend ₹ 2.26 crore on the CSR projects during the FY 2024-25, as some of the approved CSR projects are ongoing projects which could not be completed during the year due to change of implementing partner, delay in availability of certain assets required for the project etc. The above said unspent amount of ₹ 0.56 Crore has been transferred by the Company to unspent CSR account in accordance with Section 135(6) of the Companies Act, 2013 and will be utilised for the allocated ongoing projects only within prescribed time limit.

The Company reiterates its commitment to discharge its social obligation and shall continue to implement meaningful CSR projects in the CSR thrust areas which have been identified as per the company's CSR Policy.

for and on behalf of the Board

Sd/

Varinder Gupta

Managing Director

Chairman of the CSR committee

DIN: 000044068

Place: Ludhiana

Dated :16th May 2025

ANNEXURE – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members

IOL Chemicals and Pharmaceuticals Limited

Vill. & P.O - Handiaya, Fatehgarh Chhanna Road, Tehsil &
District –Barnala,
Sangrur (PB) 148107.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **IOL Chemicals and Pharmaceuticals Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to 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 also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IOL Chemicals and Pharmaceuticals Limited ("the Company") for the financial year ended on 31st March, 2025 according to the 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;
- (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;
- (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;

- b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period)
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable during the audit period)
- f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the audit period)
- g) 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;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable during the audit period) and
- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period)
- (vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

Directors' Report (Contd..)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:-

In the instance of filling up the vacancy in the office of Independent Women Director caused by the completion of the term of appointment of Ms. Sandhya Mehta, on 21.08.2024. which was filled-up with the appointment of Ms. Rajni Jha w.e.f. 28.10.2024 which resulted in the following Non-Compliance:-

- Regulation 17 (1E) of SEBI (LODR) Regulations 2015 in case of expiration of term of office of any director, the resulting vacancy shall be filed not later that date on which such office is vacated.
- Regulation 19 of SEBI (LODR) Regulations 2015 non-complied with the composition of Nomination and Remuneration Committee.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except:-

- For the period as mentioned above, there was no women independent director appointed on board from 21.08.2024 to 28.10.2024.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the year, all the decisions at the Board/ Committee meeting were carried out unanimously.

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

We further report that during the audit period the company has not made any decision which having major bearing on the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

- During the year, pursuant to approval accorded by the Shareholders of the Company through Postal Ballot on 31.01.2025, company has split its equity shares From ₹ 10/- each to ₹ 2/- each

For **B.K. Gupta & Associates**
Company Secretaries

Sd/-

(CS Bhupesh Gupta)

FCS No.:4590

CP No.:5708

UDIN: -F004590G000357503



Place: Ludhiana

Date: 16.05.2025

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

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labour Laws

- Factories Act, 1948
- Industrial Disputes Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employee's State Insurance Act, 1948
- Employee's Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition and Regulation) Act, 1986
- The Industrial Employment (Standing Orders) Act, 1946
- The Employees' Compensation Act, 1923

- The Apprentices Act, 1961
- The Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

List of Environmental Laws

- The Environment (Protection) Act, 1986 [Read with the Environment (Protection) Rules, 1986]
- The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016
- The Water (Prevention and Control of Pollution) Act, 1974 [Read with Water (Prevention and Control of Pollution) Rules, 1975]
- The Air (Prevention and Control of Pollution) Act, 1981 [Read with The Air (Prevention and Control of Pollution) Rules, 1982]

Annexure:-A

To
The Members,
IOL Chemicals and Pharmaceuticals Limited
Vill. & P.O - Handiaya, Fatehgarh Chhanna Road,
Tehsil & District – Barnala
Sangrur, Punjab- 148107

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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 **B.K. Gupta & Associates**
Company Secretaries

sd/-

(CS Bhupesh Gupta)

FCS No.:4590

CP No.:5708

Date: -16.05.2025

Place: Ludhiana

ANNEXURE – 4

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2024-25 (FY 25) and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the FY25 are as under:

Name of Director/ Key Managerial Personnel	Designation	% Increase in remuneration	Ratio of remuneration to median remuneration of employee
Mr Varinder Gupta	Managing Director	9.00	266.41
Mr Vikas Gupta	Joint Managing Director	9.00	81.57
Mr Abhiraj Gupta	Executive Director	16.00	37.12
Mr Pardeep Kumar Khanna	Chief Financial Officer	9.00	43.43
Mr Kushal Kumar Rana	Director Works	10.00	46.46
Mr Abhay Raj Singh	Senior Vice President and Company Secretary	20.00	22.47
*Mr. Vikas Vij	Chief Executive Officer	NA	62.88

* Mr. Vikas Vij resigned from the position of CEO with effect from closure of the 30th September 2024

- (ii) The maiden remuneration of employees was increased by 4.8% and the median salary of employees for the FY 2024-25 was ₹ 3.96 Lakh.



financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

- (iii) The number of permanent employees on the rolls of the Company was 2891 as on 31 March 2025.

Full Name, Designation, Remuneration received (₹ in crore), Qualifications, Experience (Years), Date of Commencement of employment, Age (Years), Last Employment, %age of equity shares held

- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: -

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 11% and average increase in salary of managerial personnel (Managing Director and Whole-time directors) was 8%.

Mr Varinder Gupta, Managing Director, 10.55, Higher Secondary, 39, 29/09/1986, 62, First Employment, 2%; Mr Vikas Gupta, Joint Managing Director, 3.23, BSc (Hons.) in Business Management from Kings College London, 12, 20/07/2013, 33, First Employment, 0; Mr Kushal Kumar Rana, Director (Works), 1.84, M.Sc., 35, 11/04/2005, 56, Morepen Laboratories, 0; Mr Pardeep Kumar Khanna, Chief Financial Officer, 1.72, M.COM., 36, 23/12/1995, 56, First Employment, 0; Mr Gopal Singla, President, 1.52, B.E. (Instrumentation), 27, 01/04/2007, 49, Indian Acrylics Ltd, 0; Mr. Abhiraj Gupta, Executive Director, 1.47, Engineering in Business Mgt. (The University of Warwick, UK), 7, 25/09/2017, 30, First Employment, 0; Dr Damandeep Singh, President, 1.38, PHD, 27, 23/10/1997, 51, First Employment, 0; Mr Lokesh Dhawan, Senior Vice President, 1.08, B.E. (Electronics & Comm.), 29, 27/10/2014, 50, Shri Lakshmi Cotfin Ltd, 0; Mr. Deepak Goyal, Vice President, 1.06, B.E. (Chemical), 19, 17/11/2005, 41, First Employment, 0; Shiv Kumar Jagota, Senior Vice President, 0.98, M.Sc. And PGD. (Business Administration), 29.9, 24/06/2022, 54, Solara Active Pharma Sciences Ltd, 0;

- (v) It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

1. Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Statement containing the particulars of top ten employees in term of remuneration drawn and the name of every employee, who employed throughout the

- (ii) There was no other employee, except mentioned in (a) above who employed throughout financial year 2023-24 was receipt of remuneration not less than one crore and two lakh
- (iii) None of the above employee is a relative of any director, except Mr Vikas Gupta and Mr. Abhiraj Gupta (Son of Mr Varinder Gupta, Managing Director)
- (iv) There was no employee who had received remuneration in excess of that drawn by the managing director or whole director and hold 2% of the equity shares of the company.

- (v) There was employee during the year, who was employed for a part of the financial year and was in receipt of remuneration not less than eight lakh and fifty thousand rupees per month

Full Name, Designation, Remuneration received (₹ in crore), Qualifications, Experience (Years), Date of Commencement of employment, Age (Years), Last Employment, %age of equity shares held

Mr. Vikas Vij, Chief Executive Officer, 2.49, PGD. (International Magt.), 34, 03/04/2023, 58, Cipla, ,0.00%;





ANNEXURE – 5

Information as per Section 134(3)(m) of the Companies Act, 2013 (“the Act”) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2025.

A. CONSERVATION OF ENERGY

1. Step taken or impact on conservation of energy:

- A) Boiler Efficiency Enhancement - In our 80 TPH Boiler, we achieved an improved thermal efficiency of 80.45%, up from 79.10% in the previous year. This improvement was realized through optimized fuel combinations and fine-tuning of combustion air to maintain oxygen levels within recommended limits. As a result, fuel consumption was reduced by approximately 7–8 MT per day, translating to a saving of around 230 MT per month.
- B) Turbine Performance Improvement - A wet washing initiative was undertaken for the 13 MW Turbine, enabling an additional 400–500 KWH load compared to previous turbine performance. This optimization has increased turbine loading by approximately 2,88,000 KWH per month, leading to significant energy output gains.
- C) Boiler Power Consumption Optimization - We optimized the conveying air usage in the Ash Handling System's SILO and reduced combustion air quantity by fine-tuning boiler parameters within optimal limits. This led to a reduction in the power consumption of the 80 TPH Boiler.
- D) RO System Capacity Enhancement - In response to increased water demand from process plants, we upgraded the existing RO system by adding membranes and modifying pipeline sizes. This upgrade has increased the RO permeate capacity from 31 m³/hr to 33 m³/hr, thereby ensuring adequate DM water production to meet the higher requirement.
- E) Power Factor Improvement - We installed 1200 KVAR HT Capacitor Banks with Hydrogenation Systems to enhance the grid power factor from 0.95 to 0.99. This improvement has reduced KVAH consumption by approximately 61,200 units per month, based on an average 2 MW running load.
- F) Process and Energy Optimization Initiatives - A process improvement was successfully implemented in one of our chemical plant by shifting from a liquid draw to a vapour draw between two distillation columns. This strategic modification has significantly reduced steam

consumption, leading to savings of approximately 17 metric tons per day.

Similarly, in another plant, energy efficiency was enhanced by repurposing steam condensate from one distillation column as a heating medium in another. This heat integration has resulted in daily steam savings of approximately 8.62 metric tons, improving thermal efficiency and supporting our sustainability goals.

- G) Cooling Tower System Optimization - The cascading of the Cooling Tower (CT) water system in one of our recovery plants has optimized water circulation and pump efficiency. This initiative has led to a reduction in power consumption by approximately 16,200 kWh per month, contributing to lower operational costs and improved energy utilization.



2. Steps Taken by Company for utilising alternate sources of energy:

We have initiated the use of alternative fuels such as paddy straw pellets and ETP sludge (a byproduct of Effluent Treatment Plant) in our boilers. The use of sludge as boiler fuel has significantly reduced the transportation cost of waste disposal. During the year, 70,170 kg of sludge was utilized. Looking ahead, we plan to increase the usage of sludge as boiler fuel in the coming year, with projected savings of approximately ₹50 lakhs.

3. Capital investment on energy conservation equipment:

To enhance renewable energy usage and reduce our carbon footprint, we have installed two solar power plants over the last two financial years. In FY 2023–24, a 62 kW solar plant was commissioned, generating approximately 80,000 kWh annually. Building on this, in FY 2024–25, we commissioned a 510 kWp solar power plant with a guaranteed generation of 7,00,000 kWh or more per year. This initiative is expected to save around ₹50 lakhs annually in electricity costs.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

The Company has taken various steps in its Research and Development centre including the key intermediates, supporting the development of next-generation products and integrated manufacturing capabilities.

1. Benefits derived like product improvement, cost reduction, product development or import substitution

Sustainability remains at the core of IOL's development strategy. We are focused on minimizing environmental impact through process optimization and responsible resource management. Key sustainability initiatives undertaken during the year include:

- Fenofibrate Process Optimization: Reduction of sulphuric acid usage by 90% in the manufacturing process. This eco-friendly change, currently under scale-up trials, is expected to significantly reduce acid waste and handling requirements.
- Tartaric Acid Recovery: A recovery and recycling process is under development, aimed at lowering effluent load and reducing manufacturing costs, thus supporting both environmental and economic sustainability.

These efforts underscore our proactive approach to environmentally responsible and operationally efficient growth

2. Imported technology (imported during the last three years reckoned from the beginning of the financial year): N/A.

3. Expenditure incurred on Research and Development during the financial year ended 31 March 2025:

	(₹ in crore)
Capital	1.86
Revenue	19.16
Total	21.02

C Foreign Exchange Earnings & Outgo during the financial year ended 31 March 2025:

	(₹ in crore)
Used	739.79
Earned	461.51



Corporate Governance Report FY 2024-25

Your Company confirms the compliance of Corporate Governance as contained in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred as SEBI (LODR) Regulations) details of which are given below:

1. A brief statement on company’s philosophy on code of governance

Our corporate governance is a foundation of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key factors to our corporate governance to ensure that we gain and retain the trust of our stakeholders at all times.

The company’s philosophy on Corporate Governance is based on following principles:

(i) Composition of the Board to add value	(v) Recognise and manage business risks
(ii) Promote ethical and responsible decision-making	(vi) Respect the rights of the shareholders
(iii) Safeguard integrity in financial reporting	(vii) Recognise the legitimate interest of the stakeholders
(iv) Make timely and balanced disclosures	(viii) Legal and statutory compliances in letter and spirit

At IOL, our strategies are directed towards driving valuable and meaningful growth year after year while also creating lasting value for our investors.

2. Board of Directors:

a) Composition of the Board:

Composition of the board, number of directorships held, chairmanship & membership of the committees and shareholding in company are as given below:

Name of the Director and DIN	Category	No. of Directorship held(1)	No. of Committees(2)		Shareholding in Company
			Chairmanship	Memberships	
Mr Rajender Mohan Malla DIN: 00136657		14	5	6	-
Mr Varinder Gupta DIN: 00044068		6	-	1	59,84,825 Equity Shares
Mr Vikas Gupta DIN: 07198109		6	-	2	-
Mr Abhiraj Gupta DIN: 08204917		5	-	-	-
Mr Kushal Kumar Rana DIN: 09189020		1	-	-	-
Mr Harpal Singh DIN: 06658043		3	2	2	-
Mr Sharad Tyagi DIN: 00371842		1	-	2	-
Dr Sandhya Mehta(3) DIN: 06954964		1	1	2	-
Mr Rajni Jha(4) DIN: 10818947		1	-	-	-

Executive Director

Joint Managing Director

Independent Director

Chairman & Independent Director

Managing Director

Director (Works)

(1) Including the Company.
 (2) The details of positions held as Member/Chairperson of Committees are disclosed as per Regulation 26 of the SEBI LODR Regulations and covers only Stakeholders’ Relationship Committee and Audit Committee of Public Companies. Further, the membership includes a position as chairperson of the committee.
 (3) Ceased to be director consequently upon retirement from directorship of the company effective 21st August 2024.
 (4) Appointed as Independent Director effective 28th October 2024.

Notes: There is no inter-se relationship between the directors except that Mr Varinder Gupta is father of Mr Vikas Gupta and Mr Abhiraj Gupta.

Names of the listed entities where the person is a director and the category of directorship

Name of the Director	Names of the listed entities	Category
Mr Rajender Mohan Malla (Chairman)	1. IOL Chemicals and Pharmaceuticals Limited	
	2. Religare Enterprises Limited	
	3. Waaree Energies Limited	
	4. Kajaria Ceramics Ltd	
	5. NCC Limited	
	6. Filatex India Limited	
Mr Varinder Gupta	IOL Chemicals and Pharmaceuticals Limited	
Mr Vikas Gupta	IOL Chemicals and Pharmaceuticals Limited	
Mr Abhiraj Gupta	IOL Chemicals and Pharmaceuticals Limited	
Mr Kushal Kumar Rana	IOL Chemicals and Pharmaceuticals Limited	
Mr Harpal Singh	1. IOL Chemicals and Pharmaceuticals Limited	
	2. Him Teknoforge Limited	
Mr Sharad Tyagi	IOL Chemicals and Pharmaceuticals Limited	
Mr Rajni Jha	IOL Chemicals and Pharmaceuticals Limited	

Executive Director

Joint Managing Director

Independent Director

Managing Director

Director (Works)

b) Board Meetings and last Annual General Meeting:

The meetings of the Board are generally held at the Corporate Office of the Company. The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held as per business requirements. During the financial year 2024-25, the Board met 6 (Six) times on 14th May 2024, 9th August 2024, 28th October 2024, 14th November 2024, 27th December 2024 and 12th February 2025. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

The attendance of the Directors at Board Meetings and previous Annual General Meeting (AGM) is given below:

Name of the Director	Board Meetings Attended	Attendance at Last AGM held on 23 rd August 2024
Mr Rajender Mohan Malla, Chairman	6	

Name of the Director	Board Meetings Attended	Attendance at Last AGM held on 23 rd August 2024
Mr Varinder Gupta	5	
Mr Vikas Gupta	6	
Mr Abhiraj Gupta	5	
Mr Kushal Kumar Rana	6	
Mr Harpal Singh	6	
Mr Sharad Tyagi	6	
Dr Sandhya Mehta ⁽¹⁾	2	
Ms Rajni Jha ⁽²⁾	3	

(1) Ceased to be director consequently upon retirement from directorship of the company effective 21st August 2024.

(2) Appointed as Independent Director effective 28th October 2024.

3. Audit Committee

Audit Committee consists of three directors, two being independent directors viz. Mr Harpal Singh (Chairman), Mr Sharad Tyagi and one executive director viz. Mr Vikas Gupta as on 31st March 2025. Statutory Auditors, Internal Auditors and Finance head are invited on the meetings of the Committee. Company Secretary acts as Secretary to the Committee.

The role of the Audit Committee is in accordance with the SEBI (LODR) Regulations and the terms of reference specified under Section 177 of the Companies Act, 2013. Primary objective of the Committee is to monitor and provide effective supervision of management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity & quality of financial reporting and minimization of risk.

During the year 2024-2025, Audit Committee met 4 (Four) times on 14th May 2024, 9th August 2024, 14th November 2024 and 12th February 2025. There was no gap of more than 120 days between any two consecutive meetings.

Attendance record of Audit Committee members is given below

Name of the Members	Meetings during FY 2025	
	Held	Attended
Mr Harpal Singh, Chairman	4	
Mr Vikas Gupta ⁽¹⁾	4	
Mr Sharad Tyagi	4	
Dr Sandhya Mehta ⁽²⁾	2	
Ms Rajni Jha ⁽³⁾		
Mr Kushal Kumar Rana ⁽³⁾		

Attended

(1) Ceased to be member of the Committee effective 16th May 2025

(2) Ceased to be member of the Committee consequently upon retirement from directorship of the company effective 21st August 2024

(3) Appointed as member of the Committee effective 16th May 2025

Corporate Governance Report (Contd..)

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) consists of three directors, all being Independent Directors viz. Mr Harpal Singh (Chairman), Mr Rajender Mohan Malla and Mr Sharad Tyagi as on 31st March 2025. Terms of reference of Committee is in accordance with the provisions of SEBI (LODR) Regulations and as specified under Section 178 of the Companies Act, 2013. Main terms of reference of the Committee includes determination of remuneration packages of the executive directors including remuneration policy. The Committee formulated the criteria and framework for the performance evaluation of each director on the Board, including the executive and independent directors.

During the year, 2 (Two) meetings were held on 14th May 2024 and 28th October 2024.

Attendance record of Nomination and Remuneration Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	2	
Mr Rajender Mohan Malla	2	
Mr Sharad Tyagi ⁽¹⁾	1	
Dr Sandhya Mehta ⁽²⁾	1	

Attended

- (1) Appointed as member of the Committee effective 28th October 2024
- (2) Ceased to be member of the committee consequently upon retirement from directorship of the company effective 21st August 2024

5. Remuneration Policy and details of Remuneration of Directors:

a) Executive Directors: The Company has a policy for the remuneration of Directors and Key Managerial Personnel (KMPs). The Company pays remuneration to its Executive Directors as approved by Nomination and Remuneration Committee, Board of Directors, Members of the Company and approval of Central Government wherever is required. The Company entered into the agreement with executive directors. No severance fees are payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and in line with the Company's policies. The Company has not granted any stock option to its directors.

Details of remuneration paid to the Executive Directors during the financial year 2024-2025 is given below:)

Name	Position	Salary	Comm- ission	Contri- bution to Provident Funds	Other perq- uisites & allow- ances	Vari- able	Total
Mr Varinder Gupta	Managing Director	373.25	-	44.79	518.18	103.68	1039.90
Mr Vikas Gupta	Joint Managing Director	114.05	-	13.68	158.33	31.68	317.74

(₹ in Lakhs)							
Name	Position	Salary	Comm- ission	Contri- bution to Provident Funds	Other perq- uisites & allow- ances	Vari- able	Total
Mr Abhiraj Gupta	Executive Director	51.84	-	6.22	71.97	14.40	144.43
Mr Kushal Kumar Rana	Director (Works)	69.98	-	8.40	83.17	19.44	180.99

b) Independent Directors: Independent Directors have not been paid any remuneration except sitting fees for attending each Board Meeting /Committee Meeting. Detail of sitting fees paid during the year 2024-25 is given below:

(₹ in Lakhs)			
Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings	Total Fee Paid
Mr Rajender Mohan Malla	3.00	1.50	4.50
Mr Harpal Singh	3.00	6.50	9.50
Mr Sharad Tyagi	3.00	9.50	12.50
Ms Rajni Jha	1.50	0.50	2.00
Dr Sandhya Mehta	1.00	4.00	5.00
TOTAL	11.50	22.00	33.50

During the year 2024-25, the Company did not advance any loan to any of its directors except advance for travel or other purposes to discharge official duties in the normal course of business.

The Company, in compliance with the provisions of Section 197 of the Companies Act, 2013 and Listing Regulations, has not granted stock options to Independent Directors.

The Company is making the payment to its executive /non-executive directors as per nomination and remuneration policy of the Company the same is available on the Company's website at www.iolcp.com.

Particulars of senior management including the changes therein since the close of the previous financial year:

As on the date of this Report, the details of SMP are as follows:

Sr. No.	Name of Person	Designation
1	Mr Pardeep Kumar Khanna	Chief Financial Officer
2	Mr Abhay Raj Singh	Sr Vice President & Company Secretary
3	Mr Gopal Singla	President - Engineering
4	Mr Damandeep Singh	President - New Product Development

Changes during the FY25

1	Mr Vikas Vij	Chief Executive Officer (Resignation effective 30.09.2024)
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Succession Planning: The Company views succession planning as essential to ensuring leadership continuity, organizational stability, and long-term success. A well-defined succession framework facilitates smooth transitions, reduces risks associated with leadership changes, and preserves institutional knowledge. The Nomination and Remuneration Committee, oversees succession planning for the Board and senior management. The Company strives to maintain an optimal blend of experience and fresh perspectives, supporting both continuity and innovation. Further, the internal promotions are actively encouraged to motivate talent and cultivate future leaders from within the organization.

6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of three Directors and chaired by the Independent director viz., Mr Harpal Singh (Chairman), Mr. Sharad Tyagi, Independent Director, Mr Varinder Gupta and Mr Vikas Gupta, Executive Directors as on 31st March 2025. Terms of reference of Committee is in accordance with the provisions of SEBI (LODR) Regulations and as specified under Section 178 of the Companies Act, 2013. During the year, 4 (Four) meetings were held on 14th May 2024, 9th August 2024, 14th November 2024 and 12th February 2025.

Attendance record of Stakeholders' Relationship Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman ⁽¹⁾	2	
Mr Varinder Gupta ⁽²⁾	4	
Mr Vikas Gupta	4	
Mr Sharad Tyagi, Chairman ⁽³⁾	4	
Dr Sandhya Mehta ⁽⁴⁾	2	

Attended

- (1) Appointed as member and chairman of the Committee effective 28th October 2024 and Ceased to be member and chairman of the Committee effective 16th May 2025
- (2) Ceased to be member of the Committee effective 16th May 2025
- (3) Appointed as Chairman of the Committee effective 16th May 2025
- (4) Ceased to be member of the Committee consequently upon retirement from directorship of the Company effective 21st August 2024.

Mr Abhay Raj Singh, Sr. Vice President and Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India. Any investor / shareholder of the Company can contact him on the matters related with the company at 85, Industrial Area, 'A', Ludhiana, Phone: +91-161-2225531-35, Fax: +91-161- 2608784 and e-mail: investor@iolcp.com.

Shareholders' complaints received, resolved and pending:

Detail of investors' complaints/queries received and resolved during the year 2024-25 are as under:

Sr. No.	Nature of complaints / queries	No. of Complaints / queries during the year		
		Received	Attended	Pending
1	Transmission of shares	20	20	Nil
2	Mandate	12	12	Nil
3	Loss of shares	18	18	Nil
4	SEBI/Stock Exchange	-	-	-
5	Change of Company Name	15	15	Nil
6	Change of Address	26	26	Nil
7	Split/Consolidation	-	-	-
8	Others	17	17	Nil

7. Corporate Social Responsibility (CSR) Committee

CSR Committee consists of three directors, two being executive directors viz. Mr Varinder Gupta, Mr Vikas Gupta and one independent director viz. Mr Harpal Singh as its members as on 31st March 2025. Mr Varinder Gupta is the Chairman of the Committee. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors. During the year, four meeting were held on 14th May 2024, 9th August 2024, 14th November 2024 and 12th February 2025. Attendance record of Corporate Social Responsibility Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Varinder Gupta, Chairman ⁽¹⁾	4	
Mr Vikas Gupta	4	
Mr Harpal Singh ⁽²⁾	2	
Dr Sandhya Mehta ⁽³⁾	2	
Mr Rajender Mohan Malla	⊗	⊗
Chairman ⁽⁴⁾		
Mr Abhiraj Gupta ⁽⁵⁾	⊗	⊗
Mr Sharad Tyagi ⁽⁵⁾	⊗	⊗

- (1) Ceased to be member and chairman of the Committee effective 16th May 2025
- (2) Appointed as member of the Committee effective 28th October 2024
- (3) Ceased to be member of the Committee consequent upon retirement from directorship of the Company effective 21st August 2024
- (4) Appointed as member and chairman of the Committee effective 16th May 2025
- (5) Appointed as member of the Committee effective 16th May 2025.

8. Risk Management Committee

Risk Management Committee consists of four members, three directors, one being independent directors viz. Mr Harpal Singh (Chairman), two being executive directors viz. Mr Vikas Gupta, Mr Kushal Kumar Rana and one Mr Pardeep Kumar Khanna, Chief Financial Officer as its members. Terms of reference of Committee are in accordance with the provisions of SEBI (LODR) Regulations. During the year, two meeting were held on 9th August 2024 and 12th February 2025.

Corporate Governance Report (Contd..)

Attendance record of Risk Management Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	2	
Mr Vikas Gupta ⁽¹⁾	2	
Mr Kushal Kumar Rana	2	
Mr Pardeep Kumar Khanna	2	
Dr Sandhya Mehta ⁽²⁾	1	
Mr. Sharad Tyagi ⁽³⁾	-	
Mr. Abhiraj Gupta ⁽³⁾	-	

Attended

- (1) Ceased to be member of the Committee effective 16th May 2025
- (2) Ceased to be member of the Committee consequently upon retirement from directorship of the Company effective 21st August 2024

(3) Appointed as member of the Committee effective 16th May 2025

9. Other Committees

Banking & Finance Committee comprising of four members, being executive directors viz Mr Varinder Gupta (Chairman), Mr Vikas Gupta, Mr Abhiraj Gupta and Mr Kushal Kumar Rana

Strategy & Growth Committee, the committee comprising of three members, two being executive directors viz Mr Vikas Gupta, Mr Kushal Kumar Rana and two being independent director Mr Sharad Tyagi (Chairman) and Ms Rajni Jha as its members. During the year, nine meetings of the Committee were held during the FY 2024-25.

During the year one meeting of Independent Directors was held on 26th March 2025. All the four Independent Directors attended the meeting.

10. General body Meetings:

a) Annual General Meetings

The details of last three Annual General Meetings are given below:

Meeting	Date	Day	Time/ Location*	Details of Special Resolutions passed
37 th AGM	23 rd August 2024	Friday	11:30 AM (Through video conferencing from Corporate Office Ludhiana)	<ol style="list-style-type: none"> To re-appoint Mr Kushal Kumar Rana as Director (Works) of the Company. To approve increase in overall borrowing limits of the Company To approve creation of charges on the immovable/ movable assets of the Company
36 th AGM	10 th August 2023	Thursday	11:30 AM (Through video conferencing from Corporate Office Ludhiana)	To re-appoint Mr. Varinder Gupta as Managing Director of the Company.
35 th AGM	26 th August 2022	Friday	11:00 AM (Through video conferencing from Corporate Office Ludhiana)	<ol style="list-style-type: none"> To appoint Mr Sharad Tyagi as Independent Director of the Company. To appoint Dr Sanjay Chaturvedi (Till 3.04.2023) as Executive Director & CEO of the Company.

Postal Ballot:

During the Financial Year 2024-25 following resolutions were passed through Postal Ballot:

Date of Notice of Postal Ballot	Date of approval	Details of Resolutions passed	Scrutinizer
28 th October 2024	12 th December 2024	Appointment of Ms Rajni Jha as Independent Director of the Company (Special Resolution)	Mr Vinay Kohli, Partner, K. Kapoor and Associates, Chartered Accounts, Ludhiana
27 th December 2024	31 st January 2025	To approve sub-division / split of 1 (One) Equity Share having face value of Rs. 10/- (Rupees Ten only) each, fully paid up, into 5 (Five) Equity Shares having face value of Rs. 2/- (Rupee Two only) each, fully paid-up and consequent alteration to the Memorandum of Association of the Company (Ordinary Resolution)	

Procedure for postal ballot :

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

9. Means of Communication:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the following information are being disclosed to the investors:

a) Quarterly/Half Yearly/Annual Results: Quarterly, half yearly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

b) Publication of Quarterly/Half Yearly/Annual Results: Quarterly, half yearly and annual results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board at least in one English newspaper (Business Standard, Economic Times, Financial Express) circulating in the whole or substantially the whole of India and in one vernacular newspaper (Punjabi Jagran etc.) of the State of Punjab where the Registered Office of the Company is situated.

These results, presentations made to institutional investors or to the analysts and other press releases are sent to the Stock Exchanges as well as displayed on Company's website www.iolcp.com at the time of its release to the media.

c) NSE Electronic Application Processing System (NEAPS): NEAPS is a web-based application designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on NEAPS.

d) BSE Listing Centre (<http://listing.bseindia.com/>): BSE Listing Centre is a web-based application designed by BSE for corporate. The Shareholding pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on BSE Listing Centre.

e) E-mail: Quarterly/half yearly /annual results/ annual reports are also sent to the members & investors on their e-mail Ids registered with the Company.

f) Presentations to institutional investors or analysts: Quarterly investor and analyst meetings are conducted, during which presentations are made to institutional investors and analysts.

10. General Shareholders Information

Following information would be useful to the members:

a) Annual General Meeting of the Company will be held on **Friday, 22nd August 2025 at 11:30 AM** through Video Conferencing / Other Audio Visual Means ("VC/OAVM"). The Registered Office of the Company at Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District - Barnala- 148107 Punjab shall be deemed to be the venue of the Meeting.

b) Financial Calendar: Last financial year of the Company was of twelve months from 1st April 2024 to 31st March 2025. Tentative financial calendar of the Company for the year 2025-26 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 th June 2025	During August 2025
Financial Results for the quarter/half year ending 30 th September 2025	During November 2025
Financial Results for the quarter ending 31 st December 2025	During February 2026
Financial Results for the quarter ending 31 st March 2026	During May 2026

c) Date of Book Closure

The Register of Members and Share Transfer Books will remain closed from 16th August 2025 to 22nd August 2025 for the purpose of the Annual General Meeting.

d) Dividend payment date

During the year under review, an Interim Dividend @ 40% i.e. Rs 4/- per equity share of face value of Rs.10/- each, for financial year 2024-25 was declared and paid to the Shareholders of the Company. The Board of Directors considers the same as final dividend and therefore have not recommended any final dividend to the shareholders.

e) Sub-division / Split of Equity Share

During the FY 2024-25 Company has sub-division / split of 1 (One) Equity Share having face value of Rs. 10/- (Rupees Ten only) each, fully paid up, into 5 (Five) Equity Shares having face value of Rs. 2/- (Rupee Two only) each, fully paid-up.

f) Unclaimed/Unpaid amount of dividend transferred to IEPF

During the year Company there was no amount of unpaid / unclaimed dividend was required to be transferred to Investor Education and Protection Fund. Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend, pertaining to the following years, if not encashed / claimed for a period of 7 years from the date

Corporate Governance Report (Contd..)

of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF") on the respective dates as mentioned herein below:

Financial Year	Date of Declaration of Dividend	Dividend %	Last Date for Claiming Unpaid Dividend from Company / RTA	Due Date of transfer of unpaid dividend to IEPF Account
2019-20	11th March 2020	30%	16th April 2020	17th April 2027
2020-21	6th November 2020	40%	13th December 2020	14th December 2027
2021-22	18th September 2021 Final Dividend	20%	21st October 2021	22nd October 2028
2021-22	4th February 2022	40%	9th March 2022	10th March 2029
2022-23	7th February 2023	40%	9th March 2023	10th March 2030
2023-24	6th February 2024	50%	10th March 2024	11th March 2031
2024-25	12th February 2025	40%	14th March 2025	15th March 2032

In view of this, Members are requested to claim their unpaid/unclaimed dividends from the Company, within the stipulated timeline.

g) Shares of the Company are listed on the following Stock Exchange

Name and Address of the Stock Exchange	Stock Code
1. National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	IOLCP
1. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	524164

The Company has made all the compliances of Listing Agreement including payment of annual listing fees for the financial year 2024-25.

The securities of the Company were not suspended from trading anytime during fiscal 2025

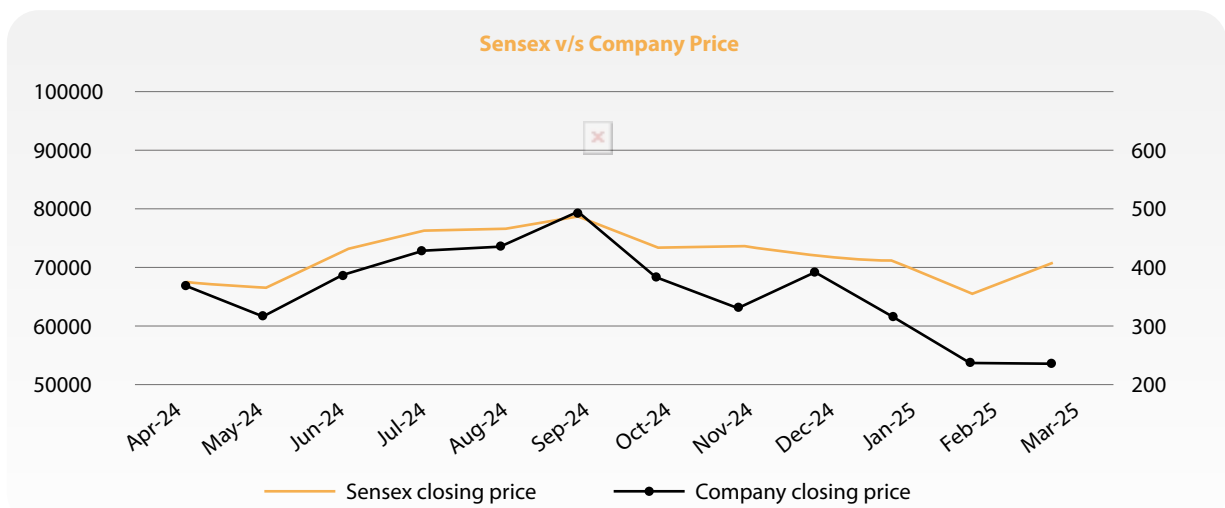
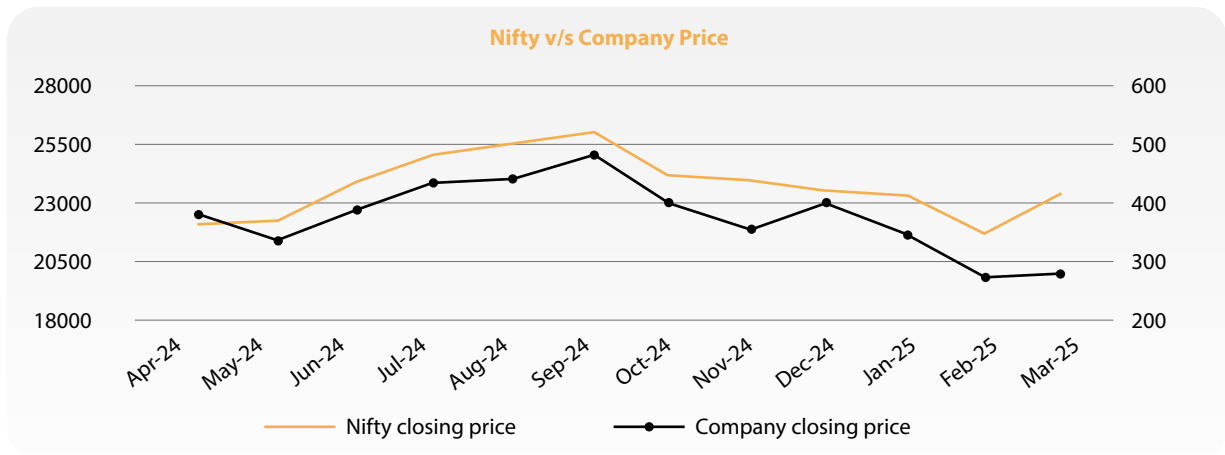
h) Market Price data

Monthly high and low prices of equity shares of the Company at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follow:

Financial Year 2023-24	NSE				BSE			
	Share Price		NIFTY		Share Price		BSE SENSEX	
	High	Low	High	Low	High	Low	High	Low
Apr-24	414	367	22783	21778	413	366	75124	71816
May-24	404	358	23111	21821	404	358	76010	71866
Jun-24	426	331	24174	21281	425	333	79672	70234
Jul-24	449	385	25000	23993	449	386	81908	78972
Aug-24	470	379	25268	23894	470	379	82637	78296
Sep-24	538	429	26277	24753	537	430	85978	80895
Oct-24	484	371	25908	24074	484	372	84648	79138
Nov-24	417	340	24538	23263	417	340	80570	76803
Dec-24	458	369	24858	23460	457	370	82318	77561
Jan-25	446	347	24227	22787	446	351	80073	75268
Feb-25	391	301	23807	22105	391	301	78735	73141
Mar-25	355	60*	23870	21965	354	60*	78742	72634

Source: nseindia.com and bseindia.com

*Share split 5:1 on 11th March 2025



i) Registrar and Share Transfer Agents
Alankit Assignments Limited,
 (Unit: IOL Chemicals and Pharmaceuticals Limited)
 "Alankit Heights", 4E/2,
 Jhandewalan Extension, New Delhi-110 055
Phone : +91-11-23541234, 42541234
Fax : +91-11-42541967
E mail : rta@alankit.com

j) Share Transfer System
 All share transfers, physical as well as electronic, are handled by M/s Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110 055.

Corporate Governance Report (Contd..)

k) Distribution of Shareholding

The Distribution Schedule of the Company as on 31st March 2025 is as follow:

Shareholding of Nominal value in `	Shareholders		Shares	
	Number	% age of total holders	Number	% age of total capital
Upto 5000	1,27,331	97.95	5,64,12,520	19.22
5001-10000	1,491	1.15	1,09,37,882	3.73
10001-20000	633	0.49	89,16,572	3.04
20001-30000	220	0.17	54,43,122	1.85
30001-40000	106	0.08	36,67,731	1.25
40001-50000	71	0.05	33,03,680	1.13
50001-100000	82	0.06	58,59,712	2.00
100001-and above	68	0.05	19,89,86,291	67.79
Total	1,30,002	100	29,35,27,510	100.00

l) Shareholding Pattern:

The shareholding pattern of the Company as on 31st March 2025 is as follow:

Category	As on 31st March 2025			As on 31st March 2024		
	Shareholders	Shares	% age	Shareholders	Shares	% age
Promoter						
Indians	5	15,44,63,080	52.62	5	2,82,90,077	48.19
Foreign	-	-	-	-	-	-
Sub – total	5	15,44,63,080	52.62	5	2,82,90,077	48.19
Non-Promoters						
Financial Institutions / Mutual Funds	7	205,159	0.07	7	1,69,934	0.29
Foreign Portfolio Investors	47	43,16,379	1.47	44	8,25,912	1.41
NBFCs registered with RBI	1	5,555	0.00	1	7,500	0.01
Bodies Corporate	374	3,18,97,709	10.87	378	92,38,930	15.74
Individuals	1,25,262	9,22,65,168	31.44	1,25,436	1,81,88,724	30.98
HUF	2,197	40,63,652	1.38	2,047	7,28,638	1.24
NRI	1,922	51,32,899	1.75	1,975	11,67,354	1.99
Clearing Members	22	3,10,327	0.11	21	71,772	0.12
Employees	117	94,697	0.03	86	15,434	0.03
Foreign Nationals	-	-	-	-	-	-
Trust	4	31,135	0.01	3	1,227	0.00
Limited Liability Partnership	44	7,41,750	0.25	-	-	-
Sub –total	1,29,997	13,90,64,430	47.38	1,29,998	3,04,15,425	51.81
Total	1,30,002	29,35,27,510	100	1,30,003	5,87,05,502	100

m) Dematerialisation of Shares and Transfer of Shares:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

Shares held in demat and physical mode as on 31st March 2025 are as follow:

Particulars of shares	Equity shares of ₹ 10/- each		Members	
	Number	% of Total	Number	% of Total
Demat mode	29,11,95,300	99.21%	1,26,637	97.41%
Physical mode	23,32,210	0.79%	3,365	2.59%
Total	29,35,27,510	100%	1,30,002	100%

The Company has appointed Alankit Assignment Limited as Registrar and Share Transfer Agents. No case is pending for transfer as well as dematerialization of shares as on 31st March 2025. The ISIN No. of the Company is **INE485C01029**

n) Outstanding GDR/ADR/Warrants/Convertible Instrument

The Company has no outstanding GDR/ADR/Warrants/Convertible Instrument.

o) Foreign exchange risk and hedging activities

(i) Risk management policy of the listed entity with respect to commodities including through hedging:

Company is exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US Dollars, on exports and imports. Though the risk associated with foreign currency fluctuation is hedged to some extent naturally, as the Company is engaged both in imports and exports, the Company has commenced hedging both in imports and exports to minimize the risk.

(ii) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: There is no exposure in commodity derivatives

- a. Total exposure of the listed entity to commodities in Rs: Nil
- b. Exposure of the listed entity to various commodities: Nil
- c. Commodity risks faced by the listed entity during the year and how they have been managed: Nil

p) Credit rating

CARE Ratings Limited vide its letter dated 29th October 2024 has reaffirmed the Credit Rating for the enhanced banking facilities availed by the Company, which are as under:

Facilities	Amount (₹ Crore)	Rating	Rating Action
Long Term Bank Facilities (Fund Based Working Capital)	200 (Enhanced from 140)	CARE A+; Stable (Single A Plus ; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities (Non-fund-based Working Capital)	500 (Enhanced from 460)	CARE A1 + (A One Plus)	Reaffirmed
Total	700 (Enhanced from 600)		

q) Plant Location

Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District - Barnala- 148107 Punjab.
Phone : +91-1679-285285-86

Fax : +91-1679-285292

r) Address for Correspondence

For general correspondence:

Mr Abhay Raj Singh

Sr Vice President and Company Secretary

IOL Chemicals and Pharmaceuticals Limited
85, Industrial Area 'A', Ludhiana - 141 003.

Phone : +91-161-2225531-35

Fax : +91-161-2608784

E-mail : investor@iolcp.com,

For share transfer/ dematerialisation/ change of address etc:

Alankit Assignments Limited,

(Unit: IOL Chemicals and Pharmaceuticals Limited)

"Alankit House",

4E/2, Jhandewalan Extension, New Delhi - 110055

Phone : +91-11-23541234, 42541234

Fax : +91-11-42541967

E mail : rta@alankit.com

11. Disclosures

a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors or promoters of the Company at large except details of transactions annexed to the Balance Sheet. Transactions entered into with related parties during the financial year 2024-25 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. There is no related party transaction that may have potential conflict with the interests of the Company. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and interested directors neither participate in the discussion nor do they vote on such matters.

The Company has policy on dealing with material related party transactions which is available on the website of the Company at www.iolcp.com.

b) Compliance made by the Company

The Company has continued to comply with the requirements as specified in the SEBI (LODR) Regulations and other statutory authorities on all matters related to capital market. During the year due to a delay on account of appointment of a women director on 28th October 2024 in place of retiring women director, the Stock Exchanges on 21st November 2024, had imposed a fine on the Company for the delay in filling the vacancy of the women independent director and in the composition of the Nomination and Remuneration Committee, as required under Regulation 17(1) and Regulation 19 of the

Corporate Governance Report (Contd..)

SEBI Listing Regulations. Except this no penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other authority on any matter related to capital market during the last three years.

c) Vigil Mechanism

The Company has whistle blower policy which acts as vigil mechanism and provides an opportunity to employees to access in good faith, to Audit Committee, in case they observe unethical and improper practices or any other alleged wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees. It is affirmed that no personnel has been denied access to Audit Committee during the year. The whistle blower policy is available on the website of the Company at www.iolcp.com.

d) Compliance with mandatory requirements

The Company has complied with all the applicable mandatory requirements and other applicable regulations of SEBI (LODR) Regulations.

i) Code of Conduct for Directors and Senior Management

The "Code of Conduct for Directors and Senior Management" has been adopted by the Company for its board members and senior management of the Company. Code of Conduct is available on the website of the Company www.iolcp.com. All board members and senior management personnel affirmed the compliance with the said code. A certificate signed by Managing Director as required under Regulation 34 (3) of SEBI (LODR) Regulations affirming compliance of said code is given in this Annual Report.

ii) Management Discussion and Analysis Report

Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the matters specified in the Regulation 34 (3) of SEBI (LODR) Regulations.

iii) Selection of Independent Directors

The Nomination and Remuneration Committee, inter alia, considers qualification, positive attributes, area of

v) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skill Area	Description
Strategy and planning	Ability to think strategically, identify and critically assess strategic opportunities and threats.
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise, ability to identify key risks to the company in a wide range of areas of operation.
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to assess financial viability and performance, contribute to financial planning and efficient use of resources.

expertise and number of directorships and memberships held in various committees of other companies by such persons in accordance with the company's Policy for selection of directors and determining directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

None of the directors appointed or continue as alternate director for an independent director of the company.

The terms and conditions of appointment of independent directors is available on the company's website www.iolcp.com.

Every independent director, at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Further, in the opinion of the Board, the Independent Directors of the Company fulfill all the conditions specified in the SEBI Listing Regulations and are independent of the management.

iv) Familiarisation Programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the company's procedures and practices. Periodic presentations are made at the meeting of the board/ committee on business and performance updates of the company, global business environment, business strategy and risks involved. Detailed presentations on the company's business segments were made at the separate meetings of the independent directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to various plant locations are organized for the directors to enable them to understand the operations of the company. The details of such familiarization programs for independent directors are posted on the website of the company at www.iolcp.com.

Skill Area	Description
Commercial Experience	A broad range of commercial/ business experience including marketing and business systems and improvement.
International	Knowledge and international commercial experience.
Product skills	Knowledge and experience in Chemical and Pharmaceutical Industry

The skills/expertise/knowledge areas of the Directors are given below:

Skill/expertise/knowledge Area	Rajender Mohan Malla	Varinder Gupta	Vikas Gupta	Abhiraj Gupta	Sharad Tyagi	Kushal Kumar Rana	Harpal Singh	Rajni Jha
Strategy and planning	✓	✓	✓	✓	✓	✓	✓	✓
Governance, Risk and Compliance	✓	✓	✓	✓	✓	✓	✓	✓
Financial Performance	✓	✓	✓	✓	✓		✓	
Commercial Experience		✓	✓	✓	✓	✓		✓
International		✓	✓	✓	✓		✓	✓
Product skills		✓	✓	✓		✓		✓

The Nomination & Remuneration Committee / Board identify the eligible persons to be appointed as a Director of the Company based on above referred skill sets. The Directors of the Company are from diverse backgrounds and possess special skills with regard to the industries / fields they come from and are helpful for the business of the Company.

vi) Board Evaluation

The evaluation of all the directors was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Directors' Report.

Further the evaluation process was based on affirmation received from Independent Directors that they met the independence criteria as required under Companies Act, 2013 and Listing Regulations.

vii) Holding and Subsidiary Companies

The Company has following three subsidiary companies:

1. IOL- Foundation.
2. IOL Speciality Chemicals Limited
3. IOL Life Sciences Limited

The minutes of the meetings of the board of directors of the subsidiary companies are placed before the Board of Directors. The financial statements of subsidiaries are also reviewed by the Audit Committee. During the year there was material transaction in any of the subsidiaries. Further as on the date of this report, the Company has no material subsidiary exceeding 10% of the consolidated net worth or income. During the year there were no material related party transactions of the subsidiaries and therefore, no approval from the audit committee was required

viii) Loans and Advances

Neither the Company nor any of its subsidiaries have given any loan and advance to firms/companies in which directors are interested.

ix) Equity shares in the suspense account

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April 2024	0	0
Shareholders who approached the Company for transfer of shares from suspense account during the year	1	100
Shareholders to whom shares were transferred from the suspense account during the year	1	100
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March 2025	0	0

The voting rights on the shares outstanding in the suspense account as on 31st March 2025, shall remain frozen till the rightful owner of such shares claims the shares.

Corporate Governance Report (Contd..)

x) Detail of utilization of fund raised through preferential allotment

During the year Company has not raised fund through preferential allotment

xi) Total fees paid to statutory auditor

The Company has paid Rs. 26.48 lakh to the statutory auditors for all services including the fee paid for audit of subsidiary company. The detail of the same is given in Note no. 47 of Notes forming part of financial statements.

xii) Sexual Harassment of women at workplace

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year 2024-25 are as under:

Nature of complaints / queries	No. of complaints during the year		
	Filed	disposed	Pending
N.A	0	0	0

12. Compliance with discretionary requirements:

The Company is displaying its financial results on its website www.iolcp.com and publishing the same in widely circulated newspapers. The auditors have given unmodified opinion on the financial statements of the Company. The Company has appointed separate persons to the post of chairman and managing director. Mr Rajender Mohan Malla, Independent Director is the Chairman of the Company and Mr Varinder Gupta is the Managing Director of the Company. The Internal Auditors reports to the Audit Committee on internal audit findings.

13. CEO and CFO Certificate

Certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under Regulation 17 (8) of SEBI (LODR) Regulations is given in this Annual Report.

14. Auditor’s Certificate on Compliance

Certificate from the Statutory Auditors under Regulation 34 (3) of SEBI (LODR) Regulations confirming compliance of conditions of corporate governance is given in this Annual Report.

15. Certificate from Company Secretary in practice

Certificate from a Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is given in this Annual Report.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

I, Varinder Gupta, Managing Director of the Company, pursuant to Regulation 34(3) read with Paragraph D of Schedule V of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015, hereby declare that all the Board members and Senior Management personnel of the Company have affirmed compliance with the Company’s Code of Conduct for Board of Directors and Senior Management for the financial year ended 31st March 2025.

Place: Ludhiana
Date: 16th May 2025

Sd/-
Varinder Gupta
Managing Director
DIN:00044068

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Varinder Gupta, Managing Director (CEO) and Pardeep Kumar Khanna, Chief Financial Officer (CFO) of IOL Chemicals and Pharmaceuticals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2025 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. We have indicated to the Auditors and the Audit Committee
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees who have a significant role in the Company's internal control system over financial reporting.

Place: Ludhiana
Date: 16th May 2025

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Varinder Gupta
Managing Director

Corporate Governance Report (Contd..)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
IOL Chemicals and Pharmaceuticals Limited,

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March 2025.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Ashwani and Associates**
Chartered Accountants
Firm's Registration No.000497N

Sd/-
(Aditya Kumar)
Partner

Place : Ludhiana
Date : 16th May 2025

M. No. 097549
UDIN:25506955BMMHWW6497

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Pursuant to Regulation 34(3) and Schedule V Part C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of the provisions of Sub Clause (i) of Clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2025, we B.K. Gupta & Associates, Company Secretaries in practice confirm that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

For **B.K. Gupta & Associates**
Company Secretaries

Sd/-

(Bhupesh Gupta)

FCS No.: 4590

C P No.: 5708

UDIN:F004590F000340145

Place : Ludhiana

Date : 16th May 2025



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24116PB1986PLC007030
2	Name of the Listed Entity	IOL Chemicals and Pharmaceuticals Limited
3	Year of incorporation	1986
4	Registered office address	Village Fatehgarh Channa, Mansa Road, District Barnala-148101, Punjab, India
5	Corporate address	85, Industrial Area 'A' Ludhiana - 141003, Punjab, India.
6	E-mail	investor@iolcp.com
7	Telephone	+(91)-(161)-2225531/35
8	Website	www.iolcp.com
9	Financial year for which reporting is being done	2024-25
10	Name of the Stock Exchange(s) where shares are listed	1. The National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11	Paid-up Capital	Rs 58,70,55,020
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr Abhay Raj Singh +(91)-(161)-2225531/35 abhayrajsingh@iolcp.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	Intertek India Private Limited
15	Type of assurance obtained	Limited Assurance

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Pharma Segment	58%
2.	Manufacturing	Chemical Segment	42%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Ibuprofen	21002	34.82%
2	Non Ibuprofen API's	21002	19.24%
3	Ethyl Acetate	20119	36.67%
4	Acetic Anhydride	20119	4.32%
5	Other	20119 / 21002	4.95%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	3	4
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	24
International (No. of Countries)	84

b. What is the contribution of exports as a percentage of the total turnover of the entity?

27%

c. A brief on types of customers

1. Specialty Chemicals/Products Manufacturing Companies
2. Pharmaceuticals Finished Dosage Manufacturing Companies

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2891	2801	96.89%	90	3.11%
2.	Other than Permanent (E)	476	455	95.58%	21	4.41%
3.	Total employees (D + E)	3367	3256	96.70%	111	3.30%
WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)			NIL		
6.	Total workers (F + G)					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)					
2.	Other than Permanent (E)					
3.	Total differently abled employees (D + E)			NIL		
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)					
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)			NIL		

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0.00%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2024-2025 (Turnover rate in current FY)			FY 2023-2024 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	14.9%	15.8%	14.9%	19.0%	33.8%	19.4%	16.5%	41.5%
Permanent Workers	0	0	0	0	0	0	0	0	0

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V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	IOL Life Sciences Limited	Wholly owned Subsidiary	100%	No
2	IOL Specialty Chemicals Limited	Wholly owned Subsidiary	100%	No
3	IOL-Foundation	Wholly owned Subsidiary	100%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): **Yes**
 (ii) Turnover (in Rs.) **2079 Crore**
 (iii) Net worth (in Rs.) **1687 Crore**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil		Nil	NIL	
Investors (other than shareholders)	https://www.iolcp.com/investors/services	Nil	Nil		Nil	NIL	
Shareholders	Yes https://www.iolcp.com/investors/services	5	Nil		4	Nil	
Employees and workers	Yes	Nil	Nil		Nil	Nil	
Customers	https://www.iolcp.com/about-us/policies	Nil	Nil		Nil	Nil	
Value Chain Partners	about-us/policies	Nil	Nil		Nil	Nil	
Other (please specify)		Nil	Nil		Nil	Nil	

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

As a pharmaceuticals and Specialty Chemical firm, we have identified, evaluated, and reported on certain key issues. In FY 2024-25, we completed a materiality evaluation based on peer review across environmental, social and governance dimensions as per GRI Requirement. The evaluation process has provided us with great insights into topics that are important to us, our operations, as well as how they might impact our future.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Manufacturing of API and specialty chemicals- Effluent generation from process having potential of water pollution and soil pollution	O	Zero liquid Discharge process is implemented to treat, recycle and reuse the good quality water in cooling towers hence conserve fresh water	NA	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Reduction in Carbon Footprint	O	Mitigation of impacts of Climate change and ensure long term sustainable business	NA	Positive
3.	Health & Safety	R	In chemical and API industry, Health & Safety can directly impact people and community and disrupt the operations	Environment, Health & Safety Management Plan, Onsite/Off site Emergency Management Plan, Risk Assessment and Mitigation	Negative
4.	Employee Development	O	Learning and development opportunities for various level of employees	NA	Positive
5.	Diversity, equity, and inclusion	O	IOL believe that driving equity, diversity, and inclusion strengthens our business. A diverse and inclusive workforce can boost performance, reputation, innovation, and motivation. This will help build a fairer world and strengthen the business.	We continue to progress on our Diversity, Equity and Inclusion journey. Diversity, Equity and Inclusion have been core elements of our culture and values.	Positive
6.	Energy Efficiency	O	Minimize the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.iolcp.com/investors/corporate-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SA 8000:2014, ISO 14001:2015, ISO 50001:2018 ISO 45001:2018, ISO 9001:2015, ISO 20400:2017 ISO 14064-1, ISCC, GMP Certificate EUGMP Certificate by OGYÉI, EP Certificates from EDQM, DUNS Number Certificate, Kosher Certificate, Drug Manufacturing License 1689-OSP, Free Sale Certificate, Responsible care logo certified Company								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Provided in the Integrated Annual Report 2024-25								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are steadfast in our commitment to integrating sustainability across our value chain, even as we broaden our social impact and enter new markets. Our mission is to offer high-quality, affordable products that enhance lives while sustaining strong business growth. We remain focused on advancing our objectives and delivering meaningful solutions for our stakeholders. We welcome the continued support and encouragement of all our stakeholders in building a more sustainable future.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Varinder Gupta, Managing Director DIN: 00044068								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Corporate Social Responsibility Committee (CSR Committee). The composition of the CSR Committee is as follows: Mr Varinder Gupta, Chairman DIN 00044068 Mr Vikas Gupta, Member DIN 07198109 Mr Harpal Singh DIN 06658043								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually (A)/ Half yearly HF/ Quarterly Q/ Any other AO- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	Q	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	Q	A

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	Yes*	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable since the policies of the Company cover all Principles on NGRBCs								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

There are regular training sessions for new inductees.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	5	Directors are regularly provided with information regarding the Company's operations, strategic direction, and governance. During Board and Committee meetings, they receive frequent presentations on a wide range of subjects, including the Company's long-term strategy, business model, operational performance, market trends, organizational structure, product and service offerings, quarterly and annual financial results, enterprise risk management framework, human resources, corporate social responsibility (CSR) initiatives, and environmental, social, and governance (ESG) commitments.	100%
Key Managerial Personnel	4	Leadership: Boosts team collaboration, strategic decision-making, and change management. Functional: Enhances system proficiency, process efficiency, and compliance. Productivity & Efficiency: Improves communication, teamwork, and workflow optimization.	100%
Employees other than BoD and KMPs	1265	<ul style="list-style-type: none"> Advance Excel Training, Anti bribery / Information security code, Awareness Session on Basic Life Support, Awareness session on Mediclaim insurance, Awareness session on SA 8000 (Social accountability), Behaviour Based Safety/ Use and Importance of PPE's/ EHS & S Policy & Gen. Safety Awareness, Business communication training, Chemical Safety/ MSDS/ Gas Cylinder Safety/ Safe Handling of Chemicals, Communication & Presentation Skills, Cyber Security Awareness Session, Data Integrity/ Key Documentation Requirements/ Good Documentation Practices, Design Analysis of Shell & Tube Heat Exchanger, Electrical Safety, Machine Guarding, Scaffolding Safety, Lock Out Tag Out and Try Out, External Training on GC Session, External Training on Mechanical Seals, External training on Operation & maintenance of GLR, Fire and its preventions/ Oper. of Fire Extinguishers & Hydrant/ OSEP/ Mock Drill/ Use of SCBA Set, Healthy Lifestyle, House Keeping Sanitation and Hygiene, ICHQ7 Guidelines for Good Manufacturing Practices, Incident Reporting and Investigation/ Work Permit System/ Electrical Safety/ Machine guarding, Internal Auditor Training on QMS/ EMS/ ISO 45001, Investigation Techniques (ATC Module 09), Occupational Safety & Health Program, POSH Training, Responsible Care Policy and Codes, Environ, Health, Safety & Sustainability Awareness, Policies, Certifications & Endorsements, Risk Assessment (HIRA/HAZOP/JSA/PSSR/What If)/ Process Safety Mgt. Awareness, Team Building and Conflict Management, Time & Stress Management, Train the Trainer, Training on Accident Investigation, Training on Chilling System by kiloskar, Training on First Aid, Training on SAP PMGM-RCM, Training on SAP-EC, Training on Scaffolding Inspection, Training on Shipping of Dangerous Goods, Validation and Qualification 	100%

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in Rs)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine	1	NSE and BSE	4.69 lakh each	Fine imposed by NSE and BSE under Regulation 17(1) and 19 of SEBI Listing Regulations due to delays in appointing a woman independent director and non-compliance with the composition of the Nomination and Remuneration Committee	No
Settlement				Nil	
Compounding fee					

Non-Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in Rs)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment				Nil	
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N/A

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, Organization has implemented anti-corruption and anti-bribery policy, for policy detail refer. <https://www.iolcp.com/investors/corporate-policies>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	N/A	N/A

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N/A	Nil	N/A
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N/A	Nil	N/A

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

8. Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payable	96	86

Trade payable excluding accrued expenses

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25(%)	FY 2023-24 (%)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	56.80%	23.44%
	b. Number of trading houses where purchases are made from	99	24
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	85.99%	95.63%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	29.87%	31.05%
	b. Number of dealers / distributors to whom sales are made	269	273
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	37.30%	39.09%
Share of RPTs in	a. Purchases (Purchases with related parties as % with Total Purchases)	5.54%	6.50%
	b. Sales (Sales to related parties as % of Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties as % of Total loans & advances)	0	0
	d. Investments (Investments in related parties as % of Total Investments made)	1.43%	1.46%

Leadership Indicators

a. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
14	- Code of Conduct - SA8000 awareness - Transportation Safety guidelines, Sustainable Procurement Policy. - NDMA Impurity Declaration, EHS&S Awareness	80% (100% of Key Material Supplier)

b. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, The Company ensures robust governance by requiring each Director to annually disclose their interests and concerns, including any holdings, in the Company, its subsidiaries, associated bodies corporate, firms, or other entities. These disclosures, which are updated as changes occur, are submitted to the Finance Department. The department records these entities in its system to monitor and track any transactions between the Company and related parties, ensuring transparency and compliance.

Additionally, Directors provide an annual declaration under the Company's Code of Conduct, affirming their commitment to act in the Company's best interests. This declaration confirms that their business or personal associations do not present any conflict of interest with the Company's operations or their roles therein. Similarly, Senior Management annually attests that they have not engaged in any material financial or commercial transactions that could potentially conflict with the Company's interests.

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PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Financial Year 2024-25 (%)	Financial Year 2023-24 (%)	Details of improvements in environmental and social impacts
R&D	100%	100%	All R&D Investments are focused on improving the environmental and social impacts of our products and processes, sustainable technologies, Backward Integration, enhancing process efficiency and product quality
Capex	17.11%	38.94%	Includes projects relating to improving environment, conserving energy, reducing effluent load, treatment of wastewater, increasing the use of renewable energy and conversion of byproducts into sellable products.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes
 b. If yes, what percentage of inputs were sourced sustainably? 100% for Key Raw Material Suppliers which are contributing to 80% Spend.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

IOL Chemicals and Pharmaceuticals Limited has established comprehensive processes to safely reclaim and manage its products at the end of life across various waste categories. For plastics, including packaging, the company disposes of plastic waste through authorized recyclers in compliance with Plastic Waste Management Rules 2016. E-waste generated is handed over to authorized vendors approved by Pollution Control Boards, ensuring environmentally sound disposal in line with E-waste Rules. Hazardous waste is stored in a designated hazardous waste room within the facility and managed through agreements with certified agencies such as GGEPIL, Nimbua Ramky, and Re Sustainability for safe disposal and treatment.

Authorization Number of IOLCP : HWM/PBIP/Sangrur/2024/2402607873

Categories of Hazardous Waste of IOL Chemicals and Pharmaceuticals Limited:

- (5.1) Mobile Oil
- (5.2) Waste Residue containing oil
- (20.3) Distillation Residue

- (28.1) Process Residue and wastes
- (28.2) Spent Catalyst
- (28.3) Spent Carbon
- (28.4) Off Specification Products
- (28.5) Date expired Products
- (28.6) Spent Solvents
- (33.1) Empty Barrels
- (33.2) Contaminated cotton Rags
- (35.3) ETP Sludge
- (36.2) Spent Carbon
- (37.1) sludge from Wet Scrubber
- (37.2) Ash from incinerator
- (37.3) Concentration & evaporation Residue

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Yes

If not, provide steps taken to address the same.

N.A.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
21102	Ibuprofen	36%	Cradle to gate emissions	Yes	No
21102	Metformin	8%	Cradle to gate emissions	Yes	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Manufacturing of API and specialty chemicals	Environmental risks include effluent generation with potential for water and soil pollution; social risks involve health and safety impacts on employees and local communities.	Implemented Zero Liquid Discharge (ZLD) process to treat, recycle, and reuse water, minimizing pollution and conserving resources. Health & Safety Management Plan and Onsite/ Offsite Emergency Management Plans are in place, along with continuous risk assessment and mitigation. Use of biofuels in captive power plant and installation of Continuous Air Quality Monitoring System (CAQMS) further reduce environmental footprint. Regular training ensures safe working conditions. Additionally, the company actively engages in plantation drives and community upliftment programs to address social concerns. Waste management complies with environmental regulations through authorized disposal and recycling channels. These measures collectively mitigate environmental and social risks while promoting sustainability.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
HDPE Drums	10%	10%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	53.22	-	-	37.4MT	-
E-waste	-	-	0.38	-	1.05MT	-
Hazardous waste	-	-	2484.83	-	-	2417.71
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

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PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2801	2801	100%	2801	100%	0	0	2801	100%	0	0
Female	90	90	100%	90	100%	90	100%	0	0	90	100%
Total	2891	2891	100%	2891	100%	90	3.11%	2801	96.89%	90	3.11%
Other than Permanent employees											
Male	455	455	100%	455	100%	0	0	455	100%	0	0
Female	21	21	100%	21	100%	21	100%	0	0	21	100%
Total	476	476	100%	476	100%	21	4.41%	455	95.59%	21	4.41%

b. Details of measures for the well-being of workers:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male											
Female						Nil					
Total											
Other than Permanent employees											
Male											
Female						Nil					
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the Company	0.30%	0.57%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0%	Y	100%	0%	Y
Gratuity	100%	0%	Y	100%	0%	Y
ESI	100%	0%	Y	100%	0%	Y
Others – please specify Pension, Leave incashment Due Bonus, Other benefits as per policy	100%	0%	Y	100%	0%	Y
Momento, Cash reward as per policy, 10-15 year service 1 month fix CTC, 15 above 2 month fixed CTC, farewell Party	100%	0%	Y	100%	0%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises are assessable to all as per their roles and responsibilities

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	95.27%
Female	100%	100%
Total	100%	95.27%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes (Grievance Redressal System Implemented at Site)
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

Stage-I

Whenever any employee wants a response to his views, he shall first represent in writing or orally to the concerned Section In-charge or Immediate Superior. The Section In charge / Immediate Superior shall investigate the matter to shall attempt to resolve it within seven days up to the satisfaction of the aggrieved employee.

Stage-II

If the aggrieved employee is not satisfied with the decision given or fails to receive an answer within the stipulated time, may represent his views in writing substantiated by relevant facts to the concerned Head of the Department through the Sectional In charge or Immediate Superior, with a copy to the Human Resources Department. The Section In charge or Immediate Superior concerned should record his views before forwarding it to the Head of the Department. The Head of the Department shall give a personal hearing to the employee, investigate the problem, gather all relevant facts and opinions and make his decision within seven days of presentation to him, up to the entire satisfaction of the aggrieved employee.

Stage-III

If the aggrieved employee is not satisfied with the decision communicated to him by the Head of the Department or fails to receive an answer with the stipulated period, he may request reconsideration of his case giving reason for his dissatisfaction arid forward a copy to the Grievance Coordinator who shall be Head of the Human Resources Department. The Grievance Handling Committee shall be comprising of Head of the Human Resources Department, concerned Head of the Department and Unit Head or Head Operations, if need be. The matter shall be coordinated with the Grievance Handling Committee by the Grievance Handling Coordinator. The Committee shall give his decision within 15 days and then the decision will be final, and the matter shall stand as resolved.

Stage IV

The decision is to be communicated to the person concerned by the Grievance Handling Coordinator and the recommendations of the Grievance Handling Committee shall be duly complied.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	2891	0	2891	2777	0	0
- Male	2801	0	2801	2703	0	0
- Female	90	0	90	74	0	0

Business Responsibility & Sustainability Report (Contd..)

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	No. (F)	No. (F)	% (F / D)
Employees										
Male	2801	2637	94.14%	2725	97.29%	2703	2145	79.36%	2321	85.87%
Female	90	78	86.66%	90	100%	74	52	70.27%	59	79.73%
Total	2891	2715	93.91%	2815	97.37%	2777	2197	79.11%	2380	85.70%
Workers										
Male										
Female										N/A
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2801	2801	100%	100%	2703	100%
Female	90	90	100%	100%	74	100%
Total	2891	2891	100%	100%	2777	100%
Workers						
Male						
Female						N/A
Total						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, IOL Chemicals and Pharmaceuticals Limited (IOLCP) has implemented an occupational health and safety management system. The company is certified under ISO 45001:2018, reflecting a well-established and comprehensive safety management system covering 100% of its product wise plants and offices. The system includes well-defined processes for identifying work-related hazards and assessing risks through methodologies such as HIRA, AIA, HAZOP, JSA, and PSSR. Employees are encouraged to proactively report hazards via an online ILO incident prevention opportunity system. Extensive training and awareness sessions on EHS policies, ergonomics, industrial hygiene, fire safety, electrical safety, and emergency response are conducted regularly

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

IOL Chemicals and Pharmaceuticals Limited (IOLCP) employs a systematic approach to identify work-related hazards and assess risks on both routine and non-routine bases. The company uses established methodologies such as Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), Hazard and Operability Study (HAZOP), and Activity Impact Assessment (AIA) to analyze operational processes and detect potential hazards. For routine activities, regular workplace inspections, risk assessments, and employee hazard reporting through an online system are conducted to ensure continuous monitoring. For non-routine activities like startups, shutdowns, and maintenance, IOLCP applies integrated risk assessment methods combining JSA and HAZOP to break down processes into steps, analyze deviations, and evaluate risks systematically.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has implemented an innovative Incident Prevention Opportunity (IPO) online portal as part of its occupational health and safety management system. This digital platform enables employees and stakeholders to proactively report potential hazards, near misses, and unsafe conditions in real-time, facilitating early identification and mitigation of risks before incidents occur. The IPO portal supports a culture of safety by encouraging transparent communication and prompt corrective actions, thereby reducing workplace accidents and enhancing operational safety.

Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) ensures a safe and healthy workplace through a robust Occupational Health and Safety Management System certified to ISO 45001:2018, covering 100% of its plants and offices. The company implements well-defined standard operating procedures for hazard identification and risk assessment, including HIRA, AIA, HAZOP, JSA, and PSSR, addressing both routine and non-routine activities. Employees are encouraged to proactively report work-related hazards via an online Incident Prevention Opportunity (IPO) portal, enabling timely risk mitigation.

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

N.A.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

- (A) Employees (Y/N) Yes
- (B) Workers (Y/N) Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company periodically audits and inspects the records of the value chain partners at their site as well as online periodically, to ensure that the statutory Compliance are duly complied. In case of any non-compliance or delayed compliance, the Company ensures that the statutory compliances are compiled at the earliest by the value chain partner and releases the payments upon submission of documentary evidence.



Business Responsibility & Sustainability Report (Contd..)

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0			

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No pending action arising from assessments of health and safety practices and working conditions of value chain partners.

All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits/ internal audits Loss control tours.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has identified Shareholders, Value Chain partners, Employees and workers, Government and Communities as its key stakeholders on internal and external basis.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meetings, other shareholder meetings, email communications, Stock Exchange (SE) intimations, investor /analysts meet /conference calls, Annual Reports, quarterly results, media releases, Company's website	Ongoing	Financial results, dividends, financial stability, induction of board members, changes in shareholdings, growth prospects
Employees and workers	No	Regular Emails, Website, Tool Box Talk, Notice Boards, Town Hall,	Ongoing	Performance analysis and career path setting, Training and awareness, health, safety and engagement initiatives
Value Chain Partners	No	Vendor Meet	Ongoing	Quality, timely delivery fair and competitive pricings. Product quality and availability, responsiveness to needs,

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	Meetings with local administration/ state government authorities through seminars on need basis	Ongoing	Statutory compliance, transparency in disclosures, tax revenues, sound corporate governance mechanisms
Communities	Yes	Community visits and projects, partnership with local charities, CSR initiatives	Ongoing	Assess local community's needs, strengthen livelihood opportunities, education, health care and humanitarian relief.

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company's management regularly interacts with its key stakeholders i.e. investors, customers, suppliers, employees, etc. The Company also has Corporate Social Responsibility Committee and Audit Committee which updates the progress on the actions taken to the Board and takes inputs and guidance from the Board on a quarterly basis.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

NA and no instances if engagement till date

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2891	1975	68.31%	2777	2227	80.19%
Other than permanent	476	263	55.25%	148	0	0%
Total Employees	3367	2238	66.47%	2925	2227	76.14%
Workers						
Permanent						
Other than permanent						
Total Workers						N/A

Business Responsibility & Sustainability Report (Contd..)

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	2891	-	-	2891	2891	2777	-	-	2777	100%
Male	2801	-	-	2801	2801	2703	-	-	2703	100%
Female	90	-	-	90	90	74	-	-	74	100%
Other than Permanent										
Male						Nil				
Female										
Workers										
Permanent										
Male						N/A				
Female										
Other than Permanent										
Male						N/A				
Female										

3. a) Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	25185270	0	-
Key Managerial Personnel (excluding MD and ED)	2	13003110	0	-
Employees other than BoD and KMP	1211	638400	83	464400
Workers	1584	298800	7	262800

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to female as % of total wages	2.7%	3%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

IOLCP is SA 8000:2014 certified establishment and has various committees to address issues; Grievance Redressal Committee, POSH Policy Implementation and works committee.

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Grievance Redressal Committee, Works committee acts as per defined Mechanism, Certified Standing Orders

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No such instance. IOLCP is SA 8000:2014 Social Accountability Standard compliant and its requirements are implemented in latter and spirits.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No such grievances/complaints on Human Rights violations.

2. Details of the scope and coverage of any Human rights due-diligence conducted. N/A

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	100%

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No Significant Risk. All requirements of SA 8000:2014 being complied.

Business Responsibility & Sustainability Report (Contd..)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Whether total energy consumption and energy intensity is applicable to Company: Yes

Revenue from operations (in Rs): 2079 crore

Parameter	Units	FY 2024-25	FY 2023-24
From renewable sources			
Total electricity consumption (A)	Tera Joules	1974.5	1775.30
Total fuel consumption (B)	Tera Joules	-	-
Energy consumption through other sources (C)	Tera Joules	0.37	0.169
Total energy consumption from renewable sources (A+B+C)	Tera Joules	1974.9	1775.4
From non-renewable sources			
Total electricity consumption (D)	Tera Joules	495.7	626.0
Total fuel consumption (E)	Tera Joules	-	-
Energy consumption through other sources (F)	Tera Joules	2.58	3.77
Total energy consumption from non-renewable sources (D+E+F)	Tera Joules	498.2	629.77
Total energy consumption (A+B+C+D+E+F)	Tera Joules	2473.1	2405.17
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Tera Joules	0.000000118	0.000000112
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)		2.45	2.32
Energy intensity in terms of physical output Energy intensity per permanent employee		63.37 0.85	61.99 0.86

Note : When we compared the statistics for FY 2022–2023 with FY 2023–2024, we discovered that the energy usage didn't adhere to the usual pattern. As a result, we did not include the energy consumption of newly introduced plants or the expansion of already-existing plants in our comparison, as indicated in the last column of the table.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, ISO 50001 :2018 Energy management system implemented and site was audited by BSI

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	232273	226879
(ii) Groundwater	16008	18256
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	248281	245135
Total volume of water consumption (in kilolitres)	248281	245135
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000119	0.00001149
Water intensity Per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (KL) / Revenue from operations adjusted for PPP)	246.75	237.46
Water intensity in terms of physical output (Water Consumed in KL/FTE)	0.63	0.60
Water intensity per permanent employee	85.88	88.27

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

YYes, Intertek India Private Limited 4.

Provide the following details related to water discharged

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment [in kilolitres (KL)]	0	0
(i) To Surface Water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, British Standard Institution (BSI)

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Waste Effluent from all the plants comes to the ZLD facility established within the industry and the treated water is reused in Cooling towers. 2) ZLD SOP is in place to avoid any deviations in the process for smooth functioning. 3) Separate Lab is established for regular testing of the incoming streams.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	mg/NM3	104	148
SOx	mg/NM3	8.8	15
Particulate matter (PM)	mg/NM3	61.5	70
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	PPM	345	320
Hazardous air pollutants (HAP)	mg/NM3		16.70
Others– please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

YES, Precitech Laboratories, State Pollution Control Board, Envirotech Laboratories

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	45920	49521
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	6019.88	6179
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 Equivalent / Rs	0.00000249	0.000002611

Business Responsibility & Sustainability Report (Contd..)

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 Equivalent / Rs	51.61	53.95
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 Equivalent / Rs	3.01	2.67
Total Scope 1 and Scope 2 emission intensity per permanent employee	Metric tonnes of CO2 equivalent per permanent employee	17.96	20.05

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, GHG Emissions are verified by External Third party and are as per GRI guidelines and ISO 14064-1.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has undertaken several projects aimed at reducing Greenhouse Gas (GHG) emissions, including :

- Hazardous waste reduction, recycling, and reuse work processes under waste to wealth initiative
- Steps to reuse byproducts of the process (Pharma & API)
- Replacement of Forklifts (Diesel Operated to Electrical)
- Solar Panel Installation 62.1 KW & 510 KW
- Improving the system for recovering waste heat.
- Energy consumption reduction via equipment modernization
- Lowering greenhouse gas emissions by optimizing processes
- Talent Capability Building – 26 member CII certified Professional on Resource efficiency and Environmental Sustainability, Green Supply Chain and Carbon Foot print
- 17% Scope 3 Downstream Emission reduction by clubbing of vehicle Initiatives
- Carbon Sink verification of one model site implemented at site
- Plastic Waste reduction by drum size conversion under product sold category contributing in Scope 3 emission reduction.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	53.22	60.18
E-waste (B)	0.38	1.05
Bio-medical waste (C)	0.0107	0.02344
Construction and demolition waste (D)	0	0
Battery waste (E)	2.03	2.69
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2705.21	2458.775
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1634.13	1898.86
Total (A+B + C + D + E + F + G+ H)	4394.98	4421.57
Waste intensity per rupee of turnover (Total waste generated (MT) / Revenue from operations)	0.00000021	0.0000002073
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT) / Revenue from operations adjusted for PPP)	4.36	4.28
Waste intensity in terms of physical output	35.66	33.72

Parameter	FY 2024-25	FY 2023-24
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	226.88	62.94
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	226.88	62.94
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	417.59	342.37
(ii) Landfilling	2067.24	2075.34
(iii) Other disposal operations	NA	NA
Total	2484.83	2417.71

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, ISO 14001 :2015 Environment management system implementation and was audited by BSI

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) adopts a comprehensive and environmentally responsible approach to waste management and the reduction of hazardous and toxic chemicals in its products and processes. The company ensures hazardous waste is stored separately in dedicated facilities and disposed of through authorized recyclers or incineration, complying with all regulatory requirements and holding valid authorizations.



- Different dustbins are defined in every plant, office, OHC, Canteen for collection of waste depending on the type and segregating from the source itself.
- Hazard Waste collection area is defined within the industry for storage.
- Awareness campaigns are been conducted in the premises for sustainable life and workplace management to reduce the waste.
- Condensate water is collected and reused in Cooling towers.
- Effluent treatment and reused in Cooling towers

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: No

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion of Chemicals and APIs production unit at Village & Post Fatehgarh Channa, Mansa Road, District Barnala	Notified under EIA Notification	NA	Yes	Yes	Environmental clearance document available on Ministry of Environment, Forest and Climate Change portal

Business Responsibility & Sustainability Report (Contd..)

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			NA	

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	0	0
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Intertek

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	93042	108357.15
Total Scope 3 emissions per rupee of turnover		0.0000044	0.0000050

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes GHG emissions are verified by external third party BSI . Limited Assurance statement was also issued by BSI

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

In our operations areas, conservation of biodiversity is our top priority. We follow rules, carry out in-depth environmental impact evaluations for projects, and make sure there are no adjacent endangered species or environmentally sensitive areas. Sustainability and the preservation of the environment are guaranteed by our dedication to ethical environmental practices.

We ensure the preservation of ecological diversity with our strong, effective, and environmentally conscious management system. Given our geographic location, there are no eco-sensitive areas or endangered animals in the immediate neighborhood.

Company has developed and maintained two no. of Biodiversity parks at Barnala City.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
1	To get approx 3 MW of power increase (without bleeds open & with bleeds open of approx 2.3 MW by changing old 13MW turbine with new efficient turbine on same foot prints	Energy saving by replacement of Old 12.1 MW Turbine with new designed efficient 12.4 MW Turbine with same input parameters of steam	18534.54 tCO2e	Monthly Monitoring & Inspection
2	Sludge Dryer installation to Reduce Moisture Content	Achieve reduction in Sludge Moisture content by 75-80% Sludge Volume reduction	20.65 tCO2e	Monthly Monitoring & Inspection
3	Solar Panel Installation	0.0621 MW (62.1 KW) Solar Panel Installation for Carbon Neutral Scope 2	61.32996 tCO2e	Monthly Monitoring & Inspection
4	Optimization in one of the pharma product	Process Optimization Initiatives Waste to Wealth Considering 150MT Saleable product	936 MT product sold	Monthly Monitoring & Inspection
5	Replacement of Forklifts	Procurement of 7 Electric Forklift for replacement of Diesel operated forklift	128 tCO2e	Monthly Monitoring & Inspection
6	Downstream Transportation	Vehicle Clubbing for road transportation emission reduction	647 tCO2e	Monthly Monitoring & Inspection
7	Upstream Transportation	Local Sources Development for RM Reduction in Plastic Purchase by Modification initiatives with supplier	24196.1 tCO2e	Monthly Monitoring & Inspection
8	Solar Panel	1.5 MW Solar Panel Installation for Carbon Neutral Scope 2 - 6134 MTCO2e	1481.4 tCO2e	Monthly Monitoring & Inspection

Business Responsibility & Sustainability Report (Contd..)

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

IOL Chemicals & Pharmaceuticals Ltd. is a fully backward integrated, Indian pharmaceutical company with a strong thrust on exports. We are the largest manufacture of different APIs and different Specialty Chemicals which we produce right from the basic stage. APIs/ Chemicals are produced at world-class manufacturing facilities. These facilities have been approved by leading drug regulatory authorities - US FDA. Russia. WHO Geneva. HPFB Canada, KFDA Korea, EDOM.

With operations in over 80 countries across the globe, exports and domestic business account for approximate equal contribution of the company's income.

Continuity of any business with all interested parties concern & targeted growth considering the risk involve is an essential part of the any business organization. Business Continuity is generally ensured by alternate arrangement of raw material, services & utilities required for smooth operations. Business critical functions have been analyzed for any failure and backup arrangement to uninterrupted supply of goods to the customers. All identified critical functions have been assessed for risk & its criticality to the business to set the priority for the next action to be taken to reduce the impact.

A documented guiding document has been established by IOLCP which can be referred in case of major fire, data loss, flooding, raw material supply interruption which may occur during performing any business operation.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NA

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100% key Raw material suppliers on the basis on internal Assessment on ESG

8. How many Green Credits have been generated or procured:

- (i) By the listed entity: Nil
- (ii) By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not available



PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Twelve

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Phd chamber of commerce and industry	National - India
2	Apex chamber of commerce and Industry	National - India
3	Indian Chemical Council	National - India
4	Confederation of Indian Industry	National - India
5	Pharmexcil	National - India
6	Chemexcil	National - India
7	Chamber of industrial & commercial undertakings	National - India
8	Entrepreneures' organisation	International US &National (Personal Mr. Abhiraj Gupta)
9	Ludhiana Management Association	National - India
10	Young Presidents' Organization	International US &National (Personal Mr. Vikas Gupta)
11	National Safety Council (NSC)	National - India
12	Naukri.com	National - India

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL		

Leadership Indicators

1. Details of public policy positions advocated by the entity: No

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NO					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

1. Formal Grievance Redress Mechanisms

Grievance redressal mechanisms allow communities to lodge complaints related to company policies, operations, or behavior. This is often independent of the parties involved in grievance to ensure impartiality.

2. Designated Responsible Personnel

IOLCP has designated authorized personnel to represent Management and are responsible for receiving, documenting, and following up on grievances.

3. Multiple Accessible Communication Channels

IOLCP has provided diverse channels for communities to submit complaints or suggestions, including:

Written complaints, Dedicated phone numbers, Face-to-face meetings or community liaison Suggestion boxes.

4. Clear Procedures for Complaint Handling

Upon receipt of a complaint, the person responsible acknowledges it promptly.

Complaints are documented using standardized forms capturing key details such as the nature of the grievance, complainant information, and investigation status.

The complaint is assessed for admissibility, and if accepted, an investigation is conducted to identify root causes.

A work plan for resolution is developed, and progress is regularly monitored and reported to senior management.

5. Community Engagement and Awareness

IOLCP engage community representatives in designing and improving grievance mechanisms to ensure they meet local needs and cultural contexts.

CSR Awareness campaigns, printed materials, and meetings in schools, panchayats, markets, and places of worship are used to inform the community about the grievance process and contact points.

6. Transparency and Reporting

Regular reporting on grievances, including the number, nature, and status of complaints, is provided internally and shared with communities as well for a cordial industrial and harmonious relationship.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	7.67%	4.91%
Sourced directly from within the district and neighbouring districts	10%	15%



Business Responsibility & Sustainability Report (Contd..)

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (%)	FY 2023-24 (%)
Rural	77.97%	76.05%
Semi-Urban	-	-
Urban	22.80%	23.86%
Metropolitan	0.08%	0.08%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
		NA	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. However, We have as a standard policy in general terms of condition of PO that the Company promotes diversification of vendors and does not discriminate the vendor on the basis of their name, religion, a small, minority own, women owned, disadvantage/disabled, veteran owned and LGBTQA business enterprises.

(b) From which marginalized /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
	N/A	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Preventive health care & sanitation, Eradicating hunger	The CSR projects of the Company are being carried in the nearby area of the Company's to benefit most of the persons from marginalized group	
2	Community Development		
3	Environmental sustainability and Disaster Relief		
4	Promoting education among children		
5	Animal welfare		Animals in and around the activity area

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Yes, the SOP for the complaint handling and feedback is in place and integral part of quality management system. SOP no. is Number-BNL-API/CHEM-QA-SOP-000008 titled as "Handling of Product complaints"

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	42	1	NA	48	4	NA

Note: The pending resolutions are now closed.



4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

No. However, we are adhering the best practices to overcome the cyber threats.

However regular reviews are being conducted to improve cyber security, the measure to safeguard data privacy are taken and needs are evaluated with reference to best practices and effective measures are adopted in the company.

Provide the following information relating to data breaches:

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There have been no issue related to advertising and delivery of essential services, cyber security, and data privacy of customers.

Also, there was no action by any regulatory authority, and no issue on safety of the product.

- a. Number of instances of data breaches
0
- b. Percentage of data breaches involving personally identifiable information of customers
0%
- c. Impact, if any, of the data breaches
NA

Business Responsibility & Sustainability Report (Contd..)

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information relating to all products of the Company are available on the website at <https://www.iolcp.com/business/business-overview>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

IOLCP provides Material Safety Data Sheet (MSDS) while dispatching products to its customer which contains information pertaining to safe handling and product storage. Risks/hazards related to product and steps to mitigate risks are incorporated in MSDS.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company provide information to its customers through e-mails and phone calls.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Yes, our product labels are in compliance with prevailing regulatory guidelines and mandatory information is displayed on product labels. As per customer requirement additional information is also provided, if any, like TREM card required during material transportation.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes





Standalone Financial Statements



Independent Auditor’s Report

TO THE MEMBERS OF
IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **IOL Chemicals and Pharmaceuticals Limited** (“the Company”) (CIN:L24116PB1986PLC007030), which comprise the Balance Sheet as at March 31, 2025, 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 notes to the Financial Statements, including a summary of material 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, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 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 (SAs). 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.no.	Key Audit Matter	Auditors’ Response
1.	<p>Revenue recognition:</p> <p>Refer note 2(i)(v) and note 25 of the Standalone Financial Statements. The Company’s sales revenue mainly arose from sale of Bulk Drugs and Chemical products. The Company recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company’s accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. We tested the relevant information technology systems used in recording revenue including Company’s system generated reports, based on which selection of samples was undertaken. On sample basis, we performed test of details of sales recorded close to the year-end through following procedures: <ol style="list-style-type: none"> Analysed the terms and conditions of the underlying contract with the customer, and Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.
2.	<p>Property, Plant and Equipment:</p> <p>Refer note 3 of the Standalone Financial Statements.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred, in relation to Buildings, Plant and Machinery and Capital work-in-progress.

S.no.	Key Audit Matter	Auditors' Response
	<p>During the year, the company has incurred substantial capital expenditure on Property, Plant and Equipment and Capital work in progress towards assets under construction/ erection and expansion.</p> <p>With regard to capitalisation of Plant and Machinery, Buildings and Capital work in progress, Management has identified specific expenditure including employee costs and other specific overheads relating to each of the assets and has applied judgement to assess if the costs incurred in relation to these assets meet the recognition criteria on Property, Plant and Equipment in accordance with Ind AS 16.</p> <p>This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs that are eligible for capitalisation are not appropriately capitalised or costs capitalised are not in accordance with the recognition criteria provided in Ind AS 16.</p>	<ul style="list-style-type: none"> Tested the direct and indirect costs capitalised, on a sample basis, with the underlying supporting documents to ascertain the nature of costs and the basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment. Tested, on a sample basis, the appropriateness of employee costs capitalised in relation to Plant and Machinery and Buildings based on verification of their payroll data etc. Tested other costs debited to Standalone Statement of Profit and Loss, on a sample basis, to ascertain whether these meet the criteria of capitalisation Assessed the adequacy of disclosures in the Standalone Financial Statements. <p>Our procedures did not identify, any costs that are eligible for capitalisation are not appropriately capitalised or costs capitalised are not in accordance with the recognition criteria provided in Ind AS 16.</p>

Information Other than 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 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 are also responsible for overseeing the Company's financial reporting process.

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

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



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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 35
 - 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, if any, to the Investor Education and Protection Fund by the Company.
 - iv. (a) 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;
 - (b) 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;
- (c) 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. As stated in Note 2(i)(vi)(i) and note 14(b) to the Standalone Financial Statements
 - (a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for the record retention.
2. 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 and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner

Place: Ludhiana
Dated: May 16th, 2025

Membership No.:506955
UDIN:25506955BMMHWU5300



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 IOL Chemicals and Pharmaceuticals Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial 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 **IOL Chemicals and Pharmaceuticals Limited** ("the Company") as of March 31, 2025 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 system 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, 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 and on behalf of
Ashwani & Associates
Chartered Accountants

Firm Registration Number: 000497N
by the hand of

Sd/-

Aditya Kumar

Partner

Place: Ludhiana

Dated: May 16th, 2025

Membership No.:506955

UDIN:25506955BMMHWU5300

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 IOL Chemicals and Pharmaceuticals 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:

returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

- i. In respect of 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 the Property, Plant and Equipment and Right-of-Use Assets at reasonable intervals. Pursuant to this program, certain Property, Plant and Equipment were physically verified during the year, and, no material discrepancies were noticed on such verification.
 - c) Based on our examination of the, 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 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, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and as per the information provided to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. The Company has made investments in companies but has not granted unsecured loans to other parties, during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the order is not applicable.
 - (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) The Company has not granted any loans during the year, and hence reporting under clause 3(iii)(c) of the order is not applicable.
 - (d) The Company has not granted any loans during the year, hence there is no overdue amount remaining outstanding as at balance sheet date, and hence reporting under clause 3(iii)(d) of the order is not applicable.
 - (e) The Company has not renewed or extended or granted fresh loans to settle the overdues of existing loans given to the same parties and hence reporting under clause 3(iii)(e) of the order is not applicable.
 - (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.
- iv. The Company has not granted any loans specified in Section 185 of the Companies Act, 2013.
The Company has complied with section 186 of the Companies Act, 2013 in respect of investments made. The Company has not provided any guarantee or securities to any person.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- 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, 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 Services 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, 2025 for a period of more than six months from the date they become payable.
- (b) There are no statutory dues as referred to in sub-clause (a) which have not been deposited on account of a dispute.
- 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.
- ix. (a) The Company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (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 and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year 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) No whistle-blower complaints were received during the year by the Company.
- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company is in compliance with the provisions of sections 177 and 188 the Companies Act, 2013 with respect to applicable transactions with related parties and the details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under the Act. (Refer note no. 40)
- xiv. (a) In our opinion, the Company has an adequate internal audit system which commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence the reporting under clause 3(xv) is 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 no resignation of the statutory Auditors during the year and accordingly reporting under clause 3(xviii) of the order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of Section 135(6) of the Act. (Refer Note no. 47)

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner

Place: Ludhiana
Dated: May 16th, 2025

Membership No.:506955
UDIN:25506955BMMHWU5300



Standalone Balance Sheet

as at 31-March-2025

in ₹ Crore

Particulars	Note No.	As at 31-Mar-2025	As at 31-Mar-2024
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,158.00	921.12
(b) Right of use assets	4	-	-
(c) Capital work-in-progress	3.2	20.81	99.83
(d) Other Intangible assets	3.3	12.34	11.57
(e) Intangible assets under development	3.4	1.12	1.04
(f) Financial assets			
(i) Investments	5.1	17.71	17.71
(ii) Other financial assets	6	7.88	48.87
(g) Other non-current assets	7	12.80	24.35
Total non-current assets		1,230.66	1,124.49
2 Current assets			
(a) Inventories	8	360.62	424.84
(b) Financial assets			
(i) Investments	5.2	3.30	2.88
(ii) Trade receivables	9	513.69	471.23
(iii) Cash and cash equivalents	10	78.02	7.53
(iv) Bank balances other than (iii) above	11	129.92	135.09
(v) Other financial assets	12	5.63	7.11
(c) Current tax assets (net)	24	0.34	6.76
(d) Other current assets	13	59.60	64.04
Total current assets		1,151.12	1,119.48
TOTAL ASSETS		2,381.78	2,243.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	58.71	58.71
(b) Other equity	15	1,628.70	1,552.62
Total equity		1,687.41	1,611.33
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(b) Provisions	17	6.69	6.71
(c) Deferred tax liabilities (net)	32	77.81	66.14
(d) Other non-current liabilities	18	-	0.04
Total non-current liabilities		84.50	72.89
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	117.04	32.76
(ia) Lease liabilities	16	-	-
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		6.74	8.16
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		420.82	461.02
(iii) Other financial liabilities	21	46.22	37.55
(b) Other current liabilities	22	17.08	16.87
(c) Provisions	23	1.97	3.39
Total current liabilities		609.87	559.75
TOTAL EQUITY AND LIABILITIES		2,381.78	2,243.97

Corporate information 1
Material accounting policies 2

See accompanying notes forming part of standalone financial statements

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Statement of Profit and Loss

for the period ended 31-March-2025

in ₹ Crore

Particulars	Note No.	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Income:			
I Revenue from operations	25	2,079.21	2,132.79
II Other income	26	22.40	30.07
III Total income (I+II)		2,101.61	2,162.86
IV Expenses:			
Cost of materials consumed	27	1,358.34	1,435.05
Purchase of stock-in-trade		-	0.15
Changes in inventories of finished goods, work in progress and stock in trade	28	33.51	(38.25)
Employee benefits expense	29	216.57	201.02
Finance cost	30	14.76	16.10
Depreciation and amortization expense	3	71.92	62.85
Other expenses	31	268.62	303.30
Total expenses (IV)		1,963.72	1,980.22
V Profit before exceptional items and tax (III-IV)		137.89	182.64
VI Exceptional items		-	-
VII Profit before tax (V-VI)		137.89	182.64
VIII Tax expense:			
Current tax		24.74	37.01
Deferred tax		12.15	10.21
Total tax expense (VIII)	32	36.89	47.22
IX Profit for the period (VII-VIII)		101.00	135.42
X Other Comprehensive Income / (loss)			
A Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) of defined benefit obligation		(0.97)	(1.71)
ii) Income tax relating to items that will not be reclassified to profit or loss	32	0.24	0.43
B Items that will be reclassified to profit or loss			
i) Net movement in effective portion of cash flow hedge reserve		(0.95)	(0.01)
ii) Income tax relating to items that will be reclassified to profit or loss	32	0.24	-
Total other comprehensive income/(loss) for the year, net of tax (X)		(1.44)	(1.29)
XI Total Comprehensive Income for the period (IX+X)		99.56	134.13
XII Earnings per equity share of ₹ 2/- each			
- Basic & Diluted (in ₹/share)	33	3.44	4.61
Weighted average number of equity shares used in computing earnings per equity share			
- Basic & Diluted		29,35,27,510	29,35,27,510

Corporate information 1

Material accounting policies 2

See accompanying notes forming part of standalone financial statements

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Statement of Changes in Equity

for the period ended 31-March-2025

A. Equity Share capital

(1) Current reporting period from 01-Apr-2024 to 31-Mar-2025

in ₹ Crore

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance as at the end of the current reporting period
58.71	-	58.71	-	58.71

(2) Previous reporting period from 01-Apr-2023 to 31-Mar-2024

in ₹ Crore

Balance as at beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period	Balance as at the end of the previous reporting period
58.71	-	58.71	-	58.71

B. Other Equity

(1) Current reporting period from 01-Apr-2024 to 31-Mar-2025

Standalone Statement of changes in Other Equity

Particulars	Other equity					Total ₹ Crore
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the current period	10.76	225.72	1,324.30	(8.13)	(0.03)	1,552.62
Profit for the period transferred from statement of profit and loss			101.00			101.00
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(0.73)		(0.73)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					(0.71)	(0.71)
Total Comprehensive Income for the period	-	-	101.00	(0.73)	(0.71)	99.56
Dividend paid on equity shares			(23.48)			(23.48)
Balance as at the end of the current period	10.76	225.72	1,401.82	(8.86)	(0.74)	1,628.70

Standalone Statement of Changes in Equity

for the period ended 31-March-2025

(2) Previous reporting period from 01-Apr-2023 to 31-Mar-2024

Standalone Statement of changes in Other Equity

Particulars	Other equity					Total ₹ Crore
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the previous period	10.76	225.72	1,218.23	(6.85)	(0.02)	1,447.84
Profit for the period transferred from statement of profit and loss			135.42			135.42
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(1.28)		(1.28)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					(0.01)	(0.01)
Total Comprehensive Income for the period	-	-	135.42	(1.28)	(0.01)	134.13
Dividend paid on equity shares			(29.35)			(29.35)
Balance as at the end of the previous period	10.76	225.72	1,324.30	(8.13)	(0.03)	1,552.62

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

 For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended 31-March-2025

in ₹ Crore

Particulars	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Cash flow from operating activities		
Profit before tax	137.89	182.64
Adjustments for:		
Depreciation and amortisation expense	71.92	62.85
Net (Gain)/Loss on current investment (net of expenses)	(0.41)	(0.31)
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	3.88	(4.77)
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.02)	(0.02)
Subsidy Income amortized	(0.03)	(0.05)
Interest income on financial assets carried at amortized cost net of rent amortized during the period	-	(0.03)
Sundry balances written off	0.08	0.16
Liabilities no longer required written back	-	(0.11)
Net (Gain)/Loss on Property, plant and equipment sold	0.10	(0.14)
Loss on Property, plant and equipment discarded	0.08	0.04
Interest expense	14.76	16.10
Interest income	(10.58)	(13.96)
	79.78	59.76
Operating profit before working capital changes	217.67	242.40
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	(45.85)	161.98
Decrease/(Increase) in trade and other receivables	(39.04)	27.42
Decrease/(Increase) in inventories	64.22	(99.32)
	(20.67)	90.08
Cash generated from operations	197.00	332.48
Income tax paid (net)	(18.32)	(42.02)
Net cash flow from/(used in) operating activities (A)	178.68	290.46
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(213.55)	(274.17)
Proceeds from sale of property, plant and equipment	0.98	1.85
Proceeds from sale of investments	-	0.24
Purchase of investment	-	(0.24)
Interest received	12.33	13.46
Bank balances not considered as cash and cash equivalents:		
(Increase)/Decrease in deposit with banks, having original maturity more than three months	45.91	67.27
(Increase)/Decrease in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	0.10	0.20
Net cash flow from/(used in) investing activities (B)	(154.23)	(191.39)

Standalone Cash Flow Statement

for the year ended 31-March-2025

in ₹ Crore

Particulars	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Cash flow from financing activities		
Proceeds/(Repayment) of current borrowings	84.28	(46.87)
Interest paid	(14.76)	(16.10)
Lease rent payments	-	(0.18)
Dividend paid on Equity shares	(23.48)	(29.35)
Net cash flow from/(used in) financing activities (C)	46.04	(92.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	70.49	6.57
Cash and cash equivalents at the beginning of the period	7.53	0.96
Cash and cash equivalents at the end of the period *	78.02	7.53
* Comprises		
Balances with banks in current account	77.24	6.65
Cash on hand	0.78	0.88
	78.02	7.53

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

For **Ashwani & Associates**

Chartered Accountants

Firm Registration Number: 000497N

Sd/-

Aditya Kumar

Partner

M.No. 506955

Place : Ludhiana

Date : 16-May-2025

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Abhay Raj Singh

Sr. VP & Company Secretary

Sd/-

Vikas Gupta

Joint Managing Director

DIN-07198109

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Note 1: Corporate information

IOL Chemicals and Pharmaceuticals Limited ("the Company") (CIN: L24116PB1986PLC007030) is a public company domiciled in India and incorporated on 29th September, 1986 under the provisions of the Companies Act, 1956. The shares of the company are listed on two stock exchanges in India i.e. at National Stock Exchange of India Limited (NSE) and at BSE Limited (BSE). The company is engaged in the manufacturing and selling of Pharmaceutical and Chemical products. The company caters to both domestic and international market.

The registered office of the company is situated at Village & Post Office Handiaya, Fatehgarh Chhanna Road, Barnala-148107, Punjab.

The standalone financial statements are approved for issuance by the Company's Board of Directors on 16th May, 2025.

Note 2 (i): Material accounting policies / critical accounting estimates and judgements

I. Statement of compliance

The standalone financial statements of the company have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The standalone financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of standalone financial statements

The standalone financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the company is Indian rupee (INR). The standalone financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of standalone financial statements, in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of

revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these standalone financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the standalone financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act 2013, duties levies like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the company has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, considerations are determined based on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

VI. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

VII. Employee benefits

Short term Employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits, such as salaries, wages, bonus etc.

Defined contribution plans

(i) Provident fund:

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans

(i) Gratuity:

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the company.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in

a scheme with Life Insurance Corporation of India as permitted by Indian Law

The Company recognises the net obligation of a defined benefit plan in its standalone Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

(ii) Compensated absences

The employees of the company are entitled to compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

VIII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

- a) Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- c) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

	As per management estimate
General plant & equipment on triple shift basis	15 Years
General plant & equipment on continuous process	15 Years
Co-Generation plant & equipment	4-15 Years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

IX. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method estimated useful lives are reviewed periodically and at end of each reporting period.

The estimated useful life of intangible assets is as follows:

Intangible assets	Estimated useful life
Software	6 years
Technical know	5 years
Patents	20 years

X. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

- a) Raw Material and Components Moving weighted average method plus direct expenses
- b) Stores and Spares Moving weighted average method plus direct expenses

- c) Work-in-progress Cost of material plus appropriate share of overheads thereon at different stage of completion.
- d) Finished Goods Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.
- e) Material in Transit Actual cost plus direct expenses to the extent incurred.

XI. Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

XII. Government grants

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

XIII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

XIV. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the standalone financial statements of the enterprise as a whole.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

XV. Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the standalone Balance Sheet and lease payments have been classified as financing cash flows.

The company as a lessor

Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

XVI. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous standalone financial statements as recognised in the standalone statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the standalone statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on net basis.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVII. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax is recognised using the balance sheet approach on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

(other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and deferred tax liabilities are off-set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority.

XVIII. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

XIX. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition. However, the trade receivables that doesn't contain a significant financing component are measured at transaction price.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

• Non-derivative financial instruments

1. Financial assets carried at amortised cost

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

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

4. Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- Financial assets or financial liability at fair value through profit or loss

This category has financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

- **Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the standalone

financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months.

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

The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

- **Equity share capital**

Equity shares

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three-level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

XX. Impairment of assets

i) Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

XXI. Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

XXII. Cash and cash equivalent

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

XXIII. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the company has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXIV. Current and non-current classification

The company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification

of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities include current portion of non-current financial assets and non-current financial liabilities respectively.

Note 2 (ii): Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Note 3.1 : Property, Plant and Equipment

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 01-Apr-2023	70.44	136.89	759.77	3.34	18.34	3.35	992.13
Additions	70.80	11.76	142.42	0.59	6.85	1.72	234.14
Disposals / adjustment	-	-	(2.84)	-	(1.22)	(0.29)	(4.35)
Gross carrying value as at 31-Mar-2024	141.24	148.65	899.35	3.93	23.97	4.78	1,221.92
Additions	18.85	62.64	218.35	2.42	5.25	1.04	308.55
Disposals / adjustment	-	-	(0.82)	-	(0.97)	(0.72)	(2.51)
Gross carrying value as at 31-Mar-2025	160.09	211.29	1,116.88	6.35	28.25	5.10	1,527.96
Accumulated depreciation as at 01-Apr-2023	-	20.31	215.38	1.22	3.72	0.98	241.61
Depreciation expense for the period	-	5.65	52.37	0.36	2.59	0.82	61.79
Elimination on Disposals / adjustment	-	-	(2.09)	-	(0.37)	(0.14)	(2.60)
Accumulated depreciation as at 31-Mar-2024	-	25.96	265.66	1.58	5.94	1.66	300.80
Depreciation expense for the period	-	6.52	59.42	0.50	3.08	0.98	70.50
Elimination on Disposals / adjustment	-	-	(0.47)	-	(0.40)	(0.47)	(1.34)
Accumulated depreciation as at 31-Mar-2025	-	32.48	324.61	2.08	8.62	2.17	369.96
Net carrying value as at 01-Apr-2023	70.44	116.58	544.39	2.12	14.62	2.37	750.52
Net carrying value as at 31-Mar-2024	141.24	122.69	633.69	2.35	18.03	3.12	921.12
Net carrying value as at 31-Mar-2025	160.09	178.81	792.27	4.27	19.63	2.93	1,158.00

Note 3.2 : Capital work in progress

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	99.83	202.86	281.88	20.81
Previous year	81.40	158.94	140.51	99.83

Note 3.3 : Intangible assets

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Patents	Total
Gross carrying value as at 01-Apr-2023	0.96	0.55	0.10	1.61
Additions	11.91	-	-	11.91
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2024	12.87	0.55	0.10	13.52
Additions	2.26	-	-	2.26
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2025	15.13	0.55	0.10	15.78
Accumulated amount of amortization as at 01-Apr-2023	0.41	0.55	-	0.96
Amortization expense for the period	0.99	-	-	0.99

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Patents	Total
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2024	1.40	0.55	-	1.95
Amortization expense for the period	1.48	-	0.01	1.49
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2025	2.88	0.55	0.01	3.44
Net carrying value as at 01-Apr-2023	0.55	-	0.10	0.65
Net carrying value as at 31-Mar-2024	11.47	-	0.10	11.57
Net carrying value as at 31-Mar-2025	12.25	-	0.09	12.34

Note 3.4 : Intangible assets under development

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing
Current year	1.04	2.15	2.07	1.12
Previous year	8.24	3.65	10.85	1.04

in ₹ Crore

	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
* Depreciation/Amortization	71.99	62.78
Amount transferred from deferred revenue	(0.07)	(0.07)
Depreciation on Right of use Assets (Refer note no. 37)	-	0.14
Depreciation/Amortization charged to statement of profit or loss	71.92	62.85

Notes:

No borrowing cost was required to be capitalized during the current and previous period.

All tangible assets except vehicles have been hypothecated/ mortgaged to secure borrowings of the Company (refer note 19)

The amount of expenditure recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 1.95 crores (Previous year ₹ 1.65 crores)

3.3a Capital work in progress (CWIP) ageing schedule as on 31-Mar-2025

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	14.08	6.73	-	-	20.81
Projects temporarily suspended	-	-	-	-	-
Total	14.08	6.73	-	-	20.81

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Capital work in progress (CWIP) completion schedule as on 31-Mar-2025

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-
Total	-	-	-	-	-

Capital work in progress (CWIP) ageing schedule as on 31-Mar-2024

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	99.01	0.82	-	-	99.83
Projects temporarily suspended	-	-	-	-	-
Total	99.01	0.82	-	-	99.83

Capital work in progress (CWIP) completion schedule as on 31-Mar-2024

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-
Total	-	-	-	-	-

3.4a Intangible assets under development ageing schedule as on 31-Mar-2025

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.12	-	-	-	1.12
Projects temporarily suspended	-	-	-	-	-
Total	1.12	-	-	-	1.12

Intangible assets under development completion schedule as on 31-Mar-2025

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects	-	-	-	-	-
Total	-	-	-	-	-

Intangible assets under development ageing schedule as on 31-Mar-2024

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.04	-	-	-	1.04
Projects temporarily suspended	-	-	-	-	-
Total	1.04	-	-	-	1.04

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Intangible assets under development completion schedule as on 31-Mar-2024

in ₹ Crore

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects	-	-	-	-	-
Total	-	-	-	-	-

4 Right of use assets

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Right of use assets (Refer note no. 37)	-	0.14
Deletions of rights of use assets	-	-
Less: Depreciation on right of use asset	-	(0.14)
	-	-

5.1 Investments (non-current)

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Unquoted (fully paid up)		
Investments carried at cost		
Equity instruments in subsidiary company		
Face value of ₹ 10/- each		
IOL-Foundation		
100000 equity shares (previous year 100000 Equity shares)	0.10	0.10
IOL Life Sciences Limited		
100000 equity shares (previous year 100000 Equity shares)	0.10	0.10
IOL Speciality Chemicals Limited		
100000 equity shares (previous year 100000 Equity shares)	0.10	0.10
Investment carried at fair value through OCI (FVTOCI)		
Investment in Equity Instruments		
Face value of \$ 1/- each		
US pharma Limited		
420 Equity shares (previous year 420 Equity shares)	17.41	17.41
	17.71	17.71
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.71	17.71
Aggregate amount of impairment in value of investment	-	-

5.2 Investments (current)

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds (unquoted)		
228117.384 (228117.384 as at 31-Mar-2024) units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth	0.31	0.29
Other investments (unquoted)		
Investment in Master Portfolio Services Limited	2.99	2.59
MPSL Irage Absolute Return Strategy		
Total	3.30	2.88
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	3.30	2.88
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non Current

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Interest receivable	0.24	0.53
Fixed deposits account with remaining maturity of more than twelve months		
i) Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	0.70	19.24
ii) Others	6.94	29.10
	7.88	48.87

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

7 Other Non current assets

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
Capital advances	3.52	15.12
Advances other than capital advances		
- Security deposit	3.85	3.72
- Lease hold land prepayments	0.14	0.14
- Prepaid expenses	0.51	0.59
Balance and deposits with government department or others *	4.78	4.78
	12.80	24.35

* This includes an amount of ₹ 1 crore deposited by the company towards custom duty under protest to Custom Authorities.

No advances are due by directors or other officers of the company or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

8 Inventories *

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Raw materials and components	168.36	193.55
Work-in-progress	38.62	44.85
Finished Goods	137.67	164.95
Stores and Spares	15.97	21.49
	360.62	424.84
Included above (Goods in transit and at port):		
Raw materials and components	76.99	120.82
Finished Goods	37.21	48.35
	114.20	169.17

* Valued at cost or net realisable value, whichever is lower

Inventories includes ₹ 18.84 crore as at 31-Mar-2025 and ₹ 47.87 crore as at 31-Mar-2024 valued at net realisable value.

Value of Inventories above is stated after provisions of ₹ 5.34 crore as at 31-Mar-2025 and ₹ 5.19 crore as at 31-Mar-2024 for write-downs to net realisable value

Cost of inventory recognised as expense during the current period ₹ 1484.57 crore (Previous year ₹ 1600.33 crore)

All inventories of company have been hypothecated to secure borrowings of the company (refer note 19)

9 Trade receivables

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
From related parties (Refer note no. 40)	-	-
Trade receivables considered good - Unsecured *	510.02	471.98
Trade receivables which have significant increase in Credit Risk	5.64	-
Trade receivables- credit impaired	0.66	0.90
Less: Allowances for expected credit loss and doubtful receivables	(2.63)	(1.65)
	513.69	471.23

* Net of bill discounted from banks Nil (Previous year ₹ 13.11 Crore)

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix.

All book debts have been hypothecated to secure borrowings of the company (refer note 19)

Trade receivables ageing schedule as on 31-Mar-2025

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	377.46	130.57	1.19	0.61	0.18	0.01	510.02
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(v) Disputed Trade receivables - which have significant increase in credit risk		-	1.29	4.35	-	-	5.64
(vi) Disputed Trade receivables - credit impaired		-	-	-	-	0.66	0.66
Total	377.46	130.57	2.48	4.96	0.18	0.67	516.32
Less: Allowances for expected credit loss and doubtful receivables							(2.63)
Total Trade receivables							513.69

Trade receivables ageing schedule as on 31-Mar-2024

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	334.75	132.12	5.01	0.08	0.02	-	471.98
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk							-
(vi) Disputed Trade receivables - credit impaired		-	0.02	0.20	0.01	0.67	0.90
Total	334.75	132.12	5.03	0.28	0.03	0.67	472.88
Less: Allowances for expected credit loss and doubtful receivables							(1.65)
Total Trade receivables							471.23

The following is the detail of allowance for lifetime expected credit loss:

in ₹ Crore

Particulars	As at	As at
	31-Mar-2025	31-Mar-2024
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the period	1.65	1.41
- Impairment loss recognized	-	-
- Expected credit loss	0.98	0.24
- Balance at the end of the period	2.63	1.65

10 Cash and cash equivalents

in ₹ Crore

Particulars	As at	As at
	31-Mar-2025	31-Mar-2024
Balances with banks		
- In current accounts	77.24	6.65
Cash on hand	0.78	0.88
	78.02	7.53

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

11 Other Bank Balances

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	75.73	104.48
Fixed deposits with original maturity of more than three months but less than twelve months	5.00	-
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	15.40	-
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	31.69	27.71
Balances with banks in earmarked accounts for CSR Expenditure	0.84	1.78
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.26	1.12
	129.92	135.09

12 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
Security deposit (to related party) (Refer note no. 40)	0.90	0.90
Interest receivable	1.65	3.12
Other recoverable	0.44	-
Export incentives/ other receivables from Government Authorities	1.42	1.51
Advances to employees	1.22	0.98
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	-	0.60
	5.63	7.11

13 Other Current Assets

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good unless otherwise stated)		
Advances against supply of goods and services		
- to related party (Refer note no. 40)	-	-
- to others	7.40	8.29
Prepaid expenses	7.87	13.42
Balance and deposits with government department or others	28.31	35.58
Security deposit	0.49	0.49
Lease hold land prepayments	0.01	0.01
Other Receivables	15.52	6.25
	59.60	64.04

No advances are due by directors or other officers of the company or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

14 Equity share capital

in ₹ Crore

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 2/- each (Previous year ₹ 10/- each) (par value)	40,00,00,000	80.00	8,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 2/- each (Previous year ₹ 10/- each) (par value)*	29,35,27,510	58.71	5,87,05,502	58.71

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

in ₹ Crore

Particulars	Equity share capital			
	As at 31-Mar-2025		As at 31-Mar-2024	
	Number	in ₹ Crore	Number	in ₹ Crore
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the period	5,87,05,502	58.71	5,87,05,502	58.71
Number of Equity shares arising on shares split from ₹ 10/- to ₹ 2 per share (Refer note below)	23,48,22,008	-	-	-
Shares and share capital outstanding at the end of the period	29,35,27,510	58.71	5,87,05,502	58.71

* The equity shares of the Company, during the year, have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share based on approval by the shareholders through Postal Ballot on 31-Jan-2025. The Record Date for effecting this sub-division of equity share was 11-Mar-2025.

b. Rights, preferences and restrictions attached to equity shares

The company presently has one class of equity shares having a par value of ₹2/- each (previous year ₹10/- each). Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has paid 40% (₹ 4 per equity share of ₹ 10/- each) interim dividend during the year ended 31-Mar-2025 and 50% (₹ 5 per equity share of ₹ 10/- each) during the year ended 31-Mar-2024. Dividend declared and distributed on number of shares outstanding before sub-division of equity shares.

The amount of per share dividend recognized as distribution to equity shareholders is as follows:

in ₹ Crore

Particulars	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Interim dividend (before sub-division of equity shares)	4.00	5.00
Final Dividend	-	-

The Company has incurred a net cash outflow of ₹ 23.48 crore during the year ended 31-Mar-2025 (Previous year ₹ 29.35 crore) on account of the interim dividend.

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2025		31-Mar-2024	
	Number of shares held (Face value of ₹ 2 each) *	% shareholding	Number of shares held (Face value of ₹ 10 each)	% shareholding
Mayadevi Polycot Limited	6,32,37,010	21.54%	1,26,47,402	21.54%
NM Merchandiles Private Limited	3,83,90,550	13.08%	50,75,571	8.65%
Vasudeva Commercials Limited	2,33,19,295	7.94%	46,63,859	7.94%
NCVI Enterprises Limited	4,68,50,695	15.96%	93,70,139	15.96%

* The equity shares of the Company have been sub-divided from face value of ₹10/- per equity shares to face value of ₹ 2/- per equity share with the effect from record date of 11-Mar-2025.

- d. There are no shares issued without payment being received in cash during the last five years.
- e. There are no buy back of equity shares during the last five years.
- f. There are no bonus shares issued during the last five years.
- g. There is no holding / ultimate holding company of the company.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

h. Shareholding of Promoter and Promoter Group

in ₹ Crore

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2025		Shareholding of Promoter and Promoter Group as on 31-Mar-2024		% Change during the period
		Number of shares held (Face value of ₹ 2 each) *	% of total shares ¹	Number of shares held (Face value of ₹ 10 each)	% of total shares	
Promoter						
1	Varinder Gupta	59,79,325	2.04%	11,95,865	2.04%	-
Promoter Group						
1	Varinder Gupta HUF	5,500	0.002%	1,100	0.002%	-
2	Mayadevi Polycot Limited	6,32,37,010	21.54%	1,26,47,402	21.54%	-
3	NM Merchantiles Private Limited	3,83,90,550	13.08%	50,75,571	8.65%	4.43%
4	NCVI Enterprises Limited	4,68,50,695	15.96%	93,70,139	15.96%	-
Total Shares held by promoter and Promoter Group at the end of the period		14,84,83,755	50.59%	2,70,94,212	46.15%	4.43%
		15,44,63,080	52.62%	2,82,90,077	48.19%	4.43%

* The equity shares of the Company have been sub-divided from face value of ₹10/- per equity shares to face value of ₹ 2/- per equity share with effect from record date of 11-Mar-2025.

15 Other Equity

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(i) Reserves and surplus		
a. Capital reserve	10.76	10.76
(Balance at the beginning and end of the period)		
b. Securities premium account (Balance at the beginning and end of the period)	225.72	225.72
c. Retained earnings		
Opening balance	1,324.30	1,218.23
Add: Profit for the year	101.00	135.42
Less: Interim/final Dividend	(23.48)	(29.35)
Closing balance	1,401.82	1,324.30
d. Remeasurements of defined benefit obligation (Refer note no 36)		
Opening balance	(8.13)	(6.85)
Add: Other comprehensive income/(expense) net of tax impact	(0.73)	(1.28)
Closing balance	(8.86)	(8.13)

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(ii) Net movement in effective portion of cash flow hedge reserve {Refer note no 41 (ia)}		
Opening balance	(0.03)	(0.02)
Add: Other comprehensive income/(expense) net of tax impact	(0.71)	(0.01)
Closing balance	(0.74)	(0.03)
Total	1,628.70	1,552.62

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings if any represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income:

Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

16 Lease liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Lease liabilities (Refer note no. 37)	-	0.18
Deletions of lease liabilities	-	-
Interest expense on lease liabilities	-	0.00
#		
Payment of lease liabilities	-	(0.18)
	-	-

less than ₹ 50000

17 Provisions - Non current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Provision for employee benefits:		
- Gratuity (Refer note no. 36)	4.73	5.44
- Compensated absences	1.96	1.27
	6.69	6.71

18 Other non current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Deferred capital grants related to Property, plant and equipment	-	0.04
	-	0.04

Trade payables ageing schedule as on 31-Mar-2025

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME (Refer note no. 46)	14.14	2.81	-	-	-	16.95
(ii) Others	383.75	14.61	0.16	0.27	-	398.79
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others						-
Related party (Refer note no. 40)	10.42	1.40				11.82
Total	408.31	18.82	0.16	0.27	-	427.56

19 Borrowings - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Loan repayable on demand		
- From Banks (secured)	117.04	32.76
	117.04	32.76

Details of security for Loan repayable on demand

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future by way of hypothecation of finished goods, work-in-progress, raw materials, stores and spares, book debts, other current assets and pari-passu charge on

Details of security for Loan repayable on demand

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future by way of hypothecation of finished goods, work-in-progress, raw materials, stores and spares, book debts, other current assets and pari-passu charge on fixed assets as collateral security and further secured by personal guarantee of the Managing Director of the company.

Terms:-

Working capital borrowings from banks are repayable on demand.

20 Trade Payable

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Outstanding dues of micro and small enterprises	6.74	8.16
Outstanding dues of creditors other than micro and small enterprises	409.00	450.05
Outstanding dues to related parties (Refer note no. 40)	11.82	10.97
	427.56	469.18

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Trade payables ageing schedule as on 31-Mar-2024

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
		in ₹ Crore				
(i) MSME (Refer note no. 46)	12.10	2.01	-	-	-	14.11
(ii) Others	390.92	52.66	0.09	0.43	-	444.10
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Related party (Refer note no. 40)	9.21	1.76	-	-	-	10.97
Total	412.23	56.43	0.09	0.43	-	469.18

21 Other financial liabilities - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Unclaimed dividend	1.26	1.12
Payable to employees		
- to related parties	0.71	0.43
(Refer note no. 40)		
- to other employees	8.24	7.22
Other liabilities		
- to related parties	-	-
(Refer note no. 40)		
- to others - Liability for expenses	12.38	16.83
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	4.96	-
(a)	27.55	25.60
Payable on purchase of capital goods	(b) 18.67	11.95
Total	(a+b) 46.22	37.55

22 Other current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Advances from customers	8.33	8.85
Statutory remittances*	4.98	4.55
Deferred capital grants related to Property, plant and equipment	0.04	0.10
Other payable		
Corporate Social Responsibility (Refer note no. 47)	1.18	1.52
Security deposit	2.55	1.85
	17.08	16.87

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source, etc.

23 Current provisions

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Provision for employee benefits:		
- Gratuity (Refer note no 36)	1.68	2.04
- Compensated absences	0.29	1.35
	1.97	3.39

24 Current tax liabilities/(assets) (net)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Provision for Current tax (net of advance tax)	(0.34)	(6.76)
	(0.34)	(6.76)

Gross movement in current tax liabilities/(assets)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Net current tax liabilities/(assets) at the beginning of the year	(6.76)	(1.75)
Tax adjustments related to earlier years	2.09	(0.03)
Income tax receipt/(payment) of earlier years	3.93	0.06
Provision for current tax	22.65	37.04
Advance tax paid	(22.25)	(42.08)
Current tax liabilities/(assets)	(0.34)	(6.76)

25 Revenue from operations

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Sale of products	2,068.19	2,118.65
Other operating revenue		
(i) Export incentives	6.89	8.04
(ii) Miscellaneous sales	4.13	5.79
Sale of traded goods	-	0.31
	2,079.21	2,132.79

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31-Mar-2025 and 31-Mar-2024 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Details of sale of products		
- Chemicals	858.36	852.83
- Pharmaceuticals	1,171.79	1,217.20
- Others	38.04	48.62
	2,068.19	2,118.65

26 Other income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Interest income (Gross)		
- From bank deposits	10.58	13.96
TDS ₹ 1.13 crore (Previous year ₹ 1.44 crore)		
- On financial assets carried at amortized cost	-	0.03
Other non operating income		
Liabilities no longer required written back	-	0.11
Gain on sale of items of Property, Plant and Equipment (net)	-	0.14
Rent received	0.02	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.46	0.33
- Gain on fair value changes of financial assets	0.02	0.02
Gain on foreign currency transaction and translation	8.34	13.08
Amortisation of capital subsidy	0.03	0.05
Miscellaneous income	2.95	2.33
	22.40	30.07

27 Cost of material consumed

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Raw materials including packaging materials consumed		
Opening Stocks	193.55	134.08
Add: Purchases	1,333.15	1,494.52
Total	1,526.70	1,628.60

in ₹ Crore

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Less: Closing stocks	168.36	193.55
Consumption (refer detail below)	1,358.34	1,435.05
Detail of material consumed		
Acetic Acid	379.45	358.13
Sodium Di Chromate	73.16	79.39
Specially Denatured Spirit	345.66	375.58
Dicyandiamide	61.40	64.39
Toluene	58.29	73.33
Propylene	39.46	28.99
Aluminium Chloride	45.37	43.69
Sodium Metal	36.60	42.93
Others	318.95	368.62
	1,358.34	1,435.05

28 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Inventories at the beginning of the year		
Work-in-progress	44.85	61.85
Finished goods	164.95	109.59
Stock in trade	-	0.11
	(A) 209.80	171.55
Inventories at the end of the year		
Work-in-progress	38.62	44.85
Finished goods	137.67	164.95
Stock in trade	-	-
	(B) 176.29	209.80
	(A-B) 33.51	(38.25)

29 Employee benefits expense

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Salaries and Wages (including Bonus)	193.64	179.09
Contribution to provident and other funds	14.73	13.50
Staff welfare expenses	8.20	8.43
	216.57	201.02

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

30 Finance Cost

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Interest expense on:		
- working capital	8.15	4.14
- other borrowings	1.75	6.70
Other borrowing costs	4.86	5.26
	14.76	16.10

31 Other expense

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Power and Fuel	114.93	149.05
Consumption of stores and spares	22.10	26.15
Repairs and maintenance		
- Plant and Machinery	15.87	14.41
- Building	5.48	4.70
- Others	3.94	2.41
Rent	1.76	1.71
Insurance charges	5.36	6.40
Auditor's Remuneration	0.27	0.27
Rates and Taxes	0.69	0.61
Loss on Property, plant and equipment sold (net)	0.10	-
Loss on Property, plant and equipment discarded	0.08	0.04
Allowance for expected credit loss and doubtful receivables	0.98	0.24
Sundry balances written off	0.08	0.16
Freight outward	50.96	41.64
Other Selling and distribution expenses	11.25	9.61
Expenditure on corporate social responsibility (Refer note no. 47)	3.05	7.62
Miscellaneous expenses	31.72	38.28
	268.62	303.30

32 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Current tax		
In respect of current period	22.65	37.04
Tax adjustments related to earlier years	2.09	(0.03)
Total (A)	24.74	37.01

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Deferred tax		
In respect of current period	12.15	10.21
Total (B)	12.15	10.21
Total Income tax expense (A+B)	36.89	47.22

(b) Income tax recognised in other Comprehensive income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.24)	(0.43)
Net movement in effective portion of cash flow hedge reserve	(0.24)	-
Total	(0.48)	(0.43)

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Profit before tax	137.89	182.64
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	34.70	45.97
Income tax for earlier years recognised in statement of profit and loss	2.09	(0.03)
Income tax impact of expenses not considered for tax purpose	-	0.01
Income tax impact of Income not considered for tax purposes	-	(0.04)
Income tax impact of expenses availed on payment basis	(0.12)	0.03
Income tax impact of allowances of permanent nature	0.99	2.10
Income tax impact of depreciation & amortisation	(0.06)	0.08
Income tax savings on deductions under section 80JJAA	(0.71)	(0.90)
Tax expense charged to statement of profit and loss	36.89	47.22
Effective rate of tax	26.75%	25.86%

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

(d) Movement in deferred tax balances

in ₹ Crore

Particulars	As at 01-Apr-2024	Recognised in statement of Profit and loss	Recognised in OCI	As at 31-Mar-2025
Deferred tax liabilities				
Property, Plant and Equipment	67.82	13.36		81.18
Intangible assets	2.87	(1.29)		1.58
Fair valuation gain on investments	0.01	0.01		0.02
Gross deferred tax liabilities (A)	70.70	12.08	-	82.78
Deferred tax assets				
Gratuity	(1.88)	0.51	(0.24)	(1.61)
Leave Encashment Liability (Net)	(0.42)	0.14		(0.28)
Expected credit loss	(0.42)	(0.24)		(0.66)
Cash flow hedge	(0.01)	-	(0.24)	(0.25)
Bonus	(1.83)	(0.34)		(2.17)
Gross deferred tax assets (B)	(4.56)	0.07	(0.48)	(4.97)
Net Deferred tax (Asset)/Liabilities (A+B)	66.14	12.15	(0.48)	77.81

in ₹ Crore

Particulars	As at 01-Apr-2023	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2024
Deferred tax liabilities				
Property, Plant and Equipment	60.21	7.61		67.82
Intangible assets	0.11	2.76		2.87
Fair valuation gain on investments	0.01	-		0.01
Gross deferred tax liabilities (A)	60.33	10.37	-	70.70
Deferred tax assets				
Gratuity	(1.75)	0.30	(0.43)	(1.88)
Leave encashment	(0.50)	0.08		(0.42)
Lease Liability (net)	(0.01)	0.01		-
Expected credit loss	(0.36)	(0.06)		(0.42)
Cash flow hedge	(0.01)	-	-	(0.01)
Bonus	(1.34)	(0.49)		(1.83)
Gross deferred tax assets (B)	(3.97)	(0.16)	(0.43)	(4.56)
Net Deferred tax (Asset)/Liabilities (A+B)	56.36	10.21	(0.43)	66.14

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

		in ₹ Crore	
Particulars		For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Total operations for the period			
Profit after tax attributable to equity shareholders (in ₹ crore)	A	101.00	135.42
Weighted average number of equity shares (number)	B	29,35,27,510	29,35,27,510
Weighted average number of equity shares in computing diluted earning per share (number)	C	29,35,27,510	29,35,27,510

in ₹ Crore

		For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Basic earnings per share (₹)	A/B	3.44	4.61
Diluted earnings per share (₹)	A/C	3.44	4.61
Face value per equity share (₹) *		2.00	2.00

*The equity shares of the Company, during the current year, have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share based on approval by the shareholders through Postal Ballot on 31-January-2025. The Record Date for effecting this sub-division of equity share was 11-March-2025. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of number of equity shares after sub-division.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

34 Research and Development expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Research and Development: Revenue expenses		
Raw material consumption	0.74	1.00
Salaries & wages	12.84	11.18
Depreciation	2.41	2.21
Stores & spares and other expenses	2.25	2.29
Cost of utilities	0.92	0.69
	19.16	17.37
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	1.86	1.96

The revenue expenses related to research and development is clubbed under respective account heads in profit and loss

35 Contingent liabilities and commitments (to the extent not provided for)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
A Contingent liabilities		
i. Claims not acknowledged as debts	0.26	0.13
ii. Bank Guarantee issued in favour of others	5.26	5.39
iii. Others*	-	0.56
	5.52	6.08
B Commitments		
i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	25.42	50.11
ii. Export obligations under Advance Authorisation/ Duty Free Import Authorisation #	-	31.40
iii. Obligations against Import of Goods at concessional rates of duty for specified end use ##	4.69	3.17
	30.11	84.68

Export obligations relates to duty saved on import of raw materials under the Advance Authorization Scheme. Under the scheme, the Company is committed to export prescribed times of the value of import of raw materials over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. During the year, the company has executed bonds for an aggregate amount of ₹ 26.16 crore (Previous Year ₹ 19.73 crore) in favour of The President of India under sub section (l) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

Obligations relates to import of goods at concessional rates of duty (IGCR) for manufacturing finished goods for Export and Domestic sales. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. During the year, the company has executed bonds for an aggregate amount of ₹ 21.50 Crore (previous Year ₹ 17.65 Crore) in favour of The President of India under sub section (l) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

* During the previous year Income tax department raised a demand for Rs 2.27 Crore related to AY 2020-21 which is adjusted with refund for AY 2023-24 of Rs 1.71 Crore. During the current year Income tax department revised the demand related to AY 2020-21 to Rs.2.06 Crore and balance amount of Rs.0.35 Crore has been adjusted fully against the refund of AY 2024-25.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

The Company has other commitments for purchase/sale orders which are issued after considering requirements as per the operating cycle for purchase/sale of goods and services, and employee benefits. The Company does not have any long term commitment or material non cancellable contractual commitments/contracts which might have a material impact on the standalone Ind AS financial statements of the Company.

36 Employee benefits

A Defined benefit plan: Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31-March-2025 and 31-March-2024.

Particulars	in ₹ Crore	
	31-Mar-2025	31-Mar-2024
	Gratuity (Funded)	
i) Changes in the present value of the obligation		
Present value of obligation as at the beginning of the year	28.63	23.79
Interest cost	2.08	1.75
Current service cost	2.97	2.60
Benefits paid	(0.74)	(1.35)
Remeasurement - actuarial (gain) / loss	1.24	1.84
Present value of obligation as at the end of the year	34.18	28.63
ii) Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	21.15	16.82

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Particulars	in ₹ Crore	
	31-Mar-2025	31-Mar-2024
	Gratuity (Funded)	
Actual return on plan assets	1.80	1.38
Contributions	5.56	4.30
Charges deducted	-	-
Benefits paid	(0.74)	(1.35)
Fair value of plan assets as at the end of the year	27.77	21.15
Unfunded Status (A-B)	6.41	7.48
iii) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation as at the end of the year	34.18	28.63
Fair value of plan assets as at the end of the year	27.77	21.15
Net asset/(liability) recognised in the Balance Sheet	(6.41)	(7.48)
iv) Expense recognised in the statement of profit and loss		
Current service cost	2.97	2.60
Net interest cost	0.54	0.51
Expense recognised in the statement of profit and loss	3.51	3.11
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	1.24	1.84
Actuarial (gain)/loss for the year on plan assets	(0.27)	(0.14)
Total Actuarial (gain)/ loss at the end of the year	0.97	1.70
vi) Bifurcation of actuarial (gain) / loss		
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	0.76	0.27
Actuarial (Gain) / loss on arising from change in experience assumption	0.48	1.57
	1.24	1.84

Particulars	in ₹ Crore	
	31-Mar-2025	31-Mar-2024
	Gratuity (Funded)	
vii) The major categories of plan assets as a percentage of the fair value of total plan assets		
Investment with the insurer	100%	100%

The plan assets are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Company. The same have therefore not been disclosed.

viii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

Particulars	in ₹ Crore	
	31-Mar-2025	31-Mar-2024
	Gratuity (Funded)	
Discount rate (per annum)	7.25%	7.25%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	26.91
Method used	Projected unit credit	

The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

ix) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

x) Sensitivity analysis of the defined benefit obligation:

Particulars	in ₹ Crore	
	31-Mar-2025	31-Mar-2024
	Gratuity (Funded)	
a) Impact of change in discount rate		
Present value of obligation at the end of the period	34.18	28.63
1. Impact due to increase of 0.50%	(1.45)	(1.21)
2. Impact due to decrease of 0.50%	1.59	1.32
b) Impact of change in salary increase		
Present value of obligation at the end of the period	34.18	28.63
1. Impact due to increase of 0.50%	1.61	1.34
2. Impact due to decrease of 0.50%	(1.48)	(1.23)

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

xi) Maturity profile of defined benefit obligation:

Particulars	in ₹ Crore	
	Gratuity (Funded) 31-Mar-2025	
Year ending		
a) Apr-2024 to Mar-2025	0 to 1 Year	8.94
b) Apr-2025 to Mar-2026	1 to 2 Year	0.86
c) Apr-2026 to Mar-2027	2 to 3 Year	2.32
d) Apr-2027 to Mar-2028	3 to 4 Year	1.11
e) Apr-2028 to Mar-2029	4 to 5 Year	0.83
f) Apr-2029 to Mar-2030	5 to 6 Year	1.05
g) Apr-2030 onwards	6 Year onwards	19.07

xii) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- a) **Salary increases** - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) **Investment risk** - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) **Discount rate**- Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) **Mortality and disability** - Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities
- e) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

xiii) The company expects to contribute ₹ 3.67 crore to the gratuity trust during the year 2025-26.

xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current

Particulars	in ₹ Crore	
	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
Current liability (amount due within one year)	8.94	7.83
Non-current liability (amount due over one year)	25.24	20.80
Total PBO at the end of year	34.18	28.63

B Contribution to Provident Fund

The company has recognized an expense of ₹ 10.67 crore (Previous year ₹ 9.81 crore) in respect of contribution to Provident Fund.

37 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Leases

Company as a Lessee

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, etc.). These leasing arrangements, which are non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

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

The changes in the carrying value of ROU assets for the year ended 31-Mar-2025 are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2025	31-Mar-2024
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	-	0.14
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation	-	(0.14)
Balance at the end	-	-

The movement in lease liabilities during the year are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2025	31-Mar-2024
Balance at the beginning	-	0.18
Additions	-	-
Finance cost accrued during the year	-	-
Deletions	-	-
Payment of lease liabilities	-	(0.18)
Balance at the end	-	-

Payment of Lease liabilities during the current year Nil (previous year ₹ 0.18 crore)

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2025	31-Mar-2024
Less than one year	1.42	0.24
One to five years	0.01	0.02
More than five years	0.16	0.16
Total	1.59	0.42

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Lease payments on account of short term and low value leases are recognized as rental expense on a straight line basis in the statement of profit and loss over the lease term.

Rental expense recorded under other expenses :

in ₹ Crore

Particulars	Year ended	
	31-Mar-2025	31-Mar-2024
Rent	1.76	1.67

Company as a Lessor

The rental income on assets given on operating lease to the Managing Director of the company was ₹ 0.02 crore for the year ended 31-Mar-2025 (Previous year ₹ 0.02 crore).

38. Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31-March-2025

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in subsidiary	0.30					0.30	0.30
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	7.88					7.88	7.88
Current Investments			3.30			3.30	3.30
Trade receivables	513.69					513.69	513.69
Cash and cash equivalents	78.02					78.02	78.02
Other Bank Balances	129.92					129.92	129.92
Other financial current assets	5.63					5.63	5.63
Total	735.44	-	3.30	-	17.41	756.15	756.15
Financial Liabilities:							
Short term borrowings	117.04					117.04	117.04
Trade Payables	427.56					427.56	427.56
Foreign exchange forward contracts					4.96	4.96	4.96
Other financial current liabilities	41.26		-			41.26	41.26
Total	585.86	-	-	-	4.96	590.82	590.82

As at 31-March-2024

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in subsidiary	0.30					0.30	0.30
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	48.87					48.87	48.87
Current Investments			2.88			2.88	2.88
Trade receivables	471.23					471.23	471.23

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Cash and cash equivalents	7.53					7.53	7.53
Other Bank Balances	135.09					135.09	135.09
Foreign exchange forward contracts					0.60	0.60	0.60
Other financial current assets	6.51					6.51	6.51
Total	669.53	-	2.88	-	18.01	690.42	690.42
Financial Liabilities:							
Short term borrowings	32.76					32.76	32.76
Trade Payables	469.18					469.18	469.18
Other financial current liabilities	37.55					37.55	37.55
Total	539.49	-	-	-	-	539.49	539.49

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-March-2025

in ₹ Crore

	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.31		0.31		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.99		2.99		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Foreign exchange forward contracts at fair value through OCI	-		-		
Total	20.71	-	3.30	17.41	

As at 31-March-2024

in ₹ Crore

	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.29		0.29		Published NAV value by mutual fund.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Other current investments at fair value through profit & loss	2.59		2.59		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Foreign exchange forward contracts at fair value through OCI	0.60		0.60		Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Total	20.89	-	3.48	17.41	

39 Segment information

I Segment Accounting Policies:

a. Products and services from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risk and returns and financial reporting results reviewed by Chief Operating Decision Maker (CODM), the company has identified the primary business segments which comprised:

The "Chemical" segment produces and sells Ethyl Acetate, Iso Butyl Benzene, Acetyl Chloride, Mono Chloro Acetic Acid, Acetic Anhydride, etc.

The "Pharmaceutical" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lamotrigine, Clopidogrel Bisulphate, Pantoprazole, Ursodeoxycholic Acid (UDCA), Gabapentin, Levetiracetam, Paracetamol, etc.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

b. Geographical segments - Secondary segments

The geographical segments considered for disclosure are based on markets, as under:

- i. India
- ii. Rest of the world

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

iii. Inter segment sales:

Inter segment sales are eliminated in consolidation.

iv. Segment results:

Segment results represents the profit before tax earned by each segment without allocation of other income and unallocable expenses as well as finance costs.

Detail of primary business segment

Products and services

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External Sales	866.87	864.45	1,212.32	1,262.54	0.02	5.80	-	-	2,079.21	2,132.79
Inter Segment transfer	212.52	275.79	-	-	-	-	(212.52)	(275.79)	-	-
Interest income					10.58	13.96			10.58	13.96
Other Income					11.82	16.11			11.82	16.11
Total Revenue	1,079.39	1,140.24	1,212.32	1,262.54	22.42	35.87	(212.52)	(275.79)	2,101.61	2,162.86
Segment Results	15.39	15.07	126.27	174.22					141.66	189.29
Unallocated Income (net of unallocated Expenses)					10.99	9.45			10.99	9.45
Profit before tax and interest									152.65	198.74
Finance cost					14.76	16.10			14.76	16.10
Profit before Tax & Extraordinary items									137.89	182.64
Exceptional items									-	-
Tax expense					36.89	47.22			36.89	47.22
Profit after Tax									101.00	135.42
Other Information										
Segment Assets	534.85	558.40	1,381.71	1,254.54					1,916.56	1,812.94
Unallocated assets					465.21	431.03			465.21	431.03
Total Assets	534.85	558.40	1,381.71	1,254.54	465.21	431.03			2,381.77	2,243.97
Segment Liabilities	300.16	330.66	194.88	150.11					495.04	480.77
Unallocated Liabilities					82.29	119.11			82.29	119.11
Short term borrowings					117.04	32.76			117.04	32.76
Total Liabilities	300.16	330.66	194.88	150.11	199.33	151.87			694.37	632.64
Capital Expenditure	1.69	42.99	165.28	125.93	64.90	88.36			231.87	257.28
Depreciation and Amortisation	21.19	18.34	44.94	39.84	5.79	4.67			71.92	62.85

Detail of secondary business segment

Geographical information

in ₹ Crore

Particulars	Year ended	Domestic sale		Export sale		Total
		India	Switzerland	Spain	Rest of the world	
Net revenue from sale of products	31-Mar-2025	1,523.12	51.23	55.46	449.40	2,079.21
	31-Mar-2024	1,539.20	60.35	61.36	471.88	2,132.79

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

- (i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost and tax expense. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

CODM, excludes the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amount therefore, form part of the unallocated assets and liabilities.

- (ii) There is no customer contributing more than 10% of the total revenue of the company.
- (iii) The company does not have manufacturing facilities outside India therefore all non current assets are located in India.

40 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

A. Related party and their relationship:-

Key Management Persons:

i	Whole time directors	Mr. Varinder Gupta	Managing Director
		Mr. Vikas Gupta	Joint Managing Director (w.e.f. 03-Apr-2023) & Executive Director (Upto 02-Apr-2023)
		Mr. Abhiraj Gupta	Executive Director (w.e.f. 03-Apr-2023)
		Dr. Sanjay Chaturvedi	Executive Director & CEO (upto 03-Apr-2023)
		Mr. Kushal Kumar Rana	Director Works
ii	Non executive directors	Mr. Rajender Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director (upto 22-Sep-2024)
		Mrs. Rajni Jha	Independent Director (w.e.f. 28-Oct-2024)
		Mr. Sharad Tyagi	Independent Director
iii	Chief Executive Officer	Mr. Vikas Vij	(From 03-Apr-2023 to 30-Sep-2024)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Senior Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

Nature of relationship	Name of related party
i. Subsidiary	IOL- Foundation
	IOL Life Sciences Limited
	IOL Speciality Chemicals Limited
ii. Overseas Subsidiary	IOL Global Limited (upto 22-Feb-2024)
iii. Enterprises over which Key Management Persons (KMP) and relative of such persons is able to exercise significant influence or control:	NM Merchantiles Limited
	Mayadevi Polycot Limited
	NCVI Enterprises Limited
iv. Relative of Key Management Persons:	Varinder Gupta (HUF)
	Mr. Abhiraj Gupta
v. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

B Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.

in ₹ Crore

Sr. No.	Particulars	Subsidiaries		Enterprises over which KMP is able to exercise significant influence or control		Key Management Persons (KMP)		Non executive directors		Post Employment Benefit Plans		Total ₹ Crore	
		Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024
		1	Purchase of goods and services:										
	NCVI Enterprises Limited	-	-	38.35	37.47	-	-	-	-	-	-	38.35	37.47
	Mayadevi Polycot Limited	-	-	54.96	70.56	-	-	-	-	-	-	54.96	70.56
	NM Merchandises Private Limited	-	-	7.37	-	-	-	-	-	-	-	7.37	-
2	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
3	** Managerial remuneration (including incentives)*	-	-	-	-	22.13	21.54	-	-	-	-	22.13	21.54
4	Sitting fees to non-executive directors of the company	-	-	-	-	-	-	0.34	0.35	-	-	0.34	0.35
5	Rent received	-	-	-	-	0.02	0.02	-	-	-	-	0.02	0.02
6	Rent paid	-	-	0.33	0.31	1.20	1.18	-	-	-	-	1.53	1.49
7	Contribution towards CSR expenses	1.56	9.37	-	-	-	-	-	-	-	-	1.56	9.37
8	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	5.55	4.30	5.55	4.30

C Details of balances outstanding as at the end of the period

in ₹ Crore

Sr. No.	Particulars	Subsidiaries		Enterprises over which KMP is able to exercise significant influence or control		Key Management Persons (KMP)		Non executive directors		Post Employment Benefit Plans		Total ₹ Crore	
		Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024
		Amount receivable on the last day the period											
1	Security deposit receivable	-	-	-	-	0.90	0.90	-	-	-	-	0.90	0.90
2	Investment Balance												
	- IOL-Foundation	0.10	0.10									0.10	0.10
	- IOL Life Sciences Limited	0.10	0.10									0.10	0.10
	- IOL Speciality Chemicals Limited	0.10	0.10									0.10	0.10
Amount payable on the last day of the period													
1	Trade payables against purchase of goods:												
	NCVI Enterprises Limited	-	-	4.07	3.02	-	-	-	-	-	-	4.07	3.02
	Mayadevi Polycot Limited	-	-	6.26	7.95	-	-	-	-	-	-	6.26	7.95
	NM Merchandises Private Limited	-	-	1.49	-	-	-	-	-	-	-	1.49	-
2	* Managerial remuneration	-	-	-	-	0.71	0.43	-	-	-	-	0.71	0.43

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(ii) *Long-term employee benefits for Key Managerial Persons:

The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

(iii) Related party M/s.NCVI Enterprises Limited has given corporate surety during the current year Rs.21.50 Crore (previous Year Rs.17.65 Crore) on Bonds executed by the company for import of raw materials at concessional rates of duty for producing finished goods for Export and Domestic sales. Pending remaining amount of commitment is Rs.4.69 Crore as on 31-Mar-2025 and Rs.3.17 Crore as on 31-Mar-2024 for production/sale of finished goods against import of raw materials received on these Bonds.

41 Financial Risk Management

The financial assets of the company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The financial liabilities of the company, other than derivatives, include loans and borrowings, trade payables, lease liabilities and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The company is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the company is exposed to and policies and framework adopted by the company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The company imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The company manages its foreign currency risk through the process of adjusting inward remittances in foreign currency for its payment of outward remittances (i.e. considering it as natural hedge). The Company also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

Particulars	in ₹ Crore			
	As at 31-Mar-2025		As at 31-Mar-2024	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	88,11,706	75.56	1,14,23,412	95.15
- In EURO	15,790	0.15	10,40,999	9.39
Trade Payables				
- In USD	3,57,02,594	311.66	2,44,79,007	203.61
In EURO	41,841	0.39	8,250	0.07
Net exposure				
- In USD	(2,68,90,888)	(236.10)	(1,30,55,595)	(108.46)
- In EURO	(26,051)	(0.24)	10,32,749	9.32

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

in ₹ Crore

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	84,36,531	72.32	45,71,424	38.09
- In EURO	15,790	0.15	10,40,999	9.39
Trade Payables				
- In USD	3,435	0.03	14,01,717	11.68
In EURO	41,841	0.39	8,250	0.07
Net exposure				
- In USD	84,33,096	72.29	31,69,707	26.41
- In EURO	(26,051)	(0.24)	10,32,749	9.32

Foreign currency sensitivity analysis

Any changes in the exchange rate of USD and EURO against INR is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD and EURO would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

in ₹ Crore

Particulars	31-Mar-2025		31-Mar-2024	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	1.45	(1.45)	0.53	(0.53)
2% Strengthening / weakening of EURO against INR	-	-	0.19	(0.19)

Foreign currency forward contracts held by the company as on reporting date:

in ₹ Crore

Particulars	As at	As at
	31-Mar-2025	31-Mar-2024
In USD	3,60,74,335	2,99,29,279
in ₹ Crore	314.87	248.99

Derivatives designated as hedging instruments

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. The Company has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

During the current year ended 31-March-2025 and previous year ended 31-March-2024, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

in ₹ Crore

Particulars	Financial Year	
	2024-25	2023-24
Opening balance of cash flow hedge reserve	(0.03)	(0.02)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(2.57)	(0.64)
Amount reclassified to profit or loss	1.62	0.63
Tax effect	0.24	-
Closing balance of cash flow hedge reserve	(0.74)	(0.03)

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

The following table includes the maturity profile of the foreign exchange forward contracts:

in ₹ Crore

Particulars	As at 31-March-2025		As at 31-March-2024	
	USD	in ₹ Crore	USD	in ₹ Crore
Not later than one month	87,09,192	75.69	1,26,23,566	105.10
Later than one month and not later than three months	1,41,48,667	123.74	1,63,05,712	135.54
Later than three months and not later than one year	1,32,16,475	115.44	10,00,000	8.35
	3,60,74,335	314.87	2,99,29,279	248.99

(b) Interest Rate Risk

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

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

in ₹ Crore

Variable rate instruments	Carrying amount	
	Financial Year	
	2024-25	2023-24
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	117.04	32.76

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

in ₹ Crore

Particulars	Financial Year	
	2024-25	2023-24
Increase/ (decrease) in 100 basis point	1.17	0.33

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

in ₹ Crore

Particulars	Financial Year	
	2024-25	2023-24
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short term borrowings	117.04	32.76
Less than 1 year	117.04	32.76
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	427.56	469.18
Less than 1 year	427.56	469.18
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	46.22	37.55
Less than 1 year	46.22	37.55
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company:

Particulars	in ₹ Crore	
	Financial Year	
	2024-25	2023-24
(a) Revenue from top five customers		
- % of total sales of top 1 customer	3.08%	3.72%
- % of total sales of top 5 customers	13.18%	14.36%

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

42 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

Particulars	in ₹ Crore	
	Financial Year	
	2024-25	2023-24
Borrowings including current maturities and interest accrued but not due	117.04	32.76
Less: Cash & cash equivalent and other bank balances	206.54	158.96
Net debt (A)	(89.50)	(126.20)
Total equity (B)	1,687.41	1,611.33
Gearing ratio (A/B)	N.A.	N.A.

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31-Mar-2025 and 31-Mar-2024.

43 In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

44 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 "Statement of Cash Flows" for the period beginning on 1-April-2017

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2024 coming under the financing activities of Cash Flow Statement	32.76	-
Changes during the year		
a) Changes from financing cash flow	84.28	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2025 coming under the financing activities of Cash Flow Statement	117.04	-

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2023 coming under the financing activities of Cash Flow Statement	79.63	-
Changes during the year		
a) Changes from financing cash flow	(46.87)	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2024 coming under the financing activities of Cash Flow Statement	32.76	-

45 Auditor's Remunerations

Particulars	in ₹ Crore	
	For the year ended	
	31-Mar-2025	31-Mar-2025
Statutory Audit Fee	0.13	0.13
Tax audit fee	0.04	0.04
Taxation matters	0.08	0.08
Other services including certification	0.02	0.02
Reimbursement of expenses	0.00	0.00
	0.27	0.27

46 The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	26.66	14.11
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	0.12	0.15
iii. The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-	-
iv. The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
v. The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME act	-	-
vi. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.12	0.15

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
vii. The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23	-	-

47 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), a company, meeting the applicability criteria requires to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities as provided in Schedule VII of the Companies Act, 2013. The CSR activities are monitored by the CSR Committee formed by the Board of Directors in accordance with the provisions of the Section 135 of the Companies Act 2013 read with CSR Rules.

Particulars	in ₹ Crore	
	For the year ended	
	31-Mar-2025	31-Mar-2024
Amount required to be spent on CSR by the Company during the year	4.06	6.65
Set-off excess amount spent during previous year	1.24	-
Amount of expenditure incurred	2.26	7.89
Amount contributed to IOL-Foundation as a part of ongoing projects as per Company's CSR Policy	-	-
Excess amount spent during the year	-	1.24
Shortfall at the end of the year ⁽¹⁾ (unspent amount allocated to ongoing project)	0.56	-
Total of previous years shortfall	0.62	1.63
Reasons of shortfall	The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY2024-25	

Particulars	in ₹ Crore	
	For the year ended	
	31-Mar-2025	31-Mar-2024
Nature of CSR activities	Promoting education, healthcare, eradication of hunger and malnutrition, animal care, environment sustainability, disaster relief, Covid-19 relief, sports and rural development projects.	
Detail of related party transaction in relations to CSR expenditure as per relevant Accounting Standard ⁽²⁾	1.56	9.37

[1] The shortfall amount is on account of funds that are allocated to the ongoing projects initiated during the current year and being unspent as at 31-Mar-2025 has been transferred to the unspent CSR account within 30 days from the end of financial year in accordance with the Companies Act 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The company has deposited ₹ 0.56 crore in unspent CSR account on 29th April 2025 relating to shortfall for FY 2024-25, which will be spent in coming years on ongoing projects.

[2] Represents contribution to IOL-Foundation for Company's CSR projects as per Company's CSR Policy.

[3] The excess amount of ₹ 1.24 crore spent during the year 2023-24 by the Company have been set off against the CSR expenditure of the current financial year.

[4] During the current year, the company also incurred an expenditure of ₹ 0.30 crore on ongoing projects for the FY 2021-22 and ₹ 0.67 crore on ongoing projects for the FY 2022-23.

48 Additional Regulatory Information

i The Company is holding title deed of all Immovable Properties held in its own name.

ii The Company is not holding any investment property.

iii The Company has not revalued any of its Property, Plant & Equipment and Right of use assets.

iv The Company has not revalued any of its Intangible Assets

v The Company has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.

vi The Company does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Company as at 31-Mar-2025 for holding any benami property.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

- vii** The quarterly returns for secured borrowings filed with Banks are fully in alignment with its Financial Statements.
- viii** The Company has never been declared as wilful defaulter by any bank or financial institution or other lenders.
- ix** The company doesnot have any relationship with any struck off company.
- x** All the charges are duly registered with the ROC within the prescribed time under the Companies Act 2013 & Rules made there under.
- xi** As at 31-Mar-2025, the Company have wholly owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd. and IOL Life Sciences Limited. The Company is in compliances of requirement of number of layer of companies.
- xii** There is no scheme of Arrangement approved during the year.
- xiii** The company has neither received any share premium amount nor the company has availed any term loan during the year. The working capital borrowing has been utilised by the company in its own business, the company has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.
- xiv** The company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- xv** There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

49 Financial Ratios:

The following are analytical ratios for the year ended 31-Mar-2025 and 31-Mar-2024:

in ₹ Crore

Ratios	Numerator	Denominator	Current year	Previous year	Change	Note
Current ratio (in times)	Current assets	Current liabilities	1.89	2.00	-6%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Shareholder's Equity	0.07	0.02	250%	[1]
Debt service coverage ratio (in times)	Earnings available for debt service	Interest and lease payments + Principal repayments of long term borrowings	18.46	18.97	-3%	
Return on Equity ratio (in %)	Profit after Tax	Average Total Equity	6.12%	8.69%	-30%	[2]
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	4.33	4.57	-5%	
Trade receivables turnover ratio (in times)	Net Sale (Revenue from Operation - export incentive)	Average receivables	4.21	4.35	-3%	
Trade payables turnover ratio (in times)	Purchases	Average payables	3.24	4.24	-24%	[3]
Net capital turnover ratio (in times)	Sales revenue	Net working capital (Current Asset - Current Liability)	3.84	3.81	1%	
Net profit ratio (in %)	Profit after Tax	Net Sale (Revenue from Operation - export incentive)	4.86%	6.35%	-23%	[4]
Return on Capital employed (in %)	EBIT (PBT before exceptional items + Finance cost)	Capital employed (Tangible Net Worth+ Total Debt+ Deferred Tax Liability)	7.91%	11.40%	-31%	[5]
Return on investment (in %)	Income generated from invested funds	Average invested funds	6.03%	5.57%	8%	

Notes:

- [1] Impact of increase in Shareholders Equity and borrowings
- [2] Decline in profit margin and increase in average equity
- [3] Decrease in purchases and increase in average trade payable
- [4] Decline in profits and sales revenue
- [5] EBIT decline whereas capital employed increased

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2025

- 50** The company has complied with the provisions of Section 186(4) of the companies act, 2013 in respect of investments made (refer note no:5).
- 51** Figures in bracket indicate deductions.
- 52** Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform to its classification of the current year.

As per our report of even date attached

For **Ashwani & Associates**

Chartered Accountants

Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer





Consolidated Financial Statements



Independent Auditor’s Report

TO THE MEMBERS OF

IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **IOL Chemicals and Pharmaceuticals Limited** (“the Company”), and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”) which comprise the Consolidated Balance Sheet as at March 31, 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“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 consolidated state of affairs of the Group as at March 31, 2025 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.no.	Key Audit Matter	Auditors’ Response
1.	<p>Revenue recognition:</p> <p>Refer note 2(ii)(v) and note 25 of the Consolidated Financial Statements. The group’s sales revenue mainly arose from sale of Bulk Drugs and Chemical products. The group recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the group to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.</p>	<p>Principal Audit Procedures:</p> <p>We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the group’s accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs.</p> <p>We tested the relevant information technology systems used in recording revenue including group’s system generated reports, based on which selection of samples was undertaken.</p> <p>On sample basis, we performed test of details of sales recorded close to the year-end through following procedures:</p> <ul style="list-style-type: none"> i) Analysed the terms and conditions of the underlying contract with the customer, and ii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.
2.	<p>Property, Plant and Equipment:</p> <p>Refer note 3 of the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • Understood, evaluated and tested the design and operating effectiveness of key controls relating to capitalisation of various costs incurred, in relation to Buildings, Plant and Machinery and Capital work-in-progress.

S.no.	Key Audit Matter	Auditors' Response
	<p>During the year, the group has incurred substantial capital expenditure on Property, Plant and Equipment and Capital work in progress towards assets under construction/ erection and expansion.</p> <p>With regard to capitalisation of Plant and Machinery, Buildings and Capital work in progress, Management has identified specific expenditure including employee costs and other specific overheads relating to each of the assets and has applied judgement to assess if the costs incurred in relation to these assets meet the recognition criteria on Property, Plant and Equipment in accordance with Ind AS 16.</p> <p>This has been determined as a key audit matter due to the significance of the capital expenditure during the year and the risk that the elements of costs that are eligible for capitalisation are not appropriately capitalised or costs capitalised are not in accordance with the recognition criteria provided in Ind AS 16.</p>	<ul style="list-style-type: none"> Tested the direct and indirect costs capitalised, on a sample basis, with the underlying supporting documents to ascertain the nature of costs and the basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the Ind AS 16, Property, Plant and Equipment. Tested, on a sample basis, the appropriateness of employee costs capitalised in relation to Plant and Machinery and Buildings based on verification of their payroll data etc. Tested other costs debited to Consolidated Statement of Profit and Loss, on a sample basis, to ascertain whether these meet the criteria of capitalisation Assessed the adequacy of disclosures in the Consolidated Financial Statements. <p>Our procedures did not identify, any costs that are eligible for capitalisation are not appropriately capitalised or costs capitalised are not in accordance with the recognition criteria provided in Ind AS 16.</p>

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of 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 Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained 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.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of

Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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



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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 ability of the Group 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 Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the company and the subsidiaries regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any 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 safeguard.

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2025 taken on record by the Board of Directors, none of the directors of the company and its subsidiaries incorporated in India are disqualified as on March 31, 2025 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's and the subsidiary's internal financial controls over financial reporting of those companies.

- 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 Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position – Refer Note 35
 - ii. The Group does 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, if any, to the Investor Education and Protection Fund by the company and its subsidiary companies incorporated in India.
 - iv. (a) The respective Managements of the company and its subsidiaries which are incorporated in India has represented that, to the best of their 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 and its subsidiary 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 or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the company and its subsidiaries which are incorporated in India have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company and its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiaries 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;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiaries which are companies incorporated in India, 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. As stated in Note 14(b) to the Consolidated Financial Statements
 - (a) The interim dividend declared and paid by the Parent Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - vi. Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the group as per the statutory requirements for the record retention.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the Consolidated Financial Statements of the group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner

Place: Ludhiana
Dated: May 16th, 2025

Membership No.:506955
UDIN:25506955BMMHWV4916



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 IOL Chemicals and Pharmaceuticals Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial 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 Consolidated Financial Statements of IOL Chemicals and Pharmaceuticals Limited ("the Company") and its subsidiary companies, which are companies incorporated in India, as of March 31, 2025 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 group'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 and its subsidiary Companies internal financial controls with reference to Consolidated Financial Statements, which are companies incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated 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 over financial reporting 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 system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 internal financial controls system with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A group's internal financial control with reference to Consolidated 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 Consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated 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 and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial

controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal control with reference to Consolidated Financial Statements criteria established by the respective Companies 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.

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Sd/-
Aditya Kumar
Partner

Place: Ludhiana
Dated: May 16th, 2025

Membership No.:506955
UDIN:25506955BMMHWV4916



Consolidated Balance Sheet

as at 31-March-2025

Particulars	Note No.	₹	
		As at 31-Mar-2025	As at 31-Mar-2024
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,158.37	921.56
(b) Right of use assets	4	-	-
(b) Capital work-in-progress	3.2	20.81	99.83
(c) Other Intangible assets	3.3	12.34	11.57
(d) Intangible assets under development	3.4	1.12	1.04
(e) Financial assets			
(i) Investments	5.1	17.41	17.41
(ii) Other financial assets	6	7.88	48.87
(f) Other non-current assets	7	12.80	24.35
Total non-current assets		1,230.73	1,124.63
2 Current assets			
(a) Inventories	8	360.62	424.84
(b) Financial assets			
(i) Investments	5.2	3.30	2.88
(ii) Trade receivables	9	513.69	471.23
(iii) Cash and cash equivalents	10	78.17	7.69
(iv) Bank balances other than (iii) above	11	129.98	135.20
(v) Other financial assets	12	5.63	7.11
(c) Current tax assets (net)	24	0.34	6.76
(d) Other current assets	13	59.61	64.06
Total current assets		1,151.34	1,119.77
TOTAL ASSETS		2,382.07	2,244.40
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	58.71	58.71
(b) Other equity	15	1,628.95	1,552.80
Total equity		1,687.66	1,611.51
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(b) Provisions	17	6.69	6.71
(c) Deferred tax liabilities (net)	32	77.81	66.14
(d) Other non-current liabilities	18	-	0.04
Total non-current liabilities		84.50	72.89
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	117.04	32.76
(ia) Lease liabilities	16	-	-
(ii) Trade payables	20	427.56	469.18
(iii) Other financial liabilities	21	46.25	37.79
(b) Other current liabilities	22	17.09	16.88
(c) Provisions	23	1.97	3.39
Total current liabilities		609.91	560.00
TOTAL EQUITY AND LIABILITIES		2,382.07	2,244.40

Corporate information 1
Material accounting policies 2

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the period ended 31-March-2025

in ₹ Crore

Particulars	Note No.	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Income:			
I Revenue from operations	25	2,079.21	2,132.79
II Other income	26	22.41	30.07
III Total income (I+II)		2,101.62	2,162.86
IV Expenses:			
Cost of materials consumed	27	1,358.34	1,435.05
Purchase of stock-in-trade		-	0.15
Changes in inventories of finished goods, work in progress and stock in trade	28	33.51	(38.25)
Employee benefits expense	29	216.57	201.02
Finance cost	30	14.76	16.10
Depreciation and amortization expense	3	71.99	62.91
Other expenses	31	268.49	304.23
Total expenses (IV)		1,963.66	1,981.21
V Profit before exceptional items and tax (III-IV)		137.96	181.65
VI Exceptional items		-	-
VII Profit before tax (V-VI)		137.96	181.65
VIII Tax expense:			
Current tax		24.74	37.01
Deferred tax		12.15	10.21
Total tax expense (VIII)	32	36.89	47.22
IX Profit for the period (VII-VIII)		101.07	134.43
X Other Comprehensive Income / (loss)			
A Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) of defined benefit obligation		(0.97)	(1.71)
ii) Income tax relating to items that will not be reclassified to profit or loss	32	0.24	0.43
B Items that will be reclassified to profit or loss			
i) Net movement in effective portion of cash flow hedge reserve		(0.95)	(0.01)
ii) Income tax relating to items that will be reclassified to profit or loss	32	0.24	-
Total other comprehensive income/(loss) for the year, net of tax (X)		(1.44)	(1.29)
XI Total Comprehensive Income for the period (IX+X)		99.63	133.14
XII Earnings per equity share of ₹2/- each	33		
- Basic & Diluted (in ₹/share)		3.44	4.58
Weighted average number of equity shares used in computing earnings per equity share			
- Basic & Diluted		29,35,27,510	29,35,27,510
Corporate information	1		
Significant accounting policies	2		

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 16-May-2025

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the period ended 31-March-2025

A. Equity Share capital

(1) Current reporting period from 01-Apr-2024 to 31-Mar-2025

in ₹ Crore

Balance as at beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current reporting period	Balance as at the end of the current reporting period
58.71	-	58.71	-	58.71

(2) Previous reporting period from 01-Apr-2023 to 31-Mar-2024

in ₹ Crore

Balance as at beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous reporting period	Balance as at the end of the previous reporting period
58.71	-	58.71	-	58.71

B. Other Equity

(1) Current reporting period from 01-Apr-2024 to 31-Mar-2025

Standalone Statement of changes in Other Equity

in ₹ Crore

Particulars	Other equity					Total ₹ Crore
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the current period	10.76	225.72	1,324.48	(8.13)	(0.03)	1,552.80
Profit for the period transferred from statement of profit and loss			101.07			101.07
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(0.73)		(0.73)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					(0.71)	(0.71)
Total Comprehensive Income for the period	-	-	101.07	(0.73)	(0.71)	99.63
Dividend paid on equity shares			(23.48)			(23.48)
Balance as at the end of the current period	10.76	225.72	1,402.07	(8.86)	(0.74)	1,628.95

Consolidated Statement of Changes in Equity

for the period ended 31-March-2025

(2) Previous reporting period from 01-Apr-2023 to 31-Mar-2024

Standalone Statement of changes in Other Equity

in ₹ Crore

Particulars	Other equity					Total ₹ Crore
	Reserves and Surplus			Remeasurement of Defined benefit obligation	Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings		Effective portion of cash flow hedge reserve	
Balance as at beginning of the previous period	10.76	225.72	1,219.40	(6.85)	(0.02)	1,449.01
Profit for the period transferred from statement of profit and loss			134.43			134.43
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(1.28)		(1.28)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					(0.01)	(0.01)
Total Comprehensive Income for the period	-	-	134.43	(1.28)	(0.01)	133.14
Dividend paid on equity shares			(29.35)			(29.35)
Balance as at the end of the previous period	10.76	225.72	1,324.48	(8.13)	(0.03)	1,552.80

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N



For and on behalf of the Board of Directors

Sd/-
Aditya Kumar
Partner
M.No. 506955

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Place : Ludhiana
Date : 16-May-2025

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31-March-2025

in ₹ Crore

Particulars	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Cash flow from operating activities		
Profit before tax	137.96	181.65
Adjustments for:		
Depreciation and amortisation expense	71.99	62.91
Net (Gain)/Loss on current investment (net of expenses)	(0.41)	(0.31)
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	3.88	(4.77)
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.02)	(0.02)
Subsidy Income amortized	(0.03)	(0.05)
Interest income on financial assets carried at amortized cost net of rent amortized during the period	-	(0.03)
Sundry balances written off	0.08	0.16
Liabilities no longer required written back	-	(0.11)
Net (Gain)/Loss on Property, plant and equipment sold	0.10	(0.14)
Loss on Property, plant and equipment discarded	0.08	0.04
Interest expense	14.76	16.10
Interest income	(10.58)	(13.96)
	79.85	59.82
Operating profit before working capital changes	217.81	241.47
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	(46.05)	161.99
Decrease/(Increase) in trade and other receivables	(39.04)	27.66
Decrease/(Increase) in inventories	64.22	(99.32)
	(20.87)	90.33
Cash generated from operations	196.94	331.80
Income tax paid (net)	(18.32)	(42.02)
Net cash flow from/(used in) operating activities (A)	178.62	289.78
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(213.55)	(274.17)
Proceeds from sale of property, plant and equipment	0.98	1.85
Proceeds from sale of investments	-	0.24
Purchase of investment	-	(0.24)
Interest received	12.33	13.48
Bank balances not considered as cash and cash equivalents:		
Decrease in deposit with banks, having original maturity more than three months	45.91	67.77
Increase in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	0.15	0.09
Net cash flow from/(used in) investing activities (B)	(154.18)	(190.98)

Consolidated Cash Flow Statement

for the year ended 31-March-2025

in ₹ Crore

Particulars	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Cash flow from financing activities		
Proceeds/(Repayment) of current borrowings	84.28	(46.87)
Interest paid	(14.76)	(16.10)
Lease rent payments	-	(0.18)
Dividend paid on Equity shares	(23.48)	(29.35)
Net cash flow from/(used in) financing activities (C)	46.04	(92.50)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	70.48	6.30
Cash and cash equivalents at the beginning of the year	7.69	1.39
Cash and cash equivalents at the end of the year *	78.17	7.69
* Comprises		
Balances with banks in current account	77.39	6.81
Cash on hand	0.78	0.88
	78.17	7.69

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 16-May-2025

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Note 1: Corporate information

IOL Chemicals and Pharmaceuticals Limited (“the Company”) (CIN: L24116PB1986PLC007030) is a public company domiciled in India and incorporated on 29th September, 1986 under the provisions of the Companies Act, 1956. The shares of the company are listed on two stock exchanges in India i.e. at National Stock Exchange of India Limited (NSE) and at BSE Limited (BSE). The company is engaged in the manufacturing and selling of Pharmaceutical and Chemical products. The company caters to both domestic and international market.

The registered office of the company is situated at Village & Post Office Handiaya, Fatehgarh Chhanna Road, Barnala-148107, Punjab.

The consolidated financial statements are approved for issue by the Board of Directors on 16th May, 2025.

Note 2 (i): Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the

Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

In accordance with Para 25 of IND AS 110, retained investments in former subsidiaries where control is lost during the year; provided the investee entity remains an associate of the company; are valued at fair value on the date of loss of control and such fair value is recognised through the consolidated profit and loss statement. Such fair value is regarded as the cost on initial recognition of an investment in the associate in the consolidated balance sheet of the company.

Following subsidiary companies have been considered in the preparation of the consolidated financial statement.

Name of Entity	Relationship	Country of Incorporation	Ownership Held By	in ₹ Crore	
				% of Holding and Voting Power either Directly or indirectly through Subsidiary as at	
				31-Mar-2025	31-Mar-2024
IOL-Foundation	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%
IOL Life Sciences Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%
IOL Speciality Chemicals Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Note 2 (ii): Material accounting policies / critical accounting estimates and judgements

I. Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the group is Indian rupee (INR). The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of consolidated financial statements, in conformity with Ind AS requires the group to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these consolidated financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration

entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act 2013, duties levies like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the group has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, considerations are determined based on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

VI. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

VII. Retirement and other employee benefits

- **Defined contribution plans**

(i) **Provident fund:**

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The group has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

- **Defined benefit plans**

(i) **Gratuity:**

The group provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation, or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the Group.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each consolidated Balance sheet date using the project unit credit method.

The group fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law

The group recognises the net obligation of a defined benefit plan in its consolidated Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

(ii) **Compensated absences**

The employees of the group are entitled for compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the consolidated Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period

in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

VIII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

- Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.
- Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

	As per management estimate
General plant & equipment on triple shift basis	15 Years
General plant & equipment on continuous process	15 Years
Co-Generation plant & equipment	4-15 Years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

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IX. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

The estimated useful life of intangible assets is as follows:

Intangible assets	Estimated useful life
Software	6 years
Technical know	5 years

X. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

- a) Raw Material and Components Moving weighted average method plus direct expenses
- b) Stores and Spares Moving weighted average method plus direct expenses
- c) Work-in-progress Cost of material plus appropriate share of overheads thereon at different stage of completion.
- d) Finished Goods Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.
- e) Material in Transit Actual cost plus direct expenses to the extent incurred.

XI. Government grants

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

XII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial

period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

XIII. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the consolidated financial statements of the enterprise as a whole.

XIV. Leases

- **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

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Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the consolidated Balance Sheet and lease payments have been classified as financing cash flows.

- **The group as a lessor**

Leases for which the group is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

XV. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on consolidated balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous consolidated financial statements as recognised in the consolidated statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on net basis.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVI. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Income tax expense is recognised in the consolidated statement of profit and loss except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies and interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.



XVII. Earnings per share

Basic earnings per share are computed by dividing the consolidated net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

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Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

XVIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

• Non-derivative financial instruments

1. Financial assets carried at amortised cost

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

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the group has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

4. Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

• Financial assets or financial liability at fair value through profit or loss

This category has financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

• Derivative financial instruments and hedge accounting

In the ordinary course of business, the group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included



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in the consolidated financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months.

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

The group adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the consolidated statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the consolidated statement of profit and loss in the same period in which the hedged item affects the consolidated statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated statement of profit and loss for the period.

De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.



XIX. Impairment of assets

i) Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

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ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

XX. Cash flow statement

The consolidated cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

XXI. Cash and cash equivalent

Cash and cash equivalent for the purpose of consolidated statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

XXII. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the group has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXIII. Current and non-current classification

The group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities includes current portion of non-current financial assets and non-current financial liabilities respectively.

Note 2 (iii): Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The group reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

Notes

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Note 3.1 : Property, Plant and Equipment

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	CSR Assets	Total
Gross carrying value as at 01-Apr-2023	70.44	136.89	759.77	3.34	18.34	3.35	0.53	992.66
Additions	70.80	11.76	142.42	0.59	6.85	1.72	-	234.14
Disposals / adjustment	-	-	(2.84)	-	(1.22)	(0.29)	-	(4.35)
Gross carrying value as at 31-Mar-2024	141.24	148.65	899.35	3.93	23.97	4.78	0.53	1,222.45
Additions	18.85	62.64	218.35	2.42	5.25	1.04	-	308.55
Disposals / adjustment	-	-	(0.82)	-	(0.97)	(0.72)	-	(2.51)
Gross carrying value as at 31-Mar-2025	160.09	211.29	1,116.88	6.35	28.25	5.10	0.53	1,528.49
Accumulated depreciation as at 01-Apr-2023	-	20.31	215.38	1.22	3.72	0.98	0.03	241.64
Depreciation expense for the period	-	5.65	52.37	0.36	2.59	0.82	0.06	61.85
Elimination on Disposals / adjustment	-	-	(2.09)	-	(0.37)	(0.14)	-	(2.60)
Accumulated depreciation as at 31-Mar-2024	-	25.96	265.66	1.58	5.94	1.66	0.09	300.89
Depreciation expense for the period	-	6.52	59.42	0.50	3.08	0.98	0.07	70.57
Elimination on Disposals / adjustment	-	-	(0.47)	-	(0.40)	(0.47)	-	(1.34)
Accumulated depreciation as at 31-Mar-2025	-	32.48	324.61	2.08	8.62	2.17	0.16	370.12
Net carrying value as at 01-Apr-2023	70.44	116.58	544.39	2.12	14.62	2.37	0.50	751.02
Net carrying value as at 31-Mar-2024	141.24	122.69	633.69	2.35	18.03	3.12	0.44	921.56
Net carrying value as at 31-Mar-2025	160.09	178.81	792.27	4.27	19.63	2.93	0.37	1,158.37

Note 3.2 : Capital work in progress

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	99.83	202.86	281.88	20.81
Previous year	81.40	158.94	140.51	99.83

Note 3.3 : Intangible assets

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Patents	Total
Gross carrying value as at 01-Apr-2023	0.96	0.55	0.10	1.61
Additions	11.91	-	-	11.91
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2024	12.87	0.55	0.10	13.52
Additions	2.26	-	-	2.26
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2025	15.13	0.55	0.10	15.78
Accumulated amount of amortization as at 01-Apr-2023	0.41	0.55	-	0.96
Amortization expense for the period	0.99	-	-	0.99
Disposals/adjustments	-	-	-	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Patents	Total
Accumulated amount of amortization as at 31-Mar-2024	1.40	0.55	-	1.95
Amortization expense for the period	1.48	-	0.01	1.49
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2025	2.88	0.55	0.01	3.44
Net carrying value as at 01-Apr-2023	0.55	-	0.10	0.65
Net carrying value as at 31-Mar-2024	11.47	-	0.10	11.57
Net carrying value as at 31-Mar-2025	12.25	-	0.09	12.34

Note 3.4 : Intangible assets under development

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing
Current year	1.04	2.15	2.07	1.12
Previous year	8.24	3.65	10.85	1.04

in ₹ Crore

	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
* Depreciation/Amortization	72.06	62.84
Amount transferred from deferred revenue	(0.07)	(0.07)
Depreciation on Right of use Assets (Refer note no. 37)	-	0.14
Depreciation/Amortization charged to statement of profit or loss	71.92	62.91

Notes:

No borrowing cost was required to be capitalized during the current and previous period.

All tangible assets except vehicles have been hypothecated/mortgaged to secure borrowings of the Group (refer note 19)

The amount of expenditure recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 1.95 crores (Previous year ₹ 1.65 crores)

3.3a Capital work in progress (CWIP) ageing schedule as on 31-Mar-2025

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	14.08	6.73	-	-	20.81
Projects temporarily suspended	-	-	-	-	-
Total	14.08	6.73	-	-	20.81

Capital work in progress (CWIP) completion schedule as on 31-Mar-2025

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-
Total	-	-	-	-	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Capital work in progress (CWIP) ageing schedule as on 31-Mar-2024

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	99.01	0.82	-	-	99.83
Projects temporarily suspended	-	-	-	-	-
Total	99.01	0.82	-	-	99.83

Capital work in progress (CWIP) completion schedule as on 31-Mar-2024

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Growth Projects	-	-	-	-	-
Environment, safety and compliance	-	-	-	-	-
Total	-	-	-	-	-

3.4a Intangible assets under development ageing schedule as on 31-Mar-2025

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.12	-	-	-	1.12
Projects temporarily suspended	-	-	-	-	-
Total	1.12	-	-	-	1.12

Intangible assets under development completion schedule as on 31-Mar-2025

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects	-	-	-	-	-
Total	-	-	-	-	-

Intangible assets under development ageing schedule as on 31-Mar-2024

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.04	-	-	-	1.04
Projects temporarily suspended	-	-	-	-	-
Total	1.04	-	-	-	1.04

Intangible assets under development completion schedule as on 31-Mar-2024

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects	-	-	-	-	-
Total	-	-	-	-	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

4 Right of use assets

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Right of use assets (Refer note no 37)	-	0.14
Deletions of rights of use assets	-	-
Less: Depreciation on right of use asset	-	(0.14)
	-	-

5.1 Investments (non-current)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Unquoted (fully paid up)		
Investment carried at fair value through OCI (FVTOCI)		
Investment in Equity Instruments		
Face value of \$ 1/- each		
USpharma Limited		
420 Equity shares (previous year	17.41	17.41
420 Equity shares)		
	17.41	17.41
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.41	17.41
Aggregate amount of impairment in value of investment	-	-

5.2 Investments (current)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds		
228117.384 (228117.384 as at 31-Mar-2024) units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth	0.31	0.29
Other investments		
Investment in Master Portfolio Services Limited MPSL Irage Absolute Return Strategy	2.99	2.59
Total	3.30	2.88
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	3.30	2.88
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non Current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Interest receivable	0.24	0.53
Fixed deposits account with remaining maturity of more than twelve months		
Balances with banks to the extent held as margin money against borrowings and other commitments	0.70	19.24
Others	6.94	29.10
	7.88	48.87

7 Other Non current assets

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
Capital advances	3.52	15.12
Advances other than capital advances		
- Security deposit	3.85	3.72
- Lease hold land prepayments	0.14	0.14
- Prepaid expenses	0.51	0.59
Balance and deposits with government department or others *	4.78	4.78
	12.80	24.35

* This includes an amount of ₹ 1 crore deposited by the group towards custom duty under protest to Custom Authorities.

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

8 Inventories *

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Raw materials and components	168.36	193.55
Work-in-progress	38.62	44.85
Finished Goods	137.67	164.95
Stores and Spares	15.97	21.49
	360.62	424.84
Included above (Goods in transit and at port):		
Raw materials and components	76.99	120.82
Finished Goods	37.21	48.35
	114.20	169.17

* Valued at cost or net realisable value, whichever is lower

Inventories includes ₹ 18.84 crore as at 31-Mar-2025 and ₹ 47.87 crore as at 31-Mar-2024 valued at net realisable value.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Value of Inventories above is stated after provisions of ₹ 5.34 crore as at 31-Mar-2025 and ₹ 5.19 crore as at 31-Mar-2024 for write-downs to net realisable value

Cost of inventory recognised as expense during the current period ₹ 1484.57 crore (Previous year ₹ 1600.33 crore)

All inventories of Parent company have been hypothecated to secure borrowings of the Parent Company. (refer note 19)

9 Trade receivables

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
From related parties (Refer note no 40)	-	-
Trade receivables considered good - Unsecured *	510.02	471.98
Trade receivables which have significant increase in Credit Risk	5.64	-

Trade receivables ageing schedule as on 31-Mar-2025

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	377.46	130.57	1.19	0.61	0.18	0.01	510.02
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk			1.29	4.35	-	-	5.64
(vi) Disputed Trade receivables - credit impaired			-	-	-	0.66	0.66
Total	377.46	130.57	2.48	4.96	0.18	0.67	516.32
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(2.63)
Total Trade receivables							513.69

Trade receivables ageing schedule as on 31-Mar-2024

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	334.75	132.12	5.01	0.08	0.02	-	471.98
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Trade receivables- credit impaired	0.66	0.90
Less: Allowances for credit impaired	(2.63)	(1.65)
	513.69	471.23

* Net of bill discounted from banks Nil (Previous year ₹ 13.11 Crore)

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix.

All book debts of Parent Company have been hypothecated to secure borrowings of the Parent Company (refer note 19).

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(iii) Undisputed Trade receivables							-
- credit impaired							-
(iv) Disputed Trade receivables							-
- considered good							-
(v) Disputed Trade receivables							-
- which have significant increase in credit risk							-
(vi) Disputed Trade receivables			0.02	0.20	0.01	0.67	0.90
- credit impaired							
Total	334.75	132.12	5.03	0.28	0.03	0.67	472.88
Less: Allowances for expected credit loss and doubtful receivables							(1.65)
Total Trade receivables							471.23

The following is the detail of allowance for lifetime expected credit loss:

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the year	1.65	1.41
- Impairment loss recognized	-	-
- Expected credit loss	0.98	0.24
- Balance at the end of the year	2.63	1.65

10 Cash and cash Equivalents

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Balances with banks		
- in current accounts	77.39	6.81
Cash on hands	0.78	0.88
	78.17	7.69

11 Other Bank Balance

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	75.73	104.48
Fixed deposits with original maturity of more than three months but less than twelve months	5.00	-
Balances with banks held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	15.40	-

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	31.69	27.71
Balances with banks in earmarked accounts		
Balances with banks in earmarked for CSR expenditure	0.90	1.89
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.26	1.12
	129.98	135.20

12 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good)		
Security deposit (to related party) (Refer note no 40)	0.90	0.90
Interest receivable	1.65	3.12
Other recoverable	0.44	-
Export incentives/ other receivables from Government Authorities	1.42	1.51
Loans and advances to employees	1.22	0.98
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	-	0.60
	5.63	7.11

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

13 Other Current Assets

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
(Unsecured considered good unless otherwise stated)		
Advances other than capital advances		
Advances against supply of goods and services		
- to related party (Refer note no 40)	-	-
- to others	7.40	8.31
Prepaid expenses	7.88	13.42
Balance and deposits with government department or others	28.31	35.58
Security deposit	0.49	0.49
Lease hold land prepayments	0.01	0.01
Other Receivables	15.52	6.25
	59.61	64.06

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

14 Equity share capital

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 2/- each (Previous year ₹ 10/- each) (par value)	40,00,00,000	80.00	8,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 2/- each (Previous year ₹ 10/- each) (par value)*	29,35,27,510	58.71	5,87,05,502	58.71
Total	29,35,27,510	58.71	5,87,05,502	58.71

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	in ₹ Crore			
	Equity share capital		Equity share capital	
	As at 31-Mar-2025		As at 31-Mar-2024	
	Number	in ₹ Crore	Number	in ₹ Crore
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the period	5,87,05,502	58.71	5,87,05,502	58.71

Particulars	in ₹ Crore			
	Equity share capital		Equity share capital	
	As at 31-Mar-2025		As at 31-Mar-2024	
	Number	in ₹ Crore	Number	in ₹ Crore
Equity shares arising on shares split from ₹10/- to ₹2 per share *	23,48,22,008	-	-	-
Shares and share capital outstanding at the end of the period	29,35,27,510	58.71	5,87,05,502	58.71

* The equity shares of the Parent company, during the year, have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share based on approval by the shareholders through Postal Ballot on 31-Jan-2025. The Record Date for effecting this sub-division of equity share was 11-Mar-2025.

b. Rights, preferences and restrictions attached to equity shares

The Parent company presently has one class of equity shares having a par value of ₹2/- each (previous year ₹10/- each). Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The parent company has paid 40% (₹ 4 per equity share of ₹ 10/- each) interim dividend during the year ended 31-Mar-2025 and 50% (₹ 5 per equity share of ₹ 10/- each) during the year ended 31-Mar-2024. Dividend declared and distributed on number of shares outstanding before sub-division of equity shares.

The amount of per share dividend recognized as distribution to equity shareholders is as follows:

Particulars	in ₹ Crore	
	Year ended 31-Mar-2025	Year ended 31-Mar-2024
Interim dividend	4.00	5.00
Final Dividend	-	-

The parent company has incurred a net cash outflow of ₹ 23.48 crore during the year ended 31-Mar-2025 (Previous year ₹ 29.35 crore) on account of the interim dividend.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

in ₹ Crore

Particulars	Equity share capital			
	As at 31-Mar-2025		As at 31-Mar-2024	
	Number of shares held (Face value of ₹ 2 each) *	% shareholding	Number of shares held (Face value of ₹ 10 each)	% shareholding
Mayadevi Polycot Limited	6,32,37,010	21.54%	1,26,47,402	21.54%
NM Merchantiles Pvt. Limited	3,83,90,550	13.08%	50,75,571	8.65%
Vasudeva Commercials Limited	2,33,19,295	7.94%	46,63,859	7.94%
NCVI Enterprises Limited	4,68,50,695	15.96%	93,70,139	15.96%

* The equity shares of the Parent company have been sub-divided from face value of ₹10/- per equity shares to face value of ₹ 2/- per equity share. Opening Balances have been adjusted accordingly to make them comparable.

d. There are no shares issued without payment being received in cash during the last five years.

e. There are no buy back of equity shares during the last five years.

f. There are no bonus shares issued during the last five years.

g. There is no holding / ultimate holding company of the group.

h. Shareholding of Promoter and Promoter Group

in ₹ Crore

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2025		Shareholding of Promoter and Promoter Group as on 31-Mar-2024		% Change during the period
		Number of shares held (Face value of ₹ 2 each) *	% of total shares	Number of shares held (Face value of ₹ 10 each)	% of total shares	
	Promoter					
1	Varinder Gupta	59,79,325	2.04%	11,95,865	2.04%	-
	Promoter Group					
1	Varinder Gupta HUF	5,500	0.002%	1,100	0.002%	-
2	Mayadevi Polycot Limited	6,32,37,010	21.54%	1,26,47,402	21.54%	-
3	NM Merchantiles Private Limited	3,83,90,550	13.08%	50,75,571	8.65%	4.43%
4	NCVI Enterprises Limited	4,68,50,695	15.96%	93,70,139	15.96%	-
		14,84,83,755	50.59%	2,70,94,212	46.15%	4.43%
	Total Shares held by promoter and Promoter Group at the end of the period	15,44,63,080	52.62%	2,82,90,077	48.19%	4.43%

* The equity shares of the Parent company have been sub-divided from face value of ₹10/- per equity shares to face value of ₹ 2/- per equity share with effect from record date of 11-Mar-2025.

15 Other Equity

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
(i) Reserves and surplus		
a. Capital reserve	10.76	10.76
(Balance at the beginning and end of the period)		
b. Securities premium account (Balance at the beginning and end of the period)	225.72	225.72

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
c. Retained earnings		
Opening balance	1,324.48	1,219.40
Add: Profit for the year	101.07	134.43
Less: Interim/final Dividend	(23.48)	(29.35)
Closing balance	1,402.07	1,324.48
d. Remeasurements of defined benefit obligation (Refer note no 36)		

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Opening balance	(8.13)	(6.85)
Add: Other comprehensive income/ (expense) net of tax impact	(0.73)	(1.28)
Closing balance	(8.86)	(8.13)
(ii) Net movement in effective portion of cash flow hedge reserve {Refer note no 41(ia)}		
Opening balance	(0.03)	(0.02)
Add: Other comprehensive income/(expense) net of tax impact	(0.71)	(0.01)
Closing balance	(0.74)	(0.03)
Total	1,628.95	1,552.80

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings if any represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income:

- Remeasurements of defined benefit obligation

- Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

- Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The group has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

16 Lease liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Lease liabilities (Refer note no 37)	-	0.18
Deletions of lease liabilities	-	-
Interest expense on lease liabilities #	-	0.00
Payment of lease liabilities	-	(0.18)
	-	-

less than ₹ 50000

17 Provisions - Non current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Provision for employee benefits:		
- Gratuity (Refer note no 36)	4.73	5.44
- Compensated absences	1.96	1.27
	6.69	6.71

18 Other non current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Deferred capital grants related to Property, plant and equipment	-	0.04
	-	0.04

19 Borrowings - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Loan repayable on demand		
- From Banks (secured)	117.04	32.76
	117.04	32.76

Details of security for Loan repayable on demand

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future by way of hypothecation of finished goods, work-in-progress, raw materials, stores and spares, book debts, other current assets and pari-passu charge on existing/ future fixed assets as collateral security and further secured by personal guarantee of the Managing Director of the Parent company.

Terms:-

Working capital borrowings from banks are repayable on demand.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

20 Trade Payable

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Outstanding dues of creditors to others	415.74	458.21
Outstanding dues to related parties (Refer note no 40)	11.82	10.97
Total	427.56	469.18

Trade payables ageing schedule as on 31-Mar-2025

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) (a) Others	397.89	17.42	0.16	0.27	-	415.74
(i) (b) Related party (Refer note no 40)	10.42	1.40	-	-	-	11.82
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	408.31	18.82	0.16	0.27	-	427.56

Trade payables ageing schedule as on 31-Mar-2024

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) (a) Others	403.02	54.67	0.09	0.43	-	458.21
(i) (b) Related party (Refer note no 40)	9.21	1.76	-	-	-	10.97
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	412.23	56.43	0.09	0.43	-	469.18

21 Other financial liabilities - Current

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Unclaimed dividend	1.26	1.12
Payable to employees		
- to related parties (Refer note no 40)	0.71	0.43
- to other employees	8.24	7.22
Other liabilities		
- to related parties (Refer note no 40)	-	-
- to others - Liability for expenses	12.41	17.07
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	4.96	-
(a)	27.58	25.84
Payable on purchase of capital goods	(b) 18.67	11.95
Total	46.25	37.79

22 Other current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Advances from customers	8.33	8.85
Statutory remittances*	4.98	4.56
Deferred capital grants related to Property, plant and equipment	0.04	0.10
Other payable	1.19	1.52
Security deposit	2.55	1.85
	17.09	16.88

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source, etc.

23 Current provisions

in ₹ Crore

Particulars	As at 31-Mar-2025	As at 31-Mar-2024
Provision for employee benefits:		
- Gratuity (Refer note no 36)	1.68	2.04
- Compensated absences	0.29	1.35
	1.97	3.39

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

24 Current tax liabilities/(assets) (net)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Provision for Current tax (net of advance tax)	(0.34)	(6.76)
	(0.34)	(6.76)

Gross movement in current tax liabilities/(assets)

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
Net current tax liabilities/(assets) at the beginning of the year	(6.76)	(1.75)
Tax adjustments related to earlier years	2.09	(0.03)
Income tax payment of earlier years	3.93	0.06
Provision for current tax	22.65	37.04
Advance tax paid	(22.25)	(42.08)
Current tax liabilities/(assets)	(0.34)	(6.76)

25 Revenue from operations

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Sale of products	2,068.19	2,118.65
Other operating revenue		
(i) Export incentives	6.89	8.04
(ii) Miscellaneous sales	4.13	5.79
	2,079.21	2,132.48
Sale of traded goods	-	0.31
	2,079.21	2,132.79

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31-Mar-2025 and 31-Mar-2024 respectively. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Details of sale of products		
- Chemicals	858.36	852.83
- Pharmaceuticals	1,171.79	1,217.20
- Others (By-products)	38.04	48.62
	2,068.19	2,118.65

26 Other income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Interest income (Gross)		
- From bank deposits	10.58	13.96
TDS ₹ 1.13 crore (Previous year ₹ 1.44 crore)		
- On financial assets carried at amortized cost	-	0.03
Other non operating income		
Liabilities no longer required written back	-	0.11
Gain on sale of items of Property, Plant and Equipment (net)	-	0.14
Rent received	0.02	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.46	0.33
- Gain on fair value changes of financial assets	0.02	0.02
Net gain on foreign currency transaction and translation	8.34	13.08
Amortisation of capital subsidy	0.03	0.05
Miscellaneous income	2.96	2.33
	22.41	30.07

27 Cost of material consumed

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Raw materials including packaging materials consumed		
Opening Stocks	193.55	134.08
Add: Purchases	1,333.15	1,494.52
Total	1,526.70	1,628.60
Less: Closing stocks	168.36	193.55
Consumption (refer detail below)	1,358.34	1,435.05
Detail of material consumed		
Acetic Acid	379.45	358.13
Sodium Di Chromate	73.16	79.39
Specially Denatured Spirit	345.66	375.58
Dicyandiamide	61.40	64.39
Toulene	58.29	73.33
Propylene	39.46	17.85
Aluminium Chloride	45.37	43.69
Sodium Metal	36.60	42.93
Others	318.95	379.76
	1,358.34	1,435.05

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

28 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Inventories at the beginning of the year		
Work-in-progress	44.85	61.85
Finished goods	164.95	109.59
Stock in trade	-	0.11
(A)	209.80	171.55
Inventories at the end of the year		
Work-in-progress	38.62	44.85
Finished goods	137.67	164.95
Stock in trade	-	-
(B)	176.29	209.80
(A-B)	33.51	(38.25)

29 Employee benefits expense

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Salaries and Wages (including Bonus)	193.64	179.09
Contribution to provident and other funds	14.73	13.50
Staff welfare expenses	8.20	8.43
	216.57	201.02

30 Finance Cost

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Interest expense on:		
- Term loans and working capital	8.15	4.14
- other borrowings	1.75	6.70
Other borrowing costs	4.86	5.26
	14.76	16.10

31 Other expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Power and Fuel	114.93	149.05
Consumption of stores and spares	22.10	26.15
Repairs and maintenance		
- Plant and Machinery	15.87	14.41

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
- Building	5.48	4.70
- Others	3.94	2.41
Rent	1.76	1.71
Insurance charges	5.36	6.40
Auditor's Remuneration	0.29	0.29
Rates and Taxes	0.69	0.61
Loss on Property, plant and equipment sold (net)	0.10	-
Loss on Property, plant and equipment discarded	0.08	0.04
Allowance for expected credit loss and doubtful receivables	0.98	0.24
Sundry balances written off	0.08	0.16
Freight outward	50.96	41.64
Other Selling and distribution expenses	11.25	9.61
Miscellaneous expenses	34.62	46.81
	268.49	304.23

32 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Current tax		
In respect of current period	22.65	37.04
Tax adjustments related to earlier years	2.09	(0.03)
Total (A)	24.74	37.01
Deferred tax		
In respect of current period	12.15	10.21
Total (B)	12.15	10.21
Total Income tax expense (A+B)	36.89	47.22

(b) Income tax recognised in other Comprehensive income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.24)	(0.43)
Net movement in effective portion of cash flow hedge reserve	(0.24)	-
Total	(0.48)	(0.43)

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Profit before tax	137.96	181.65
Income tax expense at tax rates applicable to individual entities	34.70	45.97
Income tax for earlier years recognised in statement of profit and loss	2.09	(0.03)
Income tax impact of expenses not considered for tax purpose	-	0.01
Income tax impact of Income not considered for tax purposes	-	(0.04)
Income tax impact of expenses availed on payment basis	(0.12)	0.03
Income tax impact of allowances of permanent nature	0.99	2.10
Income tax impact of depreciation & amortisation	(0.06)	0.08
Income tax savings on deductions under section 80JJAA	(0.71)	(0.90)
Tax expense charged to statement of profit and loss	36.89	47.22
Effective rate of tax	26.74%	26.00%

(d) Movement in deferred tax balances

Particulars	in ₹ Crore			
	As at 01-Apr-2024	Recognised in statement of Profit and loss	Recognised in OCI	As at 31-Mar-2025
Deferred tax liabilities				
Property, Plant and Equipment	67.82	13.36	-	81.18
Intangible assets	2.87	(1.29)	-	1.58
Fair valuation gain on investments	0.01	0.01	-	0.02
Gross deferred tax liabilities (A)	70.70	12.08	-	82.78
Deferred tax assets				
Gratuity	(1.88)	0.51	(0.24)	(1.61)
Leave encashment liability (net)	(0.42)	0.14	-	(0.28)
Expected credit loss	(0.42)	(0.24)	-	(0.66)
Cash flow hedge	(0.01)	-	(0.24)	(0.25)
Bonus	(1.83)	(0.34)	-	(2.17)
Gross deferred tax assets (B)	(4.56)	0.07	(0.48)	(4.97)
Net Deferred tax (Asset)/Liabilities (A+B)	66.14	12.15	(0.48)	77.81

Particulars	in ₹ Crore			
	As at 01-Apr-2023	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2024
Deferred tax liabilities				
Property, Plant and Equipment	60.21	7.61	-	67.82
Intangible assets	0.11	2.76	-	2.87
Fair valuation gain on investments	0.01	-	-	0.01
Gross deferred tax liabilities (A)	60.33	10.37	-	70.70
Deferred tax assets				
Gratuity	(1.75)	0.30	(0.43)	(1.88)
Leave encashment	(0.50)	0.08	-	(0.42)
Lease Liability (net)	(0.01)	0.01	-	-
Expected credit loss	(0.36)	(0.06)	-	(0.42)
Cash flow hedge	(0.01)	(0.00)	-	(0.01)
Bonus	(1.34)	(0.49)	-	(1.83)
Gross deferred tax assets (B)	(3.97)	(0.16)	(0.43)	(4.56)
Net Deferred tax (Asset)/Liabilities (A+B)	56.36	10.21	(0.43)	66.14

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

		in ₹ Crore	
Particulars		For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Total operations for the period			
Profit after tax attributable to equity shareholders (in ₹ Crore)	A	101.07	134.43
Weighted average number of equity shares (number)	B	29,35,27,510	29,35,27,510
Weighted average number of equity shares in computing diluted earning per share (number)	C	29,35,27,510	29,35,27,510
Basic earnings per share (₹)	A/B	3.44	4.58
Diluted earnings per share (₹)	A/C	3.44	4.58
Face value per equity share (₹)		2.00	2.00

*The equity shares of the Parent Company, during the current year, have been sub-divided from existing face value of ₹ 10/- per equity share to face value of ₹ 2/- per equity share based on approval by the shareholders through Postal Ballot on 31-January-2025. The Record Date for effecting this sub-division of equity share was 11-March-2025. Accordingly, basic and diluted earnings per equity share for previous year have been computed on the basis of number of equity shares after sub-division.

34 Research and Development expenses

		in ₹ Crore	
Particulars		For the year ended 31-Mar-2025	For the year ended 31-Mar-2024
Research and Development: Revenue expenses			
Raw material consumption		0.74	1.00
Salaries & wages		12.84	11.18
Depreciation		2.41	2.21
Stores and spares		2.25	2.29
Cost of utilities		0.92	0.69
		19.16	17.37
Research and Development: Capital expenses			
Additions to Property, Plant and Equipment		1.86	1.96

The revenue expenses related to research and development is clubbed under respective account heads in profit and loss

35 Contingent liabilities and commitments (to the extent not provided for)

		in ₹ Crore	
Particulars		As at 31-Mar-2025	As at 31-Mar-2024
A Contingent liabilities			
i. Claims not acknowledged as debts		0.26	0.13
ii. Bank Guarantee issued in favour of others		5.26	5.39
iii. Others*		-	0.56
		5.52	6.08
B Commitments			
i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)		25.42	50.11
ii. Export obligations under Advance Authorisation/ Duty Free Import Authorisation #		-	31.40
iii. Obligations against Import of Goods at concessional rates of duty for specified end use ##		4.69	3.17
		30.11	84.68

Export obligations relates to duty saved on import of raw materials under the Advance Authorization Scheme. Under the scheme, the Group is committed to export prescribed times of the value of import of raw materials over a specified period of time. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. During the year, the Group has executed bonds for an aggregate amount of ₹ 26.16 crore (Previous Year ₹ 19.73 crore) in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

Obligations relates to import of goods at concessional rates of duty (IGCR) for manufacturing finished goods for Export and Domestic sales. In case such commitments are not met, the Group would be required to pay the duty saved along with interest to the regulatory authorities. During the year, the Group has executed bonds for an aggregate amount of ₹ 21.50 Crore (previous Year ₹ 17.65 Crore) in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

* During the previous year Income tax department raised a demand for Rs 2.27 Crore related to AY 2020-21 which is adjusted with refund for AY 2023-24 of Rs 1.71 Crore. During the current year Income tax department revised the demand related to AY 2020-21 to Rs.2.06 Crore and balance amount of Rs.0.35 Crore has been adjusted fully against the refund of AY 2024-25.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

The Group has other commitments for purchase/sale orders which are issued after considering requirements as per the operating cycle for purchase/sale of goods and services, and employee benefits. The Group does not have any long term commitment or

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

material non cancellable contractual commitments/contracts which might have a material impact on the consolidated Ind AS financial statements of the Group.

36 Employee benefits

A Defined benefit plan: Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the Group's financial statements as at 31-Mar-2024 and 31-Mar-2023.

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
in ₹ Crore		
i) Changes in the present value of the obligation		
Present value of obligation as at the beginning of the year	28.63	23.79
Interest cost	2.08	1.75
Current service cost	2.97	2.60
Benefits paid	(0.74)	(1.35)
Remeasurement - actuarial (gain) / loss	1.24	1.84
Present value of obligation as at the end of the year A	34.18	28.63
ii) Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	21.15	16.82
Actual return on plan assets	1.80	1.38
Contributions	5.56	4.30
Charges deducted	-	-
Benefits paid	(0.74)	(1.35)
Fair value of plan assets as at the end of the year B	27.77	21.15
Unfunded Status (A-B)	6.41	7.48
iii) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation as at the end of the year	34.18	28.63
Fair value of plan assets as at the end of the year	27.77	21.15
Net asset/(liability) recognised in the Balance Sheet	(6.41)	(7.48)
iv) Expense recognised in the statement of profit and loss		
Current service cost	2.97	2.60
Net interest cost	0.54	0.51
Expense recognised in the statement of profit and loss	3.51	3.11

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
in ₹ Crore		
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	1.24	1.84
Actuarial (gain)/loss for the year on plan assets	(0.27)	(0.14)
Total Actuarial (gain)/loss at the end of the year	0.97	1.70
vi) Bifurcation of actuarial (gain) / loss		
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	0.76	0.27
Actuarial (Gain) / loss on arising from change in experience assumption	0.48	1.57
	1.24	1.84

vii) The major categories of plan assets as a percentage of the fair value of total plan assets

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
in ₹ Crore		
Investment with the insurer	100%	100%

The plan assets are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Group. The same have therefore not been disclosed.

viii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
in ₹ Crore		
Discount rate (per annum)	7.25%	7.25%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	26.91
Method used	Projected unit credit	

The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

ix) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

x) Sensitivity analysis of the defined benefit obligation:

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
a) Impact of change in discount rate		
Present value of obligation at the end of the period	34.18	28.63
1. Impact due to increase of 0.50%	(1.45)	(1.21)
2. Impact due to decrease of 0.50%	1.59	1.32
b) Impact of change in salary increase		
Present value of obligation at the end of the period	34.18	28.63
1. Impact due to increase of 0.50%	1.61	1.34
2. Impact due to decrease of 0.50%	(1.48)	(1.23)

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

xi) Maturity profile of defined benefit obligation:

in ₹ Crore

Particulars	Gratuity (Funded)
	31-Mar-2025
Year ending	
a) Apr-2024 to Mar-2025	8.94
b) Apr-2025 to Mar-2026	0.86
c) Apr-2026 to Mar-2027	2.32
d) Apr-2027 to Mar-2028	1.11
e) Apr-2028 to Mar-2029	0.83
f) Apr-2029 to Mar-2030	1.05
g) Apr-2030 onwards	19.07

xii) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follows:

- Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment risk - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.

- Mortality and disability - Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

- Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

xiii) The Group expects to contribute ₹ 3.67 crore to the gratuity trust during the year 2025-26.

xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2025	31-Mar-2024
Current liability (amount due within one year)	8.94	7.83
Non-current liability (amount due over one year)	25.24	20.80
Total PBO at the end of year	34.18	28.63

B Contribution to Provident Fund

The Group has recognized an expense of ₹ 10.67 crore (Previous year ₹ 9.81 crore) in respect of contribution to Provident Fund.

37 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Leases

Group as a Lessee

The Group's significant leasing arrangements are in respect of operating leases for premises (residential, etc.). These leasing arrangements, which are non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

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

The changes in the carrying value of ROU assets for the year ended 31-Mar-2023 are as follows :

in ₹ Crore

Particulars	As at	
	31-Mar-2025	31-Mar-2024
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	-	0.14
Additions	-	-
Deletions	-	-
Depreciation	-	(0.14)
Balance at the end	-	-

The aggregate depreciation expense on Right of use assets (ROU) is included under depreciation and amortization expense in the Statement of Profit and Loss.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

The movement in lease liabilities during the year are as follows :
in ₹ Crore

Particulars	As at	
	31-Mar-2025	31-Mar-2024
Balance at the beginning	-	0.18
Additions	-	-
Finance cost accrued during the year	-	-
Deletions	-	-
Payment of lease liabilities	-	(0.18)
Balance at the end	-	-

Payment of Lease liabilities during the current year Nil (previous year ₹ 0.18 crore)

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	As at	
	31-Mar-2025	31-Mar-2024
Less than one year	1.42	0.24
One to five years	0.01	0.02

38. Disclosures of Financial Instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting period is pending at the end as follows:

As at 31-Mar-2025

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	7.88					7.88	7.88
Current Investments			3.30			3.30	3.30
Trade receivables	513.69					513.69	513.69
Cash and cash equivalents	78.17					78.17	78.17
Other Bank Balances	129.98					129.98	129.98
Other financial current assets	5.63					5.63	5.63
Total	735.35	-	3.30	-	17.41	756.06	756.06
Financial Liabilities:							
Short term borrowings	117.04					117.04	117.04
Trade Payables	427.56					427.56	427.56
Foreign exchange forward contracts					4.96	4.96	
Other financial current liabilities	41.29		-			41.29	41.29
Total	585.89	-	-	-	4.96	590.85	585.89

Particulars	As at	
	31-Mar-2025	31-Mar-2024
More than five years	0.16	0.16
Total	1.59	0.42

Lease payments on account of short term and low value leases are recognized as rental expense on a straight line basis in the statement of profit and loss over the lease term.

Rental expense recorded under other expenses :
in ₹ Crore

Particulars	Year ended	
	31-Mar-2025	31-Mar-2024
Rent	1.76	1.67

Group as a Lessor

The rental income on assets given on operating lease to the Managing Director of the Parent company was ₹ 0.02 crore for the year ended 31-Mar-2025 (Previous year ₹ 0.02 crore).

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

As at 31-Mar-2024

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	48.87					48.87	48.87
Current Investments			2.88			2.88	2.88
Trade receivables	471.23					471.23	471.23
Cash and cash equivalents	7.69					7.69	7.69
Other Bank Balances	135.20					135.20	135.20
Foreign exchange forward contracts					0.60	0.60	0.60
Other financial current assets	6.51					6.51	6.51
Total	669.50	-	2.88	-	18.01	690.39	690.39
Financial Liabilities:							
Short term borrowings	32.76					32.76	32.76
Trade Payables	469.18					469.18	469.18
Other financial current liabilities	37.79		-			37.79	37.79
Total	539.73	-	-	-	-	539.73	539.73

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-Mar-2025

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.31		0.31		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.99		2.99		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Foreign exchange forward contracts at fair value through OCI	-		-		
Total	20.71	-	3.30	17.41	

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

As at 31-Mar-2024

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.29		0.29		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.59		2.59		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Foreign exchange forward contracts at fair value through OCI	0.60		0.60		Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Total	20.89	-	3.48	17.41	

39 Segment information

I Segment Accounting Policies:

a. Products and services from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risk and returns and financial reporting results reviewed by Chief Operating Decision Maker (CODM), the Group has identified the primary business segments which comprised:

The "Chemical" segment produces and sells Ethyl Acetate, Iso Butyl Benzene, Acetyl Chloride, Mono Chloro Acetic Acid, Para Amino Phenol (PAP), etc.

The "Pharmaceutical" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lamotrigine, Clopidogrel Bisulphate, Pantoprazole, Gabapentin, Levetiracetam, Paracetamol, etc.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

b. Geographical segments - Secondary segments

The geographical segments considered for disclosure are based on markets, as under:

- i. India
- ii. Rest of the world

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

ii. Segment revenue and expenses:

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales:

Inter segment sales are eliminated in consolidation.

iv. Segment results:

Segment results represents the profit before tax earned by each segment without allocation of other income and unallocable expenses as well as finance costs.

Detail of primary business segment

Products and services

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External Sales	866.87	864.45	1,212.32	1,262.54	0.02	5.80			2,079.21	2,132.79
Inter Segment transfer	212.52	275.79	-	-	-	-	(212.52)	(275.79)	-	-
Interest income	-	-	-	-	10.58	13.96			10.58	13.96
Other Income	-	-	-	-	11.83	16.11			11.83	16.11
Total Revenue	1,079.39	1,140.24	1,212.32	1,262.54	22.43	35.87	(212.52)	(275.79)	2,101.62	2,162.86
Segment Results	15.39	15.07	126.27	174.22					141.66	189.29
Unallocated Income (net of unallocated Expenses)					11.06	8.46			11.06	8.46
Profit before tax and interest									152.72	197.75
Finance cost					14.76	16.10			14.76	16.10
Profit before Tax & Extraordinary items									137.96	181.65
Exceptional items									-	-
Tax expense					36.89	47.22			36.89	47.22
Profit after Tax									101.07	134.43
Other Information										
Segment Assets	534.85	558.40	1,381.71	1,254.54	-	-			1,916.56	1,812.94
Unallocated assets	-	-	-	-	465.51	431.46			465.51	431.46
Total Assets	534.85	558.40	1,381.71	1,254.54	465.51	431.46			2,382.07	2,244.40
Segment Liabilities	300.16	330.66	194.88	150.11	-	-			495.04	480.77
Unallocated Liabilities	-	-	-	-	82.33	119.36			82.33	119.36
Short term borrowings					117.04	32.76			117.04	32.76
Total Liabilities	300.16	330.66	194.88	150.11	199.37	152.12			694.41	632.89
Capital Expenditure	1.69	42.99	165.28	125.93	64.90	88.36			231.87	257.28
Depreciation and Amortisation	21.19	18.34	44.94	39.84	5.86	4.73			71.99	62.91

Detail of secondary business segment

Geographical information

in ₹ Crore

Particulars	Year ended	Domestic sale		Export sale		Total
		India	Switzerland	Spain	Rest of the world	
Net revenue from sale of products	31-Mar-2025	1,523.12	51.23	55.46	449.40	2,079.21
	31-Mar-2024	1,539.20	60.35	61.36	471.88	2,132.79

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

- (i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost and tax expense. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, excludes the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amount therefore, form part of the unallocated assets and liabilities.
- (ii) There is no customer contributing more than 10% of the total revenue of the Group.
- (iii) The Group does not have manufacturing facilities outside India therefore all non current assets are located in India.

40 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

A. Related party and their relationship:-

Key Management Personnel:

i	Whole time directors	Mr. Varinder Gupta	Managing Director
		Mr. Vikas Gupta	Joint Managing Director (w.e.f. 03-Apr-2023) & Executive Director (Upto 02-Apr-2023)
		Mr. Abhiraj Gupta	Executive Director (w.e.f. 03-Apr-2023)
		Dr. Sanjay Chaturvedi	Executive Director & CEO (upto 03-Apr-2023)
		Mr. Kushal Kumar Rana	Director Works
ii	Non executive directors	Mr. Rajender Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director (upto 22-Sep-2024)
		Mrs. Rajni Jha	Independent Director (w.e.f. 28-Oct-2024)
		Mr. Sharad Tyagi	Independent Director
iii	Chief Executive Officer	Mr. Vikas Vij	(From 03-Apr-2023 to 30-Sep-2024)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Senior Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

Nature of relationship	Name of related party
i. Overseas Subsidiary	IOL Global Limited (upto 22-Feb-2024)
ii. Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchandiles Pvt. Limited
	Mayadevi Polycot Limited
	NVI Enterprises Limited
iii. Relative of Key Management Personnel:	Varinder Gupta (HUF)
	Mr. Abhiraj Gupta
iv. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

B Details of transactions entered into with related parties during the year as required by Ind AS 24 on “Related Party Disclosures” of Companies (Indian Accounting Standards) Rules 2015.

in ₹ Crore

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Relatives of KMP		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024
		1	Purchase of goods and services:										
	NCVI Enterprises Limited	38.35	37.47	-	-	-	-	-	-	-	-	38.35	37.47
	Mayadevi Polycot Limited	54.96	70.56	-	-	-	-	-	-	-	-	54.96	70.56
	NM Merchantiles Private Limited	7.37	-	-	-	-	-	-	-	-	-	7.37	-
2	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
3	* Managerial remuneration (including incentives)	-	-	22.13	21.54	-	-	-	-	-	-	22.13	21.54
4	Sitting fees to non-executive directors of the group	-	-	-	-	0.34	0.35	-	-	-	-	0.34	0.35
5	Rent received	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
6	Rent paid	0.33	0.31	1.20	1.18	-	-	-	-	-	-	1.53	1.49
7	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	5.55	4.30	5.55	4.30

C Details of balances outstanding as at the end of the year

in ₹ Crore

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Relatives of KMP		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024	Year ended 31-Mar-2025	Year ended 31-Mar-2024
		Amount receivable on the last day the period											
1	Security deposit receivable	-	-	0.90	0.90	-	-	-	-	-	-	0.90	0.90
Amount payable on the last day of the period													
1	Trade payables against purchase of goods:												
	NCVI Enterprises Limited	4.07	3.02	-	-	-	-	-	-	-	-	4.07	3.02
	Mayadevi Polycot Limited	6.26	7.95	-	-	-	-	-	-	-	-	6.26	7.95
	NM Merchantiles Private Limited	1.49	-	-	-	-	-	-	-	-	-	1.49	-
2	* Managerial remuneration	-	-	0.71	0.43	-	-	-	-	-	-	0.71	0.43

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

* (ii) Long-term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Group's gratuity policy and are eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

(iii) Related party M/s.NCVI Enterprises Limited has given surety during the current year Rs.21.50 Crore (previous Year Rs.17.65 Crore) on Bonds executed by the company for import of raw materials at concessional rates of duty for producing finished goods for Export and Domestic sales. Pending remaining amount of commitment is Rs.4.69 Crore as on 31-Mar-2025 and Rs.3.17 Crore as on 31-Mar-2024 for production/sale of finished goods against import of raw materials received on these Bonds.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

41 Financial Risk Management

The financial assets of the Group include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade payables, lease liabilities and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the Group.

The Group is mainly exposed to the following risks that arise from financial instruments:

- (i) Market risk
- (ii) Liquidity risk
- (iii) Credit risk

The Group's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Group.

This note explains the risks which the Group is exposed to and policies and framework adopted by the Group to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The Group imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Group manages its foreign currency risk through the process of adjusting inward remittances in foreign currency for its payment of outward remittances (i.e. considering it as natural hedge). The Group also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Group's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	88,11,706	75.56	1,14,23,412	95.15
- In EURO	15,790	0.15	10,40,999	9.39
Trade Payables				
- In USD	3,57,02,594	311.66	2,44,79,007	203.61
In EURO	41,841	0.39	8,250	0.07
Net exposure				
- In USD	(2,68,90,888)	(236.10)	(1,30,55,595)	(108.46)
- In EURO	(26,051)	(0.24)	10,32,749	9.32

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	84,36,531	72.32	45,71,424	38.09
- In EURO	15,790	0.15	10,40,999	9.39

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

Particulars	As at 31-Mar-2025		As at 31-Mar-2024	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
	in ₹ Crore			
Trade Payables				
- In USD	3,435	0.03	14,01,717	11.68
In EURO	41,841	0.39	8,250	0.07
Net exposure				
- In USD	84,33,096	72.29	31,69,707	26.41
- In EURO	(26,051)	(0.24)	10,32,749	9.32

Foreign currency sensitivity analysis

Any changes in the exchange rate of USD and EURO against INR is not expected to have significant impact on the Group's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD and EURO would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variable remains constant:

Particulars	31-Mar-2025		31-Mar-2024	
	Strengthening	Weakening	Strengthening	Weakening
	in ₹ Crore			
2% Strengthening / weakening of USD against INR	1.45	(1.45)	0.53	(0.53)
2% Strengthening / weakening of EURO against INR	-	-	0.19	(0.19)

Foreign currency forward contracts held by the Group as on reporting date:

Particulars	in ₹ Crore	
	As at 31-Mar-2025	As at 31-Mar-2024
In USD	3,60,74,335	2,99,29,279
in ₹ Crore	314.87	248.99

Derivatives designated as hedging instruments

The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

During the current year ended 31-Mar-2025 and previous year ended 31-Mar-2024, the Group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

Particulars	in ₹ Crore	
	Financial Year	
	2024-25	2023-24
Opening balance of cash flow hedge reserve	(0.03)	(0.02)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(2.57)	(0.64)
Amount reclassified to profit or loss	1.62	0.63
Tax effect	0.24	-
Closing balance of cash flow hedge reserve	(0.74)	(0.03)

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31-March-2025		As at 31-March-2024	
	USD	in ₹ Crore	USD	in ₹ Crore
	Not later than one month	87,09,192	75.69	1,26,23,566
Later than one month and not later than three months	1,41,48,667	123.74	1,63,05,712	135.54
Later than three months and not later than one year	1,32,16,475	115.44	10,00,000	8.35
	3,60,74,335	314.87	2,99,29,278	248.99

(b) Interest Rate Risk

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

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Group's interest bearing financial instrument is at its fair value:

Variable rate instruments	Carrying amount	
	Financial Year	
	2024-25	2023-24
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	117.04	32.76

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Variable rate instruments	Carrying amount	
	Financial Year	
	2024-25	2023-24
Increase/ (decrease) in 100 basis point	1.17	0.33

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Group will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the Group include loans and borrowings, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The Group monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Group plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the Group at the end of each reporting period:

Particulars	Financial Year	
	2024-25	2023-24
	Borrowings including current maturities	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short term borrowings	117.04	32.76
Less than 1 year	117.04	32.76
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	427.56	469.18
Less than 1 year	427.56	469.18
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	46.25	37.79
Less than 1 year	46.25	37.79
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Group assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Group has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the Group:

Particulars	Financial Year	
	2024-25	2023-24
(a) Revenue from top five customers		
- % of total sales of top 1 customer	3.08%	3.72%
- % of total sales of top 5 customers	13.18%	14.36%

Write off policy

The financial assets are written off in case there is no reasonable expectation of recovering from the financial asset.

42 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's gearing ratio was as follows:

Particulars	Financial Year	
	2024-25	2023-24
Borrowings including current maturities and interest accrued but not due	117.04	32.76
Less: Cash & cash equivalent and other bank balances	213.63	188.22
Net debt (A)	(96.59)	(155.46)
Total equity (B)	1,687.66	1,611.51
Gearing ratio (A/B)	N.A.	N.A.

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31-Mar-2025 and 31-Mar-2024.

43 In accordance with the Ind AS-36 on Impairment of Assets, the Group has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

44 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 " Statement of Cash Flows" for the period beginning on 01-Apr-2017

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2024 coming under the financing activities of Cash Flow Statement	32.76	-
Changes during the year		
a) Changes from financing cash flow	84.28	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes	-	-
Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2025 coming under the financing activities of Cash Flow Statement	117.04	-

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2023 coming under the financing activities of Cash Flow Statement	79.63	-
Changes during the year		
a) Changes from financing cash flow	(46.87)	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes	-	-
Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2024 coming under the financing activities of Cash Flow Statement	32.76	-

45 Additional Regulatory Information

- i The Group is not holding any investment property.
- ii The Group has not revalued any of its Property, Plant & Equipment and Right of use assets.
- iii The Group has not revalued any of its Intangible Assets
- iv The Group has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.
- v The Group does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Group as at 31-Mar-2025 for holding any benami property.
- vi The quarterly returns for secured borrowings filed with Banks are fully in alignment with its Financial Statements.
- vii The Group has never been declared as wilful defaulter by any bank or financial institution or other lenders.
- viii The Group doesnot have any relationship with any struck off Company.
- ix As at 31-Mar-2025, the Parent Company have wholly owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd. and IOL Life Sciences Limited. The Parent Company is in compliances of requirement of number of layer of companies.
- x There is no scheme of Arrangement approved during the year.
- xi The Group has neither received any share premium amount nor the Group has availed any term loan during the year. The working capital borrowing has been utilised by the Group in its own business, the Group has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.
- xii The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.
- xiii There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2025

46 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of Entity	Share in Net Assets		Share in Profit/(Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Asset	in ₹ crore	As % of consolidated Profit/(Loss)	in ₹ crore	As % of consolidated OCI	in ₹ crore	As % of consolidated Total OCI	in ₹ crore
Parent								
IOL Chemicals and Pharmaceuticals Ltd.	99.977%	2,381.52	101.48%	102.56	100.00%	(1.44)	102.06%	101.12
Indian Subsidiaries								
IOL-Foundation	0.018%	0.42	-1.45%	(1.47)	-	-	-2.04%	(1.47)
IOL Life Sciences Ltd	0.003%	0.06	-0.01%	(0.01)	-	-	-0.01%	(0.01)
IOL Speciality Chemicals Ltd	0.003%	0.06	-0.01%	(0.01)	-	-	-0.01%	(0.01)
Total	100.00%	2,382.07	100.00%	101.07	100.00%	(1.44)	100.00%	99.63

47 Figures in bracket indicate deductions.

48 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform its classification of the current year.

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 16-May-2025

For and on behalf of the Board of Directors



Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting of members of **IOL Chemicals and Pharmaceuticals Limited** (the "Company") will be held on **Friday, the 22nd day of August 2025 at 11:30 AM ("IST")**, through Video Conferencing or Other Audio-Visual Means ("VC or OAVM") Facility to transact the following businesses:

Ordinary Business:

- To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2025 together with Reports of the Board of Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2025 together with Reports of the Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted".

- To appoint a director in place of Mr. Abhiraj Gupta, who retires by rotation and being eligible, offers himself for re-appointment; and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Abhiraj Gupta (DIN: 08204917), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

Special Business:

- To re-appoint Mr Vikas Gupta as Joint Managing Director of the Company.

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made thereunder and applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company and in respect of whom the Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of a Director, the approval of Members be and is hereby accorded for re-appointment of Mr Vikas Gupta (DIN: 07198109) as a Whole-time Director, designated as "Joint Managing Director" of

the Company, for a period of 5 years with effect from 29th May 2025 to 28th May 2030, liable to retire by rotation, upon terms and conditions as set out in the explanatory statement including following remuneration:

Basic Salary:	Rs.10,46,000/- (Rs. Ten lakh forty-six thousand only) per month.
Perquisites and allowances:	Not exceeding 150% of the Basic Salary
Variable	Not exceeding 20% of Gross salary

RESOLVED FURTHER THAT on the basis of recommendations of the Nomination & Remuneration Committee, the abovesaid remuneration and perquisites payable to Mr. Vikas Gupta and other terms and condition of appointment, including change of designation, can be increased or altered, by the Board of Directors to the extent it may deem appropriate, by a maximum of twenty five percent per annum of the gross remuneration (including perquisites, allowances, variables etc.) payable for the financial year preceding to the financial year in respect of which such increment pertains, notwithstanding that such increased remuneration may be in excess of the limits provided in Section 197 and Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr Vikas Gupta shall also be eligible for contribution to the provident fund, payment of gratuity, encashment of earned leaves in accordance with the applicable laws and rules applicable to the Company and any other perquisites or benefits as are applicable to the senior executives of the Company, in accordance with the Company's policies, practice, rules and regulations in force from time to time.

RESOLVED FURTHER THAT the payment of remuneration as given above shall be in force for a period of three years and subject to renewal by the shareholders thereafter.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year the Company, in respect of such financial year(s) in which such inadequacy or loss arises, will continue to pay to Mr Vikas Gupta, the aforesaid remuneration including the annual increments for such financial years, as approved by the Board, without seeking any further approval of the Shareholders in the general meeting.

RESOLVED FURTHER THAT pursuant to Regulation 17(6) (e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the aforesaid payment of remuneration be paid to Mr. Vikas Gupta, Joint Managing Director, notwithstanding that the annual remuneration payable to him exceeds Rs 5 crore or 2.5% of the net profits of the Company or the aggregate annual remuneration of all the promoter executive directors of the Company exceeds 5% of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors or Nomination & Remuneration Committee or any other Committee of the Board, be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions”.

4. To appoint M/s B.K. Gupta & Associates, Practising Company Secretaries as the Secretarial Auditor of the Company

To consider and if thought fit, to pass with or without modification, if any, the following resolution as a **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 applicable provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory modifications or re-enactments thereof for the time being in force), and as recommended by the Board of Directors, the consent of the shareholders be and is hereby accorded to appoint M/s B.K. Gupta & Associates, Practising Company Secretaries (Certificate of Practice No. 5708 and Peer Review No. 1220/2021), as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for a term of five years from FY 2025-26 to FY 2029-30, at a remuneration as may be mutually agreed upon between the Board of Directors and the Secretarial Auditor, plus reimbursement of out-of-pocket expenses and applicable taxes.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary, expedient, and incidental to give effect to this resolution and to delegate all or any of the powers herein conferred to any Committee of Directors or any Director(s) or any other Officer(s) of the Company, to give effect to this resolution.”

5. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March 2026

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No. 000019), appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March 2026, amounting to Rs 1,81,500/- plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified by the Members of the Company”.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution”.

By Order of the Board
For **IOL Chemicals and Pharmaceuticals Limited**

Sd/-
Abhay Raj Singh
Sr Vice President & Company Secretary

Place: Ludhiana
Date: 16th May 2025

IMPORTANT NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
- 2) The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022, 10/2022, 09/2023 and 09/2024 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022, 28th December, 2022, 25th September 2023 and 19th September 2024 respectively, ("MCA Circulars") allowing, inter alia, conducting of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC / OAVM") facility on or before 30th September, 2025, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022; Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 5th January, 2023 and Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated 3rd October 2024 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and Listing Regulations, the 38th AGM of the Company is being conducted through VC / OAVM facility, without the physical presence of Members at a common venue. Central Securities Depositories Limited ('CDSL') will be providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The Registered Office of the Company situated at Village & Post Office Handiaya, Fatehgarh Channa Road, Barnala – 148107, Punjab (India) shall be deemed to be the venue of the Meeting.
- 3) Since this AGM is being held pursuant to the MCA Circulars and SEBI 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. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives in terms of Section 113 of the Act to attend the AGM through VC / OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the AGM.
- 4) The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
- 5) Since the meeting is being held through VC/OAVM, the route map, proxy form and attendance slip are not annexed to the notice.
- 6) Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 38th AGM and the Annual Report for the FY 2024-25

including therein the Audited Financial Statements for FY 2024-25, are being sent only by electronic mode to the Members whose e-mail IDs are registered with the Company or the Depository Participant(s). Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 38th AGM and the Annual Report for the FY 2024-25 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

- a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email investor@iolcp.com.
- b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

7) Notice of AGM is also available on the Company's website www.iolcp.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice of AGM is also disseminated on the website of CDSL i.e. www.evotingindia.com.

8) The Register of Members and Share Transfer Books of the Company shall remain closed from **16th August 2025 to 22nd August 2025 (both days inclusive) for the purpose of AGM.**

9) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

10) Members are requested to update their Know Your Client ("KYC") with their Depository Participant ("DP") (where shares are held in dematerialised mode) and with the RTA (where shares are held in physical mode). Members holding shares in physical form for availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi – 110055:

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
Update of signature of securities holder	Form ISR-2
For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form ISR-13
Declaration to opt out Nomination	Form ISR-3

Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form ISR-14
Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical mode	Form ISR-4

Please click on link to download the aforesaid forms: <https://www.iolcp.com/investors/kyc-nomination-forms>

- 11) Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz., Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 to RTA of the Company viz., Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi – 110055. It may be noted that any service request can be processed only after the folio is KYC Compliant.
- 12) As per Regulation 40 of the SEBI Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Members of the Company who hold securities in physical form and intend to transfer their securities can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. In view of the same and to avail the in-built advantages of NECS payment, nomination facility and other advantages, the shareholders are requested to dematerialize their shares. Members can contact the Company or RTA for assistance in this regard.
- 13) As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the websites of the Company or the Registrar and Transfer Agent ('RTA'). Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held by them in physical form, quoting their folio number.
- 14) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD1/P/ CIR/2023/145 dated

July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at <https://smartodr.in/login>.

- 15) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares, in respect of such unclaimed dividends, are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their unpaid/unclaimed dividends from the Company, within the stipulated timeline. The detail in respect of dividends paid by the company and its due date of transfer of unpaid dividend to IEPF Account are provided in Corporate Governance Report Section forming part of the Annual Report 2023-24.
- 16) In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- 17) Members may also note that Annual Report is available on the Company's website www.iolcp.com for their download. For any communication, the members may also send requests to the Company's investor email id: investor@iolcp.com
- 18) All activities for transmission of shares, dematerialization of shares, change of address etc. are carried out by the company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi-110 055.**
- 19) **General instructions for accessing and participating in the 38th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**
 - (i) The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide MCA Circulars. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
 - (ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read 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 MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the

authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on 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 AGM without restriction on account of first come first served basis.
 - (iv) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 - (v) Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
 - (vi) In line with the MCA Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.iolcp.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com
 - (vii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars
- 20) **The instructions for shareholders for remote e-voting and joining virtual meetings are as under:**
- (i) The voting period begins on **19th August 2025 at 9:00 AM** and ends on **21st August 2025 at 5:00 PM**. During

this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 15th August 2025**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) 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.

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.

- (iv) In view of the aforesaid ; Individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.
- (v) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
- (vi) **Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Methods
Individual Shareholders holding shares in Demat mode with CDSL	<ol style="list-style-type: none"> 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 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 evoting is in progress as per the information provided by company. On clicking the evoting 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 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 shares in demat mode with NSDL	<ol style="list-style-type: none"> 1) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp You will 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. 2) 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. 3) 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 4) 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
Individual Shareholders (holding shares in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 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.</p>

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 shares in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
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
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 022-48867000 and 022-24997000

(vii) **Login method for e-Voting and joining AGM through VC/OAVM for Physical Shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should login on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical mode should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login
- 5) If you are holding shares in demat mode 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.
- 6) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both shareholders holding shares in demat mode and shareholders holding shares in physical mode)

For Physical shareholders and other than individual shareholders holding shares in Demat.

- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA
Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company's 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 as mentioned in instruction (v).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for **IOL Chemicals and Pharmaceuticals Limited** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xix) Additional Facility for Non – Individual Shareholders and Custodians - For Remote Voting Only
- 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.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required 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; investor@iolcp.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (iii) 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.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their questions in advance with regard to the financial statements or any other matter to be placed at the 38th AGM, from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company’s email address investor@iolcp.com atleast 5 days in advance before the meeting. Further, the Shareholders who do not wish to speak during the AGM but have queries may also send their queries in advance 5 days prior to meeting as above. Such questions by the Members shall be replied during the meeting, depending upon the availability of time or may be replied suitably by email.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the 38th AGM depending upon the availability of time.
- (ix) 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.
- (x) 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 shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

21) Instructions for shareholders attending the AGM through VC/OAVM & e-voting during meeting are as under:

- (i) The procedure for attending AGM and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) 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.

22) Process for those shareholders whose email/mobile no. are not registered with the Company/depositories:

- (i) 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.

- (ii) For Demat Shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 - (iii) 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.
- 23) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
 - 24) 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.
 - 25) All the documents referred to in the accompanying Notice of the 38th AGM and the Explanatory Statement and/or statutory documents will also be available for electronic inspection by the members from the date of circulation of this Notice upto the date of AGM. Members seeking inspection can send an email at investor@iolcp.com.
 - 26) The Company has appointed Mr Vinay Kohli partner, M/s. K.K. Kapoor & Associates, Chartered Accountants as scrutinizer for conducting the e-voting process in fair and transparent manner.
 - 27) The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.iolcp.com and on the website of CDSL; such Results will also be forwarded to the National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Mr Vikas Gupta was appointed as Wholetime Director having a designation of Joint Managing Director of the Company for a period of five years with effect from 29th May 2020 approved by the shareholders in the Annual General Meeting held on 26th September 2020.

Mr. Gupta holds a B.Sc. (Hons.) in Business Management from King's College London and brings approximately 12 years of experience in strategy and business management. He plays an active role in the strategic and operational affairs of the Company.

Considering his experience, the Board of Directors, on 16th May 2025, based on the recommendations of Nomination and Remuneration Committee and subject to the approval of the shareholders, re-appointed him as Wholetime Director with the designation of Joint

Managing Director of the Company for another term of five years with effect from 29th May 2025 to 28th May 2030 at remuneration as provided in the Resolution No 3 of this Notice.

Further, Mr. Vikas Gupta meets all the conditions as set out in Part-I of Schedule V and Section 196(3) of the Act and he is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013. The information as required to be disclosed pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the director's seeking appointment/re-appointment are provided in this notice.

Mr. Vikas Gupta provided his consent for such re-appointment and has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by the BSE Limited and the National Stock Exchange of India Limited pertaining to the enforcement of SEBI Orders regarding the appointment of Directors by the listed companies.

The terms of appointment of Mr Vikas Gupta as Joint Managing Director are as follows:

- a) Nature of Job: Under the supervision of the Board of Directors or Managing Director of the Company. Mr Vikas Gupta shall be responsible for all API and Chemical business, strategic decisions, manufacturing, R&D, digital marketing and ensure operating efficiency of the Company. He shall also be responsible for planning, production day to day tasks within all departments.
- b) Remuneration: The remuneration shall be as specified in Resolution No. 3 of this Notice and will remain in force for a period of three years.
- c) Annual Appraisal: The annual appraisal shall be decided by the Board, based on the recommendation of the Nomination and Remuneration Committee from time to time.
- d) Other benefits: Entitlement to other benefits, privileges, amenities (including the provision of car) and amended salary structure etc. shall be as granted to senior executives of the Company.
- e) Remuneration in case of loss or inadequacy of profits: In the event of loss or inadequacy of profits in any financial year during the tenure of Mr Vikas Gupta as Joint Managing Director, the Company shall continue to pay him the remuneration as approved by the Board for any such financial year, for a period not exceeding to 3 years, without seeking any further approval of the Shareholders.
- f) Term & Notice Period: The term of his appointment shall be for five years, commencing from 29th May 2025, and he shall be liable to retire by rotation. Either party may terminate the employment by giving three months' written notice, or such other period as may be determined by the Board. If either party serves a notice period shorter than three months, the party serving the notice shall pay an amount equivalent to the balance of the fixed remuneration in lieu of the remaining notice period. No severance fee shall be payable.

This explanatory statement together with the accompanying Notice is and should be treated as an abstract of the terms of re-

appointment of Mr Vikas Gupta as Joint Managing Director of the Company under the first proviso of sub-section (4) of Section 196 read with Section 190 of the Companies Act, 2013.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of re-appointment of Mr Vikas Gupta as Joint Managing Director of the Company:

I. General Information:

- Nature of Industry: Pharmaceuticals (API's) and Chemical Industry.
- Date of commencement of Commercial Production: The Company started its commercial production in the year 1991.
- In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus: N. A.
- Financial Performance based on given indicators:

in ₹ Crore		
Particulars	FY 2024-25	FY 2023-24
Revenue from operations	2079.21	2132.79
Profit before tax	137.89	182.64
Profit after tax	101.00	135.42

- Foreign Investments or Collaborations, if any: NIL

II. Information about the appointee:

1. Background details:

Mr Vikas Gupta is BSc. (Hons.) in Business Management from Kings College London and has an experience of about 12 years in field of strategy and business management. He is actively involved in the day to affairs and strategy of the Company.

2. Past remuneration:

The remuneration paid for financial year 2024-25 was as follow:

Salary	Other perquisites & allowances and Bonus	Contribution to Provident & other Funds	Total
1.14	1.95	0.14	3.23

3. Recognition or awards: Nil

4. Job Profile and his suitability:

Mr Vikas Gupta is BSc. (Hons.) in Business Management from Kings College London and has an experience of about 12 years in field of strategy and business management. He is actively involved in the day to affairs and strategy of the Company. Looking at the overall exposure and experience of Mr Vikas Gupta in diversified areas and responsibilities to be shouldered by him, he is suitable for the position.

5. Remuneration proposed

Details of remuneration proposed for approval of the shareholders is provided in the Special Resolution as set out at Item No. 3 of the Notice.

6. Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates, the relevant details would be w.r.t. the country of his origin):

Considering the size of the Company, experience, management expertise and the responsibilities shouldered by the appointee, the proposed remuneration is commensurate with the remuneration paid to similar position in the industry.

7. Pecuniary Relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Except for the remuneration, Mr Vikas Gupta does not have any pecuniary relationship with the Company. However, he is related with Mr. Varinder Gupta, Managing Director and Mr Abhiraj Gupta, Executive Director.

III. Other information:

- Reasons for Loss or Inadequate Profits: The Company's profits may be impacted due to a combination of internal and external factors, including Volatility in raw material costs, competition, delays in regulatory approvals or changes in domestic or international regulations; global or domestic economic slowdowns, demand fluctuations, or geopolitical factors can impact sales volumes etc.
- Steps taken or proposed to be taken for improvement: To address these challenges and improve profitability, the Company is taking various steps such as expanding into new markets to widen its revenue base, improving operational efficiency with cost-saving measures and digital tools, strengthening customer relationships through long-term contracts and closer engagement, and optimising raw material sourcing to better manage input costs.
- Expected increase in productivity and profits in measurable terms: The initiatives being undertaken by the Company are expected to improve production efficiency, expand sales volumes, and enhance overall profitability. By entering new markets, adding new products, and optimising operations, the Company aims to achieve sustainable growth in revenue and better profit margins over the coming years.

IV Disclosures:

Mr Vikas Gupta meets all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-Section 3 of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

Mr Vikas Gupta is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board recommends the Special Resolution as set out at Item No. 3 of the Notice for approval by the members for varying the terms and condition of appointment of Mr Vikas Gupta, Executive Director of the Company.

Except for Mr Vikas Gupta, Mr Varinder Gupta Managing Director and Mr Abhiraj Gupta, Executive Director being related to Mr Vikas Gupta, none of the directors or Key Managerial Personnel of the Company or their relatives are concerned or By Order of the Board interested in the proposed resolution as set out at item 3.

The Board recommends the Special Resolution as set out at Item No. 3 of the Notice for approval by the members for the re-appointment and payment of remuneration to Mr Vikas Gupta.

Item No. 4

Pursuant to Section 204 of the Companies Act, 2013 ('the Act'), the Company is required to annex a Secretarial Audit Report, issued by a practicing Company Secretary in the prescribed format, to its Board's Report. As per Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report shall be in Form MR-3. Further, in accordance with Section 179 of the Act read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014, the appointment of the Secretarial Auditor must be approved by the Board at a Board meeting.

SEBI, through its notification dated 12th December 2024, amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The amended regulation, read with SEBI Circular No. SEBI/HO/CFD/CFDPoD-2/CIR/P/2024/185 dated 31st December 2024, specifies the term of appointment or re-appointment, eligibility criteria, qualifications, and disqualifications of the Secretarial Auditor of a listed company. As per the amended Regulation 24A, the Company and its material unlisted subsidiary are required to conduct a Secretarial Audit through a Peer-Reviewed Company Secretary and to annex the Secretarial Audit Report, in the format prescribed by SEBI, to the annual report of the Company.

In line with the amended Regulation 24A, effective from 1st April 2025, every listed company, on the recommendation of its Board of Directors, shall appoint or re-appoint: (i) an individual as Secretarial Auditor for a maximum of one term of five consecutive years; or (ii) a firm of Secretarial Auditors for not more than two terms of five consecutive years, with the approval of its shareholders at the Annual General Meeting.

In accordance with the applicable provisions, the Board of Directors, at its meeting held on 16th May 2025, considered and approved the appointment of M/s. B.K. Gupta & Associates, Practicing Company Secretaries (Firm Registration Number: 4590), as the Secretarial Auditors of the Company. The Board has recommended their appointment to the shareholders for approval at the ensuing 38th Annual General Meeting for a term of five consecutive years, to conduct the Secretarial Audit for the financial years from FY 2025–26 to FY 2029–30. M/s. B.K. Gupta & Associates will carry out the Secretarial Audit and issue Secretarial Audit Reports and Secretarial Compliance Reports in accordance with the provision of Section 204 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the said term.

M/s B.K. Gupta & Associates have provided peer review certificate and consent for appointment as Secretarial Auditor of the Company

and confirmed that their appointment, if made, would be within the limit specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Circular.

M/s B. K. Gupta & Associates, Practicing Company Secretaries, based in North India, with its offices in Ludhiana & Chandigarh. The firm has a rich and vast experience of dealing with a number of large and well renowned Corporates in the region and has been servicing various corporate actions, compliances, legal representations, litigations and other corporate advisory for the last 25 years. The firm is peer reviewed in terms of the peer review guidelines issued by the ICSI.

For conducting the Secretarial Audit and preparing the Compliance Report, a fee of Rs. 1,10,000/- plus applicable taxes and out-of-pocket expenses is proposed for FY 2026. The fees for subsequent years of their term may be mutually agreed upon between the Board of Directors and M/s BK Gupta & Associates. In addition to the Secretarial Audit and Compliance Report, M/s BK Gupta & Associates may also render other services and certifications as may be approved by the Board of Directors, with fees for such additional services to be mutually agreed and decided by the Board on the recommendation of the Audit Committee.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.4 of the notice.

The Board recommends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

On the recommendation of the Audit Committee, the Board in its meeting held on 16th May 2025, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, to conduct audit of cost accounting records maintained by the Company in respect of chemicals and bulk drugs for the financial year ending 31st March 2026 at a remuneration of Rs. 1,81,500/- plus goods and service tax and out-of-pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for financial year 2025-26 is required to be ratified by the shareholders. Therefore, shareholders' approval is sought for ratification of the remuneration payable to the Cost Auditors.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the notice.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the members to ratify the remuneration of the Cost Auditor for the financial year ending 31st March 2026

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) regarding the directors seeking re-appointment at the Annual General Meeting.

VALUE RESEARCH PREMIUM

NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) regarding the directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Mr Vikas Gupta	Mr Abhiraj Gupta
DIN	07198109	08204917
Date of Birth	13th February 1992	4th January 1995
Date of Appointment	29th May 2015	3rd April 2023
Brief resume of the director	Mr. Vikas Gupta graduated from King's College London, University of London, with a Bachelor of Science in Business Management. He is intellectually prepared and has organizational abilities. He spent two years in the company's strategy department, where he was instrumental in developing the company's Chemical and Pharmaceutical businesses. Over the previous 12 years, he has been critical to the organization's operation.	Mr Abhiraj Gupta, Bachelor of Science in Management and Engineering in Business Management from University of Warwick, U.K. He was appointed as Manager (Strategic Management) with effect from 25th September 2017. At present he is working as Vice President of the Company and looks after the strategic decisions of the Company and is also actively involved in daily activities of the Company
Terms and conditions of Appointment	As stated in this Notice pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Draft Letter of Appointment.	To retire by rotation
Expertise in specific functional area	Business management, strategy, planning general management etc.	Business management, strategy, planning etc
Total experience	12 years	7 years
Present profession	Joint Managing Director	Executive Director
Qualification	BSc. (Hons.) in Business Management from Kings College, London	Bachelor of Science in Management and Engineering in Business Management from University of Warwick, U.K.
Directorships in other public companies (excluding private, foreign and section 8 companies)	1. Mayadevi Polycot Limited 2. NM Merchantiles Limited 3. IOL Life Sciences Limited 4. IOL Speciality Chemicals Limited	1) NCVI Enterprises Limited 2) IOL Life Sciences Limited 3) IOL Speciality Chemicals Limited
Chairmanship of Board Committees of other public companies	Nil	Nil
Membership of Board Committees of other public companies	Nil	Nil
Listed entities from which the person has resigned in the past three years	Nil	Nil
Shareholding in the Company	Nil	Nil
The number of Meetings of the Board attended during the year	6	5
Relationships between directors inter-se	Mr Vikas Gupta is son of Mr Varinder Gupta, Managing Director and brother of Mr Abhiraj Gupta, Executive Director	Mr Abhiraj Gupta is son of Mr Varinder Gupta, Managing Director and brother of Mr Vikas Gupta, Joint Managing Director

By Order of the Board
For **IOL Chemicals and Pharmaceuticals Limited**

Place: Ludhiana
Date: 16th May 2025

Sd/-
Abhay Raj Singh
Sr Vice President & Company Secretary



UNGC INDEX

Principle	Description	Elements
Human Rights		
Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights	Human Rights U.S. Access & Affordability Global Access & Health Patient Safety Community Engagement
Principle 2	Make sure that they are not complicit in human rights abuses.	Human Rights Code of Business Conduct Supplier Code of Business Conduct
Labor		
Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Human Rights Employee Experience Business Ethics Corporate Governance
Principle 4:	The elimination of all forms of forced and compulsory labor	Human Rights Corporate Governance Supplier Code of Business Conduct
Principle 5:	The effective abolition of child labor	Human Rights Corporate Governance Supplier Code of Business Conduct
Principle 6	The elimination of discrimination in respect of employment and occupation.	Employee Experience Diversity, Equity & Inclusion
Environment		
Principle 7:	Businesses should support a precautionary approach to environmental challenges;	Corporate Governance Climate Product Stewardship Supply Chain Management Waste Water CDP Climate Change Response CDP Water Security Response
Principle 8:	undertake initiatives to promote greater environmental responsibility; and	Corporate Governance Climate Product Stewardship Supply Chain Management Waste Water CDP Climate Change Response CDP Water Security Response
Principle 9:	Encourage the development and diffusion of environmentally friendly technologies.	Product Stewardship
Anti-Corruption		
Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate Governance, Business Ethics Supply Chain Management Code of Business Conduct Supplier Code of Business Conduct

GRI Content Index

Statement of use	IOL has reported in accordance with the GRI Standards for the period between 1 st April 2024 - 31 st March 2025
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION		
		Sections	Page no.	
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us, BRSR (Section A)	4-5,132-135	
	2-2 Entities included in the organization's sustainability reporting	About the Report, BRSR (Section A: General Disclosures Q-13)	2-3, 132	
	2-3 Reporting period, frequency and contact point	About the Report, BRSR (Section A: General Disclosures Q-6,7,9,12)	2-3, 132	
	2-4 Restatements of information	NA	NA	
	2-5 External assurance	About the Report, BRSR (Section A)	2-3, 132	
	2-6 Activities, value chain and other business relationships	About Us, Product Portfolio, Value Creation Model, BRSR (Section A: Q-16,17,18,19)	4-5, 8-9, 32-33, 130	
	2-7 Employees	Ensuring a sustainable tomorrow, Human Capital, BRSR (Section A: Q20, Section C: Principle 3)	15, 70-79, 133, 142-146	
	2-8 Workers who are not employees	NA	NA	
	2-9 Governance structure and composition	Governance, Board of Directors, BRSR (Section B Q-9)	40-43, 136	
	2-10 Nomination and selection of the highest governance body	Governance, Director's Report, Corporate Governance Report,	40-43, 100, 118	
	2-11 Chair of the highest governance body	Governance, Board of Directors, Corporate Governance Report	40-43, 116-120	
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance, Corporate Governance Report	40-43, 116-121	
	2-13 Delegation of responsibility for managing impacts	BRSR (Section B Q-8), BRSR (Principle-5 EI Q-4)	136, 148	
	2-14 Role of the highest governance body in sustainability reporting	BRSR (Section B Q-7,8,9)	136, 148	
	2-15 Conflicts of interest	Governance, BRSR (Principle-1 EI Q-6)	40-43, 138	
	2-16 Communication of critical concerns	Governance	40-43	
	2-17 Collective knowledge of the highest governance body	Governance, Corporate Governance Report	40-43, 126-127	
	2-22 Statement on sustainable development strategy	Ensuring a sustainable tomorrow, Growth Strategy, BRSR (Section B Q-7)	14-21, 22-23, 136	
	2-23 Policy commitments	Ensuring a sustainable tomorrow, Growth Strategy, BRSR (Section B Q-1,2)	14-21, 22-23, 135	
	2-24 Embedding policy commitments	Ensuring a sustainable tomorrow, Growth Strategy, BRSR (Section B Q-2) (Principle-1 LI Q-1)	14-21, 22-23, 135, 138	
	2-27 Compliance with laws and regulations	Ensuring a sustainable tomorrow, BRSR (Principle-1 EI Q-3)	14-21, 138	
	2-28 Membership associations	BRSR (Principle-7 EI Q-1)	156	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, BRSR (Principle-4 EI Q-1)	28-29, 146-147	
	2-30 Collective bargaining agreements	NA	NA	
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, BRSR (Section A Q-26)	30-31, 134-135
		3-2 List of material topics	Materiality Assessment, BRSR (Section A Q-26)	30-31, 134-136
		3-3 Management of material topics	BRSR (Section A Q-26)	134-137

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	BRSR (Section-A Q-26)	134-138
	205-2 Communication and training about anti-corruption policies and procedures	BRSR (Principle-5 EI Q-1)	147
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Principle-1 EI Q-5,7)	138
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Value creation model, Natural Capital	32-33, 80-87, 134-135
	301-2 Recycled input materials used	Materiality assesment, Value creation model, Natural Capital, BRSR (Principle-2 LI Q-3)	30-31, 32-33,80-87, 141
	301-3 Reclaimed products and their packaging materials	Value creation model, Natural Capital, BRSR (Principle-2 LI Q-5)	80-87, 32-33, 140
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Materiality assesment, Value creation model, Governance, Natural Capital, BRSR (Principle-6 EI Q-1)	30-31, 32-33, 40-41,80-87, 150
	302-2 Energy consumption outside of the organization	NA	
	302-3 Energy intensity	Natural Capital, BRSR (Section-C Principle-6 EI Q-1)	80-81, 150
	302-4 Reduction of energy consumption	"Integrating ESG practices in business"	12-13
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Alignment with SDG's, Natural Capital	14-16, 80-81
	303-2 Management of water discharge-related impacts	"Integrating ESG practices in business, Alignment with SDG's"	12-13,14-16
	303-3 Water withdrawal	Natural Capital, BRSR (Principle-6 EI Q-3)	83-84, 150
	303-4 Water discharge	Natural Capital, BRSR (Principle-6 EI Q-4)	83-84, 151
	303-5 Water consumption	Natural Capital, BRSR (Principle-6 EI Q-3)	83-84, 150
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital, BRSR (Principle-6 EI Q-11)	87, 153
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital, BRSR (Principle-6 LI Q-03)	87, 155
	304-3 Habitats protected or restored	Natural Capital	87
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA	NA
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Alignment with SDG's, Value creation model, Natural Capital, BRSR (Principle-6 EI Q-7)	21, 32-33, 82,151
	305-2 Energy indirect (Scope 2) GHG emissions	Alignment with SDG's, Value creation model, BRSR (Principle-6 EI Q-7)	21, 32-33,151
	305-3 Other indirect (Scope 3) GHG emissions	Integrating ESG practices in business, Alignment with SDG's, Value creation model, BRSR (Principle-6 LI Q-2)	12-13, 21,32-33, 155
	305-4 GHG emissions intensity	BRSR (Principle-6 EI Q-7)	152
	305-5 Reduction of GHG emissions	Integrating ESG practices in business, Alignment with SDG's, Value creation model	12-13,21,32-33
	305-6 Emissions of ozone-depleting substances (ODS)	NA	NA
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital, BRSR (Principle-6 EI Q-6)	85151

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital, BRSR (Principle-6 EI Q9,10)	85-87, 152-153
	306-2 Management of significant waste-related impacts	Natural Capital, BRSR (Principle-6 EI Q-9,10)	85-87, 152-154
	306-3 Waste generated	Natural Capital, BRSR (Principle-6 EI Q-9,10)	85-87, 152-155
	306-4 Waste diverted from disposal	Natural Capital, BRSR (Principle-6 EI Q-9)	85-87, 152-156
	306-5 Waste directed to disposal	Natural Capital, BRSR (Principle-6 EI Q-9)	85-87, 152-157
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	BRSR (Principle-2 EI Q-2)	140
	308-2 Negative environmental impacts in the supply chain and actions taken	NA	NA
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital, BRSR (Section A Q-22)	72, 133
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR (Principle 3, EI Q-1)	142
	401-3 Parental leave	BRSR (Principle-3 EI Q-5)	143
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Materiality assesment, value cration model, Human capatil, Governance, BRSR (Principle-3 EI Q-10-a)	31, 32-33, 41,74-75 142
	403-2 Hazard identification, risk assessment, and incident investigation	Risk Management, Human Capital	36, 76, 78
	403-3 Occupational health services	Ensuring a Sustainable Tomorrow, Human Capital	15, 76-79
	403-4 Worker participation, consultation, and communication on occupational health and safety	Ensuring a Sustainable Tomorrow, Human Capital	15, 76-79
	403-5 Worker training on occupational health and safety	Ensuring a Sustainable Tomorrow, Human Capital, BRSR (Principle-3 EI Q-8)	15, 76-81, 144
	403-6 Promotion of worker health	Human Capital, BRSR (Principle-3 EI Q-10d)	76-81, 144-145
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	76-79
	403-8 Workers covered by an occupational health and safety management system	NA	NA
	403-9 Work-related injuries	Human Capital, BRSR (Principle-3 EI Q-11)	76-79, 145
	403-10 Work-related ill health	Human Capital	76-79
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital, BRSR (Principle-3 EI Q-8)	71, 144
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital, BRSR (Principle-3 EI Q-8)	71, 144
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR (Principle-3 EI Q-9)	144
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital, BRSR (Section-A Q-20b, 21)	75-76, 133
	405-2 Ratio of basic salary and remuneration of women to men	BRSR (Principle-5 EI Q-2)	148
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR (Principle-5 EI Q-6)	148
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Governance, Social and Relationship Capital, BRSR (Principle-5 EI Q-10, LI Q-4)	41, 63-64, 149
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social and Relationship Capital, Human Capital	63-64, 74-76

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	BRSR (Principle-5 EI Q-1)	147
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	59-61
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital Social and Relationship Capital, BRSR (Principle-3 LI Q-5)	65 65, 146
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR (Principle-9 EI Q-3)	159





Independent Limited Assurance Statement to IOL Chemicals and Pharmaceuticals Limited on Selected Sustainability Disclosure and Business Responsibility & Sustainability Report (BRSR)- Core within their Integrated Annual Report FY2024-25

To the Management of IOL Chemicals and Pharmaceuticals Limited, Ludhiana, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by IOL Chemicals and Pharmaceuticals Limited ("IOLCP") to provide an independent limited assurance on selected sustainability disclosure and BRSR (Business Responsibility & Sustainability Report) core presented in their Integrated Annual Report FY2024-25 ("the Report"). The scope of the Report comprises the reporting periods of FY2024-25. The Report is prepared by IOLCP based on GRI and SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this limited assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures in alignment with GRI and BRSR requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Integrated Annual Report 2024-25 of IOLCP.

Responsibilities

The management of IOLCP is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to error.

Intertek's responsibility, as agreed with the management of IOLCP, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability disclosure and BRSR core with reference to GRI standards 2021 and SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 presented by IOLCP in the Report. The assurance boundary included data and information for the manufacturing units and Corporate Office of IOLCP in India. Our scope of assurance included verification of data and information on selected sustainability performance disclosures reported as summarized as below:

GRI disclosure:

General Disclosures

- Organization and its reporting practices 2021: 2-1, 2-2,2-3, 2-5, 2-6, 2-7,

Material Topics

- Process to determine material topics 2021: 3-1
- List of material topics 2021:3-2
- Management of Topics: 3-3

Topic specific Disclosure:

Environmental Disclosures

- Energy 2016: 302-1, 302-3, 302-4, 302-5
- Water and Effluents 2018: 303-2, 303-3, 303-4, 303-5
- Emissions 2016: 305-1, 305-2, 305-3, 305-4, 305-5,
- Waste 2020: 306-1, 306-2 306-3, 306-4, 306-5

Social Disclosures

- Employment 2016: 401-1, 401-2. 401-3
- Labor Management Relations 2016: 402-1
- Occupational Health and Safety 2018: 403-1, 403-2 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9,403-10
- Training and Skill Development 404-2
- Diversity and Equal Opportunity 2016: 405-1,
- Non-Discrimination 2016: 406-1
- Freedom of Association & Collective Bargaining 2016:407-1
- Child Labor 2016: 408-1
- Forced or Compulsory Labor 2018: 409-1
- Right of Indigenous People: 411-1
- Local Communities 2016: 413-1
- Public Policy 2016: 415-1
- Customer Health and Safety 2016: 414-1
- Marketing and Labeling 2016: 417-1
- Customer Privacy 2016: 418-1

BRSR Core:

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable:

- Number of days of accounts payable.
- Concentration of purchases & sales done with trading houses, dealers, and related parties.
- Loans and advances & investments with related parties.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains:

- Cost incurred on well-being measures as a % of total revenue of the company.
- Safety related incidents (LTIFR, Fatality, Permanent Disabilities) for employees and workers.

Principle 5: Businesses should respect and promote human rights:

- Gross wages paid to females as percentage of wages paid.
- Complaints on POSH

Principle 6: Businesses should respect and make efforts to protect and restore the environment

- Total Scope 1 and Scope 2 emissions
- GHG emissions intensity (scope 1 and 2).

- Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment.
- Total energy consumed, % of energy consumed from renewable sources and energy intensity.
- Total waste generated (category-wise); waste intensity; Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.

Principle 8: Businesses should promote inclusive growth and equitable development

- Input material sourced (from MSMEs/ small producers and from within India)
- Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

- Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

Assurance Criteria

Intertek conducted the assurance work in accordance with the requirements of 'Limited Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement

A limited assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and limited sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.



Methodology

Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a limited level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2025. Our assurance task was planned and carried out during April and Jul'2025. The assessment included the following:

- Review of the Report that was prepared with reference to the GRI and SEBI's BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted online interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by IOLCP for data analysis.
- Review of the Report disclosures on sample basis for the duration from 1st April 2024 to 31st March of 2025 for IOLCP was carried out.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details were provided in a separate report.

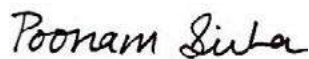
Conclusions

Intertek reviewed selected sustainability disclosures and BRSR Core presented by IOLCP in its Integrated Annual Report FY2024-25. Based on the data and information provided by IOLCP, Intertek concludes with limited assurance that there is no evidence that the sustainability data and information presented in the Report is not materially correct as per GRI and BRSR reporting guidelines.

Intertek’s Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.



Poonam Sinha
Intertek Verifier

2025/07/27



Shilpa Naryal
Head of Sustainability
Intertek South Asia & MENAP

2025/07/27

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SANDEEP VIG
Date: 2025.07.28
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Sandeep Vig
Director-Business Assurance
Intertek India & MENAP

No member of the verification team (stated above) has a business relationship with IOL Chemicals and Pharmaceuticals Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.







IOL Chemicals and Pharmaceuticals Limited

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