



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

1st August 2024
IOLCP/CGC/2024

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Security Symbol: **IOLCP**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai- 400 001
Security Code: **524164**

Sub.: Integrated Annual Report for FY 2023-24 and Notice of 37th Annual General Meeting

Pursuant to the provisions of Regulation 34 and other application provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Integrated Annual Report of the Company for the Financial Year 2023-24 including the Notice of 37th Annual General Meeting, which is scheduled to be held on Friday, 23rd August 2024 at 11:30 a.m. (IST) through Video Conference / Other Audio-Visual means.

The same is also made available on the website of the Company at the following link:
https://www.iolcp.com/uploads/IOL-Annual-Report_2023-24.pdf

This is for your information and record please.

Thanking You,

Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited

Abhay Raj Singh
Sr Vice President & Company Secretary



IOL Chemicals and Pharmaceuticals Limited

Integrated Annual Report 2023-24



Diversifying,
Innovating,
Sustaining.

Customer-led | Value-driven | Growth-focused

Our market position in the pharmaceutical and specialty chemical sectors continues to be robust with a strong customer base across multiple geographies of the world.

We remain firm in our commitment to further improve our operational efficiencies to serve our customers better and help improve the quality of life of millions of people worldwide.

With a strong emphasis on innovation and operational excellence, we continue to diversify and expand our product offerings and creating new catalysts of future growth and value creation.

In global markets, especially advanced economies, we expect macro tailwinds to help drive our growth over the long term. On the other hand, the domestic market presents a very promising picture of sustainable growth.



In this year's report

Zero

Debt company; no debt raised since 2017

100%

Zero Liquid Discharge Facility

20+

Products commercialised, with 8 products in pipeline

80+

Countries having strong customer base for our products

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Scan above QR code to visit our website.

Chairman's message

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Our growth strategy revolves around the expansion of our non-ibuprofen API product portfolio. We are targeting high-demand and synergistic segments, that offer better patient outcomes.

Rajender Mohan Malla
Chairman

Value Creation Model

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Financial Capital

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About the Report

We are pleased to present our first Integrated annual report. The report aims to provide stakeholders with a comprehensive understanding of the company's financial and non-financial disclosures, including information on leadership, culture, strategy and sustainability. The report also highlights how the company creates value for its stakeholders and the importance of responsible business practices in achieving its goals.

Integrated thinking

At the core of our business operations is a commitment to integrated and sustainable thinking, which drives how we create value for our stakeholders. We use the International Integrated Reporting Council framework to assess the six capitals and determine the content and structure of this report.

Our Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Scope

This Integrated Report covers the reporting period from 1st April 2023 to 31st March 2024 and offers a comprehensive view of the company's operations and business development activities. It highlights the environmental, economic and social performance of the company during the financial year 2023-24. The report outlines the company's business model, significant risks and opportunities, as well as overall performance and related outcomes.

Reporting frameworks

The report has been prepared by incorporating the principles recommended by the International Integrated Reporting Council (IIRC) and with reference to the GRI (Global Reporting Initiative) 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. TUV SUD South Asia Private Limited has performed a limited assurance review on the sustainability information contained within the Integrated Report.

Our Stakeholders and Materiality Analysis

We actively engage with investors, customers, employees, regulatory bodies and communities to understand their expectations and priorities. Through a thorough materiality assessment, we identify and prioritise the most significant ESG issues that matter to our stakeholders. This analysis shapes our reporting, ensuring we address the topics of utmost importance to all our key stakeholders.

Our Stakeholders



Customers



Suppliers/Vendors



Service Contractors



Communities



Employees and Contractual Labourers



Government Authorities



Shareholders /Investors



Non-government Organisations



Shareholders /Investors

Responsibility statement

We, as management, acknowledge our duty to ensure the accuracy and reliability of the information presented in the Integrated Report. Simultaneously, we are committed to maintaining the Report's impartiality, comparability and comprehensibility. We also confirm that the report addresses all the essential material issues concerning our organisation and its stakeholders. Furthermore, it effectively communicates our organisation's capacity to seize opportunities while mitigating risks.

Feedback

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

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www.iolcp.com

About Us

Built on a strong foundation of innovation, diversification and sustainability

IOL Chemicals & Pharmaceuticals Ltd operates as a prominent global manufacturer of Active Pharmaceutical Ingredients (APIs), Intermediates and Specialty Chemicals company, driven by the zest for excellence, successful innovation and leadership in key markets.

For over three decades, we have crafted a proven track record of expansion and progress. Serving a global customer base, we provide critical components to industries and help improve the quality of life through our superior products. Our fundamental value system ensures adherence to stringent manufacturing protocols, EHS standards and maintains excellent after-sales service, providing meaningful support and assistance to our customers worldwide.

People

We value our customers, employees, suppliers, partners, investors, communities, and families.

Principle

We conduct business in legal, ethical and sustainable manner.



Planet

We are committed to reducing greenhouse gas emissions, efficient effluent and power management and following green chemistry principles.

Profit

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



Numbers that define us

Team Size

Over 2,750

employees



Financial Health

Debt-free

since 2017



Environmental Responsibility

100%

Zero Liquid Discharge (ZLD) Facility



Global Reach

Customer base spanning

80+

countries



Product Portfolio

Over 20

commercialised products and 8 products in the pipeline



Credit Rating

A+

with a stable outlook (Care Ratings Limited)



Facilities

~180 acres

of sprawling campus



Market positioning



Largest producer of Ibuprofen globally, with approximately 35% market share, and the only company worldwide that is backward integrated.



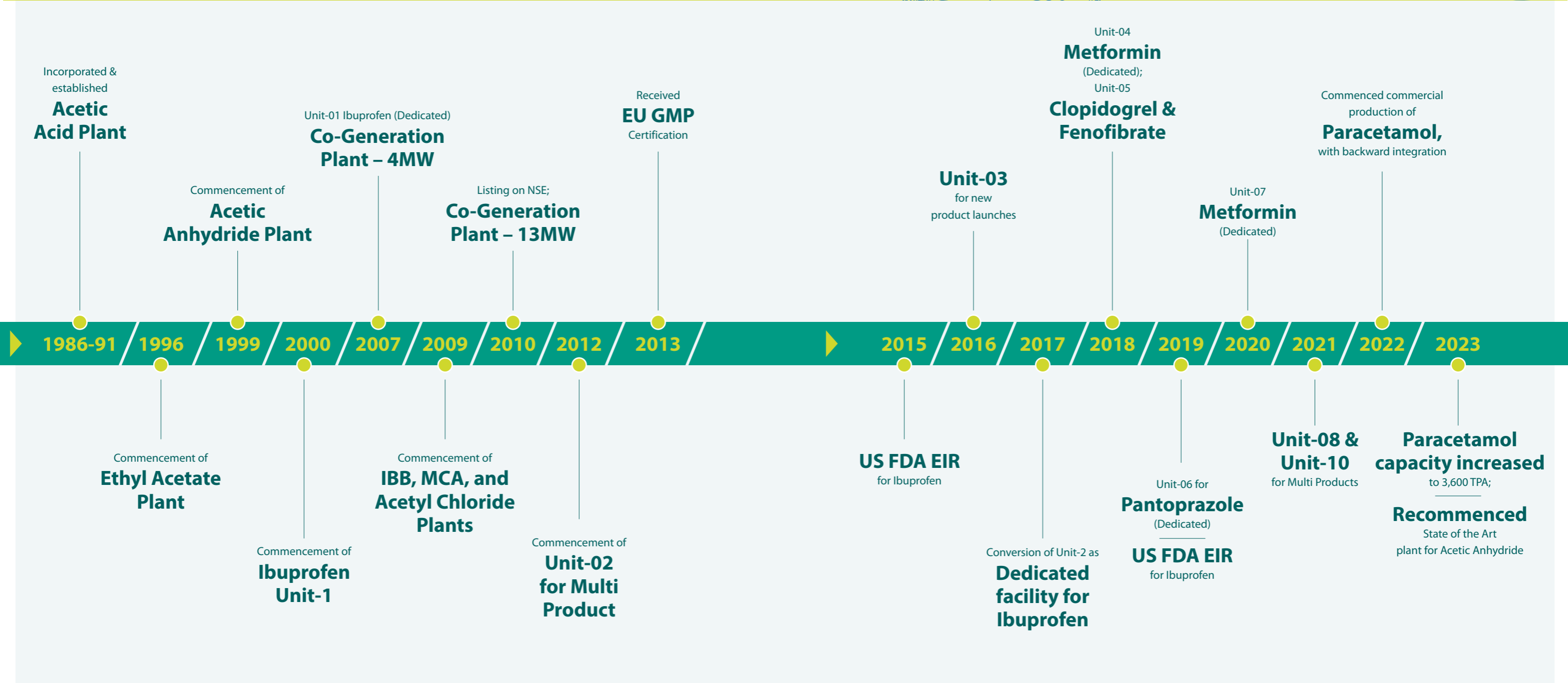
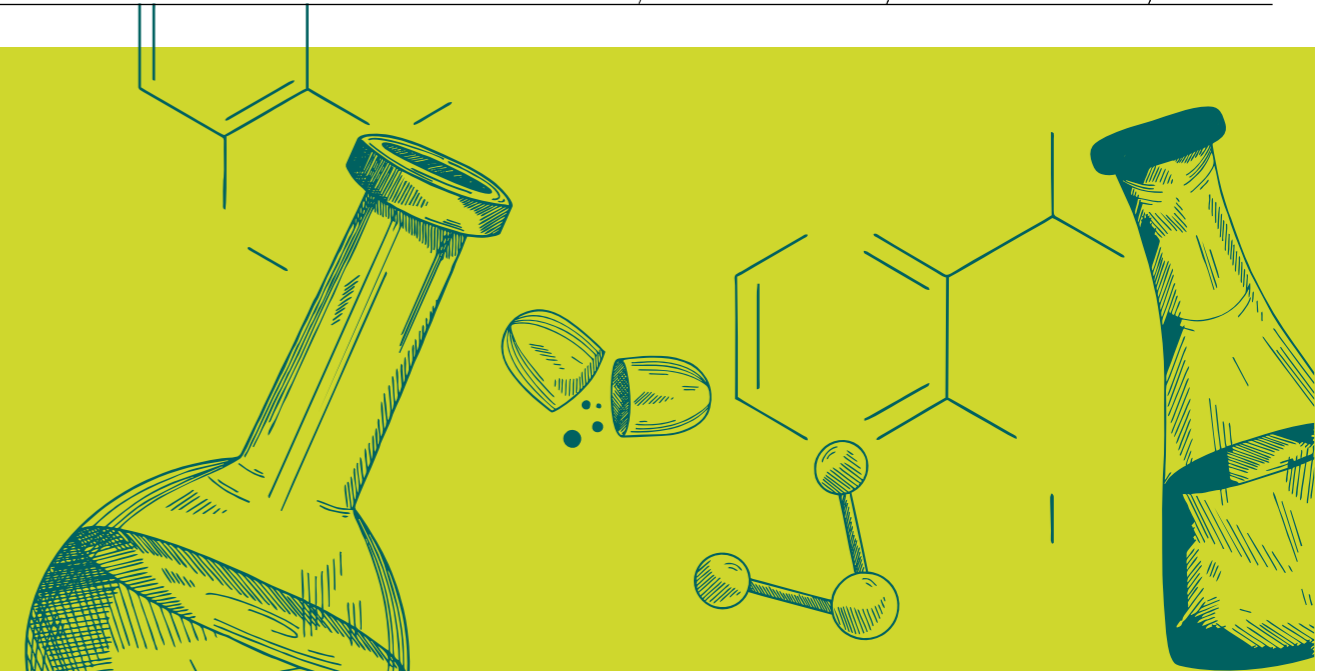
Largest producer of Ethyl Acetate, at a single location in India.



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

Unlocking Potential, Achieving New Milestones

We have crafted a prolific history for over three decades, making strategic decisions and investments to drive our progress, unlock potential and emerge as a prominent market player worldwide.



Product Portfolio

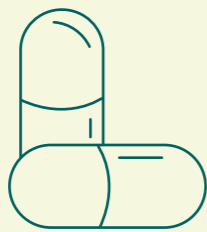
Our diversified offerings

Active Pharmaceutical Ingredients

At IOL, we are on a mission to empower healthier lives around the world. We are crafting the building blocks for essential medications. Our innovative spirit fuels the development of generic APIs, making these life-saving treatments more accessible and affordable for everyone.

We provide high-quality, cost-effective solutions, reflected in our diverse range of successfully launched APIs. These advancements translate directly into better patient care and improved health outcomes.

We are constantly innovating around our flagship Ibuprofen, pushing the boundaries of its innovation. Recognising the industry's growth, we have invested significantly in research and development (R&D), expanding our reach across various therapeutic categories.



World's

only Company

with complete backward integration for ALL intermediates and Key Starting Materials (KSMs) of Ibuprofen production

Largest producer of Ibuprofen with

35%

Global market share

Among the

largest

Metformin producers in India



Our Key API Products

- Ibuprofen
- Ibuprofen Lysinate
- Ibuprofen Sodium
- Dex-Ibuprofen
- Metformin HCL
- Pantoprazole Sodium
- Clopidogrel Bisulphate (Form II)
- Lamotrigine
- Losartan Potassium
- Levetiracetam
- Paracetamol
- Fenofibrate (Micronised)

Addressing diverse therapeutic segments

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



Specialty Chemicals

Established in 1996, our specialty chemicals business has built a strong track record of consistent growth and capacity expansion. We focus on in-demand chemicals such as the environment-friendly Ethyl Acetate, which caters to a wide range of industries. Our commitment to quality and reliable supply ensures our specialty chemicals customers receive consistent, high-quality products.

Largest

Single-location producer of Ethyl Acetate in India

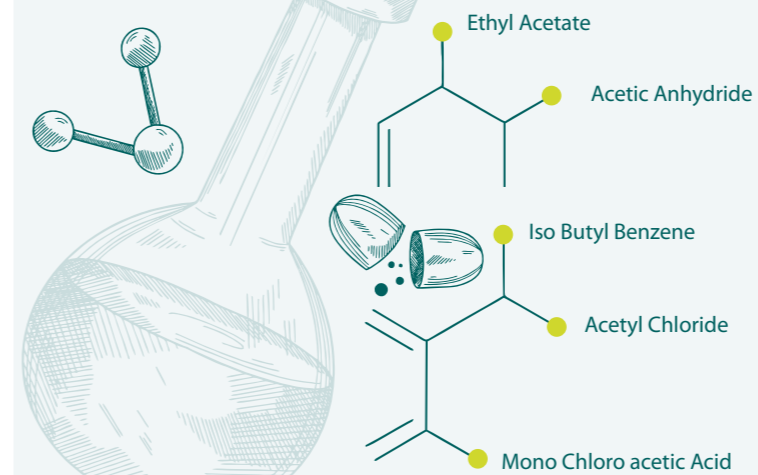
India's second largest manufacturer for Iso Butyl Benzene (IBB) with

~30%









global share



Chemicals we produce



Addressing diverse therapeutic segments

-  Food Processing
-  Flexible Packaging
-  Pharmaceuticals
-  Textiles
-  Ink
-  Paints
-  Pesticides
-  Chemical Intermediates

Strengths

Prepared for Tomorrow

IOL Chemicals and Pharmaceuticals Limited (IOL) has established itself as a leading entity in the global pharmaceutical and specialty chemicals sectors. Our strategic focus on quality, innovation, and sustainability has driven our growth and success.

Global Reach and Industry Leadership

Our ability to meet diverse market demands and deliver high-quality products has positioned us as an industry leader. As the largest global producer of Ibuprofen and the sole

backward-integrated company in this segment, we command a significant market share globally, which demonstrates our comprehensive production capabilities and strategic market positioning.

Customer Base

Market presence in more than **80** countries



Catering to Diverse Therapeutic Areas

Our extensive range of Active Pharmaceutical Ingredients (APIs) spans multiple therapeutic categories, including pain management, anti-diabetic, anti-hypertensive and anti-convulsant treatments. Through continuous research and development, we strengthen our leadership in medical advancements, ensuring optimal patient care and well-being.

Therapeutic Areas Covered

8 distinct therapeutic areas



Backward Integration

We have achieved complete backward integration in Ibuprofen production, overseeing every step of the manufacturing process, including Intermediates and Key Starting Materials (KSMs). This integration ensures unmatched quality, reliability and safety of our products, while enhancing supply chain control and cost efficiency.

Production Capacity

Operating at **85-90%** capacity for Ibuprofen

Environmental Initiatives

Zero-discharge effluent treatment plant

Financial Stability and Growth

Since 2017, we have maintained a debt-free status, showcasing our robust financial management and long-term sustainability. This financial stability underscores our commitment to prudent business practices, instilling confidence in our esteemed shareholders.

Debt-Free

Since 2017

Dynamic and Robust Team

Our team of over 2,600 skilled and experienced professionals drives us forward with their expertise, passion and unwavering dedication. Together, we create a dynamic and supportive environment that promotes continuous growth and achievement.

Employee Strength

2,600+ talented employees

Strong Commitment to Sustainability

Our sprawling campus is equipped with state-of-the-art facilities, enabling innovation and operational excellence. Our zero-discharge effluent treatment plant exemplifies our commitment to responsible waste management and environmental stewardship.

Campus Size

~180 acres with advanced infrastructure with 36.56% Green Belt



Growth Strategy

Strengthening our Foundation for a Sustainable Future

IOL Chemicals and Pharmaceuticals Limited (IOL) continues to leverage its core strengths in APIs and Specialty Chemicals production, maintaining a leadership position through innovation, operational excellence and market expansion.

Medium-Term Plan (3-5 Years)

	Objective	Action Plan in place	KPIs
Diversification and Expansion of Product Portfolio	To create more market leading products like Ibuprofen and enhance market resilience by increasing revenue contribution from these new products.	<ul style="list-style-type: none"> Introduce new APIs with maximum backward integration in high-growth therapeutic areas. Expand market and production capacity for Paracetamol and Metformin. 	<ul style="list-style-type: none"> Increase revenue from non-Ibuprofen products. Capacity utilisation of new API plants.
Strengthening Global Presence	To capture a larger share of the global pharmaceutical market by expanding our presence in regulated markets such as the EU, US and Japan.	<ul style="list-style-type: none"> Secure regulatory approvals for additional APIs in the US and EU. Increase marketing presence in regulated markets. 	<ul style="list-style-type: none"> Increase revenue from exports.
Operational Efficiency and Cost Management	To enhance profitability by improving operational efficiency and reducing production costs.	<ul style="list-style-type: none"> Implement automation and digitalisation in manufacturing processes. Optimise supply chain logistics and raw material procurement. Enhance backward integration into KSMs for all products. 	<ul style="list-style-type: none"> Increase EBITDA margin 12% to 15%. Reduction in production costs through improved efficiencies and integrated cost management.
Financial Prudence and CAPEX Planning	To ensure sustained growth and maintain financial health by strategically investing in high-ROI projects while remaining debt-free.	<ul style="list-style-type: none"> Allocate ₹150-200 crore annually for CAPEX funded through internal accruals. Focus on high-ROI projects and infrastructure upgrades. 	<ul style="list-style-type: none"> Stay debt free. Ensure consistent annual CAPEX within the budget.
Human Capital Development	To drive innovation and operational excellence by building a skilled and motivated workforce.	<ul style="list-style-type: none"> Implement continuous training and development programs. Attract top talent in R&D, production and business development. 	<ul style="list-style-type: none"> Employee retention rate: Maintain at 95%. Number of training hours per employee: 40 hours annually.
Market Leadership in APIs and Specialty Chemicals	To become global market leaders in at least 5 major products.	<ul style="list-style-type: none"> Well researched product portfolio development Invest in advanced R&D facilities and innovation hubs for cutting edge technologies which will deliver global cost competitiveness and quality Collaborate with global pharmaceutical companies for co-development. 	<ul style="list-style-type: none"> Increase global market share in 5 key APIs.

Long-Term Plan (5-10 Years)

	Objective	Action Plan in place	KPIs
Sustainability and Environmental Stewardship	To lead in sustainable practices and environmental stewardship within the pharmaceutical industry.	<ul style="list-style-type: none"> Implement zero-waste manufacturing processes. Increase use of renewable energy sources. 	<p>Reduction in carbon footprint:</p> <ul style="list-style-type: none"> Reduction in Scope 1 Emissions by 40% by 2035 Scope 2 Emissions to be neutral by 2026 Committed to achieve 40% reduction in Scope 3 Emission by 2035 <p>Percentage of energy from renewable sources: Increase to 95% by 2030.</p>
Technological Advancements and Digital Transformation	To enhance operational capabilities and efficiency by integrating cutting-edge technologies.	<ul style="list-style-type: none"> Adopt AI enabled tools for better sourcing and forecasting models. Adopt AI and machine learning for predictive maintenance and quality control. Implement IoT for real-time monitoring of production. 	<ul style="list-style-type: none"> Reduction in downtime due to predictive maintenance. Increase in production efficiency. Improved inventory management.
Global Supply Chain Resilience	To build a resilient and agile global supply chain that can withstand disruptions and ensure continuous supply of products.	<ul style="list-style-type: none"> Diversify sourcing strategies and establish multiple supplier relationships. Develop regional distribution hubs to mitigate risks. 	<ul style="list-style-type: none"> Stability in logistics amidst supply chain disruptions. Increase in regional distribution hubs.
Innovation and New Product Development	To lead in the development of innovative pharmaceutical products that address emerging healthcare needs.	<ul style="list-style-type: none"> Invest in biopharmaceutical and biotechnology research. Launch novel drug formulations and delivery systems. 	<ul style="list-style-type: none"> Increase the number of patents. Increase the revenue from new products.

Chairman's Message

Growing responsibly

Dear shareholders,

As we step into another fiscal year, it gives me immense pleasure to present our first Integrated Annual Report for FY 2023-2024. Despite challenges in the macroeconomic environment, we have resiliently charted our path as a growth-focused organisation. With a greater emphasis on portfolio diversification, innovation, sustainability and customer-focused value creation, we remain committed to scaling new heights.

Despite geopolitical volatility, the global economy demonstrated remarkable resilience. With core inflation projected to moderate over the course of the next year, monetary policy is expected to ease off. It may also trigger structural reforms and bolster productivity. Despite headwinds globally, the Indian economy continued to map a steady growth trajectory. The G-20 presidency has further strengthened the country's position in the global arena. Besides, the China+1 strategy and Make in India initiatives have further bolstered India's position as a manufacturing hub. It has created confidence in the Indian economy, increased investments across sectors and significantly improved investor sentiment. Moreover, the continuous push for infrastructure development has led to the rise of both public and private spending.

Industry Overview

The global pharmaceutical market size is growing significantly from USD 1199.86 billion in CY 2023 to USD 2,092.95 billion in CY 2028, at a CAGR of 13.4%. Backed by considerable improvements to increase healthcare accessibility, government spending on healthcare infrastructure and heightened awareness about better healthcare facilities have led to the rapid growth of the industry. India's pharmaceutical industry ranks third globally in volume and thirteenth in value. Owing to the growing emphasis on research and development has resulted in



the formulation of a wide array of drugs for various therapeutic areas. Pharmaceutical exports have also reached USD 27.85 billion in FY 2024, reflecting the growing preference for Indian pharma products in international markets of the US, UK, South Africa, Brazil and many more countries around the world. This growth is further fuelled by the Indian government's efforts to relax FDI regulations and an emphasis on improving healthcare infrastructure.

Encompassing 35% of India's pharmaceutical market, the API industry is experiencing steady growth, at a projected CAGR of 6.49%. This segment is transitioning beyond generics to include high-value API production to further solidify India's position in the global market.

In CY 2023 the Indian chemical industry was valued at USD 220 billion and is projected to grow to USD 383 billion by CY 2030. It continues to attract foreign direct investment (FDI) and is estimated to grow at a CAGR of 12%, from 2020 to 2025, on the back of favourable government policies, growing domestic demand and low cost of production.

Financial performance

During the year under review, we reported a total income of Rs. 2,163 crores, marginally

lower than the previous year's Rs. 2,243 crores. EBITDA reached Rs. 262 crores in FY24, compared to Rs. 252 crores in FY23. The EBITDA margin also rose by 90 basis points to 12.1% in FY24. Additionally, our net profit margin improved by 10 basis points. Our exports also grew by 7%, reaching Rs 679 crores as against Rs 634 crores in the previous year.

Diversifying Our Product Portfolio and Market Reach

Our growth strategy revolves around the expansion of our non-ibuprofen API product portfolio. We are targeting high-demand and synergistic segments, that offer better patient outcomes. This approach not only reduces our reliance on the ibuprofen market but also positions us for significant growth within specific therapeutic areas.

We are also committed to strengthening our foundation through backward integration for APIs. It not only offers us better control over the supply side but also reduces cost, ensures quality and improves production. Consequently, we are expanding our geographic presence for non-ibuprofen products. We recently received approval from the Centre for Drug Evaluation (CDE) of China's National Medical Products



Our R&D facility is DSIR-approved, employing over 50 scientists and researchers who remain focused on delivering solutions that address the most pressing needs of our target customers.

Administration (NMPA) to export Metformin Hydrochloride to China's market. This is a significant development that opens doors to a vast market. By establishing a wider global footprint, we aim to significantly increase sales within our non-ibuprofen portfolio.

At IOL, we completed a comprehensive audit by the Brazilian Health Regulatory Agency (ANVISA) for all ten of our API manufacturing units located in Barnala, Punjab. ANVISA approval positions us to effectively serve the Brazilian market, a key market that remains central to our growth objectives.

Research and Innovation

With 20 commercialised products and 8 products in the pipeline, our focus on Research and Development (R&D) continues to colour our growth ambitions. Our R&D facility is DSIR-approved, employing over 50 scientists and researchers who remain focused on delivering solutions that address the most pressing needs of our target customers.

Our R&D efforts are strategically divided into three key areas. First, we seek to explore and develop new products to expand our portfolio and attune ourselves with evolving market demands. Second, we strive to

deliver cost-effective solutions to drive market growth. Finally, we actively explore opportunities for backward integration of existing products. This not only strengthens our supply chain by reducing dependence on external suppliers but also allows us to innovate and develop more efficient processes. We are also prioritising sustainable manufacturing through green chemistry, which is helping us meet our sustainability targets.

Sustainability

At IOL, we are committed to design a sustainable future through meaningful action. From innovating effective solutions for minimising our environmental footprint to exploring the use of green chemistry across our processes, we intend to make environmental sustainability a core concern. We are also driving digitalisation across our manufacturing and R&D functions to improve efficiency and promote cost saving initiatives.

We believe, environmental stewardship and economic success go hand-in-hand. We have a well-defined roadmap for achieving water and carbon neutrality and we are proud to be a signatory of the Science Based Targets initiative (SBTi), demonstrating our commitment to ambitious emission reduction

goals. It has helped us to reduce Scope-1 emissions by 3.91% this year, from FY 2022-23 baseline, and committed to achieve Scope-2 emissions Neutrality by 2026.

We are pursuing a multi-pronged approach to achieve these goals. This includes initiatives to reduce raw material consumption, conserve energy and water and efficiently manage waste. We are also increasing our reliance on renewable energy to power our operations and minimise our ecological impact.

Acknowledgement

FY 2024 has been a year of significant progress for IOL. We have navigated market challenges, diversified our revenue streams, positioned ourselves for future growth and made substantial strides towards achieving our sustainability goals. We are confident that the dedication of our team and the continued support of our stakeholders will steer IOL towards new directions of success in the years to come.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our employees for their commitment, innovation and hard work. Their dedication is the driving force behind IOL's continued progress. I am thankful to our shareholders, partners and customers for their trust in our ability. We look forward to a brighter future together.

Sincerely,

Rajender Mohan Malla
Chairman

Managing Director's Message

Driving progress through innovation

Dear Shareholders,

It is a pleasure to write to you at the end of another eventful year for IOL.

Progress of API business

The API business catalysed our growth prospects during the year gone by. While we focused on diversifying our portfolio away from Ibuprofen, we also enhanced the scale of our operations. We are pleased to report volume growth of 10% to 15% for key non-ibuprofen products such as Paracetamol, Metformin and Clopidogrel. Our Metformin and Paracetamol exports have increased by 60% and 10% respectively. This growth reflects the growing demand for high-quality pharmaceutical ingredients. We have also successfully increased capacity for the production of our core offerings like Paracetamol and Metformin to fulfil growing market demand.

Our Ibuprofen business continues to be stable, with healthy demand growth. We have increased its capacity from 75% in FY23 to 85% in FY24. The global market for Ibuprofen is expected to witness continued growth of 3% to 4% p.a., thereby solidifying its position as a core product in our portfolio.

Specialty Chemicals

The Specialty Chemicals segment faced headwinds this year due to a temporary mismatch between input and output prices, particularly impacting Ethyl Acetate. This resulted in a decline in the segment's EBIT margin. However, raw material prices have stabilised, rekindling hopes of an optimistic recovery in the coming quarters. We remain committed to curate a product portfolio that directly addresses the critical raw material needs of our API production line. This initiative involves the in-house



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We are deeply committed to giving back to the communities in which we operate. Our primary focus lies in offering equitable access to basic necessities like education, healthcare and vocational training to underprivileged communities.

“
Our Ibuprofen business continues to be stable, with healthy demand growth. We have increased its capacity from 75% in FY23 to 85% in FY24.

production of essential chemicals such as Iso Butyl Benzene (IBB), Ethyl Acetate, Acetic Anhydride, Mono Chloro Acetic Acid (MCA) and Acetyl Chloride. By adopting backward integration strategy, we are actively reducing our reliance on external vendors, thereby mitigating supply chain disruptions and potentially lowering procurement costs. This approach is eventually expected to improve our profitability in the days ahead.

Strategic Expansion

Despite short-term challenges, we are actively pursuing strategic initiatives to diversify our product portfolio and expand our geographical reach. Recently, we have

received approvals for non-ibuprofen products in key regulated markets. This provides us with the opportunity to significantly expand our export footprint on the strength of our diversified portfolio. We anticipate this development to substantially contribute to our revenue and profitability in the coming years.

To accelerate the development of continuous processes and the integration of enzyme reactions, we have partnered with renowned institutes. It has resulted in collaborations with experts and bolstered our R&D efforts.

Rooted in Innovation

We rely on innovation to support our growth strategy. Our dedicated R&D team continues to offer innovative solutions, attuned to evolving market needs. We are actively exploring opportunities for backward integration to strengthen our supply chain and reduce dependence on external suppliers. Sitagliptin was developed as a result of our robust R&D efforts and we continue to rely on advanced research to address the unmet needs of the pharmaceutical industry and ensure uninterrupted supply of superior-quality products.

Investing in the Future

We are committed to driving sustainable growth through strategic capital expenditure (CAPEX) plans. This year, we allocated around Rs. 250 crores for CAPEX initiatives, higher than the previous year. These investments will be directed towards the adoption of technology and automation, infrastructure development, environmental system upgrades and land purchases for future expansion of our facilities. Our relentless focus on modernisation and capacity expansion is expected to translate into a significant increase in our top line as well as bottom line. Some of these funds will also be utilised for R&D initiatives to drive innovation and facilitate the development of a robust product pipeline.

“
Our relentless focus on modernisation and capacity expansion is expected to translate into a significant increase in our top line as well as bottom line.

Building a Sustainable Organisation

We understand that financial performance alone does not define our achievements and we have integrated Sustainability as a core business value. We strive to create a supportive environment for our employees and uplift communities through our CSR initiatives.

Our employees are the heart and soul of the company, and we are dedicated to fostering a positive and engaging work environment. This commitment is reflected in our ongoing training and development programmes as well as initiatives that promote employee well-being and safety. We believe that a motivated and skilled workforce is not only essential for driving innovation and achieving strategic objectives but also contributes to a more positive and sustainable work culture. We place a high priority on employee safety and have created a robust and comprehensive Occupational Health and Safety Management System.

This dedication to creating a positive impact extends beyond the walls of the organisation. We are deeply committed to giving back to the communities in which we

operate. Our primary focus lies in offering equitable access to basic necessities like education, healthcare and vocational training to underprivileged communities. As a responsible corporate, we actively engage in initiatives and programmes that address these critical areas and meet the diverse needs of communities. By contributing towards a more inclusive and sustainable future, we are empowering people and initiating lasting change within society.

A Bright Future Awaits

Our credibility in the API segment, focus on portfolio diversification and expansion of export footprint continues to generate value for all our stakeholders. Over the years, we have pursued an aspiration to build a customer-focused organisation that fulfils the unmet needs of people. It is this thrust that colours our growth ambitions, fuels our R&D innovations and secures our position in a competitive sector.

Moving ahead, we are diversifying and innovating to secure the foundation of a sustainable organisation. We remain extremely grateful to our stakeholders for their support and encouragement.

Thank you for being a part of our journey.

Regards,

Varinder Gupta
Managing Director

Stakeholder Engagement

Our approach to stakeholder engagement encompasses comprehensive interaction protocols and attentive feedback systems. This enables us to gain insights into their issues, address them effectively and ensure transparency regarding our initiatives. Through this strategic engagement, we keep them updated on our initiatives and foster mutually beneficial opportunities and outcomes.

	Needs and Expectations	Mode of Engagement
 Investors/ Stakeholders	<ul style="list-style-type: none"> • Access to financial reports, Sustainability Performance, operational performance and investment strategies • Opportunities for input or feedback on corporate strategies • Assurance of responsible corporate governance and ethical practices 	<ul style="list-style-type: none"> • Returns on investments and dividend information • Quarterly or Annual Reports, Investor Meetings, Online Portals, Newsletters • Shareholder surveys and voting, and investor advisory/ voting • Corporate Governance Reports, Ethical Standards Disclosures • Dividend Notifications, Annual General Meetings • Publishing Sustainability Report and GHG Report on website
 Employees and Contractual Labourers	<ul style="list-style-type: none"> • Sharing policies, plans, programs, guidelines, regulations, and decisions • Providing valuable opinions and technical expertise • Addressing employee welfare, promoting conducive working conditions, and offering competitive monetary benefits • Prioritising health, workplace safety, and equitable wages to minimise negative impact 	<ul style="list-style-type: none"> • Policies • Trainings • Internal communication • Mails • Display on notice boards • Management review meetings • Monthly meetings • Safety Committee meetings • Works Committee meetings
 Service Contractors	<ul style="list-style-type: none"> • Ongoing contracts and timely payments/benefits 	<ul style="list-style-type: none"> • Agreements, regulations related to payment of wages
 Government Authorities	<ul style="list-style-type: none"> • Adhere to laws, regulations, international, national, and industry codes and standards • Obtain necessary permits, licenses, and authorisations • Department of environmental management reviews compliance obligations 	<ul style="list-style-type: none"> • Annual Reports and website updates • Compliance reports on authority websites and submissions to relevant authorities based on regulation register • Implementation of robust EHS management systems (ISO 14001:2015 and 45001:2018)

	Needs and Expectations	Mode of Engagement
 Communities	<ul style="list-style-type: none"> • To ensure absence of negative impact on human health and the environment, safeguarding air, water, and soil • Employment Opportunities • Various Infrastructure, Environmental, Education and Health related initiatives by organisation 	<ul style="list-style-type: none"> • External communication register, meetings with society representatives, public information on the website • CSR Committee for coordination for identification of Need and carrying out impact assessment.
 Suppliers/ Vendors	<ul style="list-style-type: none"> • Policies, plans, programs, guidelines, regulations, and decisions 	<ul style="list-style-type: none"> • Diverse directives and regular gatherings • Assessment during management review sessions
 Customers	<ul style="list-style-type: none"> • Ensuring products or services do not adversely affect customer health or business 	<ul style="list-style-type: none"> • Utilisation of customer feedback form data • Analysing and incorporating it to enhance our services (marketing and sales)
 Media	<ul style="list-style-type: none"> • Policies, plans, programs, guidelines, regulations, and decisions 	<ul style="list-style-type: none"> • External communication through designated management representatives
 Non-government Organisations	<ul style="list-style-type: none"> • Policies, plans, programs, guidelines, regulations, and decisions 	<ul style="list-style-type: none"> • External communication through designated management representatives

Materiality Assessment

Our ability to achieve long-term goals relies on our comprehension of the business landscape and the potential risks and opportunities that may influence our operations. We employ a robust mechanism to assess and mitigate risks, ensuring we consistently deliver value to our stakeholders and fulfil their expectations.

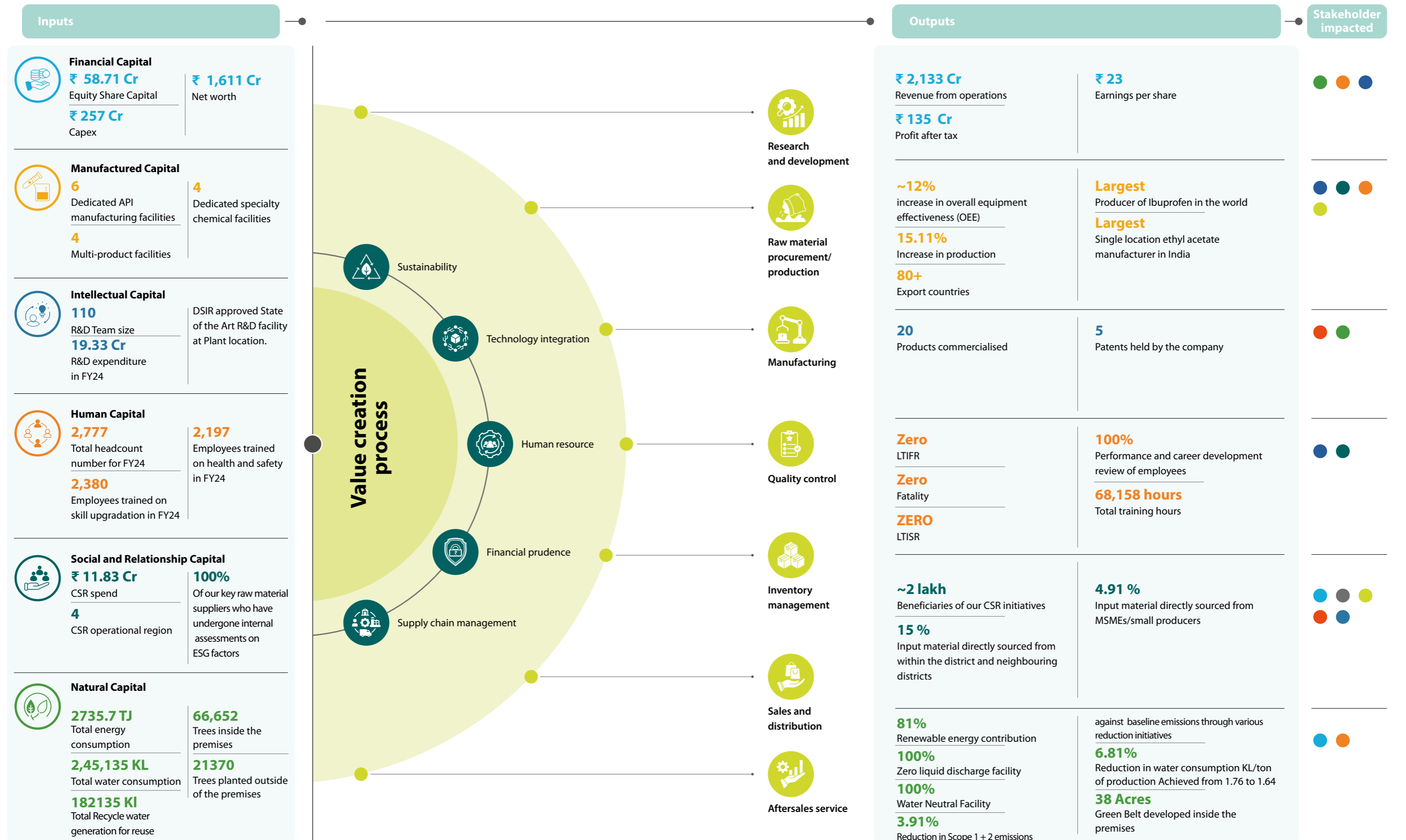
We have implemented a structured process for materiality evaluation to identify, assess and report on key aspects of our business, encompassing economic, environmental, social and governance factors. This evaluation allows us to understand topics that are important to our organisation and stakeholders. In the fiscal year 2022-23, we refreshed our material assessment process, aligning it with GRI Standards.



IOL's Activities	Main Impact Generated (Actual/Potential)	Relevant Material Issue
Energy Insensitive Operations	⊖ Contribute to GHG (greenhouse gas) emissions that cause climate change	2
Initiative on Solar Panel Installation	⊕ Reduction of emissions through increasing reliance on renewable energy	2
Active Monitoring of Air Quality	⊕ Limit the impacts of increasingly stringent global air quality regulations	2
Efficient Working of ZLD (Zero Liquid Discharge) Plant	⊕ Increases operational efficiencies and lower operating cost	1
Waste and Effluent Generation from Manufacturing Activities	⊖ Waste may contaminate surface and groundwater ⊕ Hazardous material may accumulate and remain in the environment	1
Water Recycling Initiatives	⊕ Increases operational efficiencies and lowers operating costs	1
EV Introduction	⊕ Reduction of emissions	2
Management System SA8000 ISO 45K, 50K, 14K and 9K	⊕ Strengthen the organisation's operations and operational controls and employee well-being	5
Talent Development Program	⊕ Adequate skill and knowledge development ⊕ Increases operational efficiency ⊕ Sustainable business growth and success	5 10
Incident Risk Management	⊕ 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 landfilling	3
IOL Workplace Health and Safety Programs	⊕ Helps prevent near-miss incidents ⊕ Strengthening workplace safety ⊖ Safety is critical due to hazardous working conditions	4 11
CSR Activities	⊕ Increases the financial stability of local communities ⊖ Risks related to operating in areas with vulnerable communities such as Indigenous people	9 6 10
Transportation Activities	⊖ Emissions from transportation may impact the ecosystem ⊖ Increase in dust and operational safety	2 4
Whistle Blower Policy	⊕ Limits violations and helps take corrective action	9
Business Ethics and Anti-corruption Policies	⊖ Violations may increase compliance costs ⊕ Reduces corruption and bribery risks	9
Procurement	⊕ Impact in the Local Community through prioritising local Suppliers ⊕ Promotes Community Welfare & retail Business ⊖ Increase in environment impacts if environment sustainability criteria are not considered for Supplier selection	8

Value Creation Model

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



Charting Out the Sustainability Journey

At IOL, our growth is measured not only by profits but also by our significant contributions to the greater good. We consistently strive to preserve and restore the environment, protect our climate and enhance the lives of underserved communities. Our approach to sustainability integrates environmental stewardship, comprehensive social responsibility initiatives and governance rooted in transparency and accountability. We uphold the highest ethical standards in all aspects of our operations, ensuring our actions contribute positively to society and the environment.

Sustainability in action



Sustainability Goals, targets and Progress

We have signed the SBTi (Science-based Target initiative) commitment, underscoring our dedication to sustainable practices. We have taken the goal for a reduction in Scope 1 Emission by 40% by 2035, Scope 2 neutral by 2026 and a 40% reduction in Scope 3 Emission by 2035 from baseline emissions of FY 2022-23.

We have been able to achieve operational excellence through a series of sustainability initiatives. We are focused on reducing raw material consumption, optimising energy and water use and minimising waste production. Noteworthy progress has been made in utilising renewable energy derived from green fuel sources. Our research and development team is dedicated to sustainable manufacturing by employing green chemistry principles and implementing efficient processes that lower resource consumption, shorten cycle times and reduce overall carbon intensity. Through these efforts, we aim to lead in the development of environmentally responsible and resource-efficient practices within the industry.

40%

Scope-3 emission reduction by 2035

58.8%

Combined emission reduction by 2034 (Scope 1+ Scope 2)

Carbon Neutral

Scope-2 emission by 2026

40%

Scope-1 emission reduction by 2035



FY 2021-22

Awareness on Sustainability

- General awareness on environmental sustainability framework implementation

Data Inventorisation

- Scope 1, Scope 2 and Scope 3
- Draft Sustainability Report Preparation
- Sustainability Journey Kickoff



CDP

- Membership completed
- Climate action assessment Level D achieved

Competency Building

- Five IOL employees were certified by CII on resource efficiency and environmental sustainability
- In-house campaigns and training Initiated

Data Mapping and ESG Assessment

- GHG protocol and accounting
- Internal verification
- SDG mapping

Sustainability Roadmap

- Draft road map prepared for EHS policy
- Revised sustainability KPIs
 - Scope 2 - neutral by 2026
 - Scope 1 - 40% reduction till 2035

FY 2022-23

Third-party Certification

- Data verification - ISO 14064-1
- Onboarding stakeholders
- SA 8000:2014 certification
- ISO 50001:2018 certification

SBTi - Science-based Targets Initiative

- Commitment Letter published
- GHG reduction initiatives implementation
- Sustainability Report FY 2021-22 published
- Carried out materiality assessment

FY 2023-24

CDP assessment

- Climate Change CDP 2023 Level "C" Achieved
- Water Security CDP 2023 Level "C" Achieved
- Ecovadis Bronze Medal
- ISO 20400
- Obtained SA 8000:2014 certificate
- Solar panel Installation
- EV Vehicle Introduced
- 10 no. of IOL employees were certified by CII on resource efficiency and environmental sustainability

FY 2024-25 onwards

SBTi Goals Modelling

- SBTi Goals Under Final Approval
- Road Map for FY 24-25 Finalised
- Reduction Initiative tracking and Monitoring
- Life Cycle Assessment of Products
- ISO New Standards Introduction and implementation
- Super-15 Sustainability leaders

Managing Risks with Prudence

Risk management is a fundamental aspect of our business operations that help us protect our business from risks, maintain our competitive edge, ensure operational efficiency and safeguard the interests of our stakeholders. Through our comprehensive risk management framework, we proactively navigate uncertainties and seize opportunities in the dynamic business environment.

Risk Management Framework

Our Enterprise Risk Management (ERM) framework was developed through a structured process beginning with CEO discussions to align risk strategies with business objectives, followed by the creation of a comprehensive ERM policy. Individual meetings with functional heads across various departments, such as Finance, Sales, Marketing, Procurement, IT, and SCM, were conducted to identify and understand department-specific risks. This led to the updating and finalisation of the risk register, a

central document capturing all identified risks and mitigation strategies. Detailed mitigation plans, including measurable action steps and reporting mechanisms, were then finalised. This proactive approach, overseen by the Risk Management Committee, ensures effective risk management, supports sustainable growth, and enhances stakeholder confidence.

Risk Management Committee

Our Risk Management Committee oversees comprehensive risk assessment

and mitigation across business, finance, operations and compliance. The Committee analyses various risks to pre-empt potential threats and enhance our risk management strategies, aligning them with our risk appetite and overall objectives.

Regular reporting to the Board ensures effective communication and informed decision-making. This proactive approach safeguards our business, supports sustainable growth and enhances the confidence of the growing stakeholder fraternity.

Key Risks and Mitigation Strategies



Operational Risks




Risk Area	Risk Description	Impact on Business	Mitigation Strategy
Information Technology	Risk of Cyber Attack	Financial Capital: Financial loss due to breaches affecting liquidity and profitability, along with penalties for data breaches. Intellectual Capital: Loss of proprietary information, including process data and R&D insights, hindering innovation. Relationship Capital: Damage to Company's reputation from data breaches, leading to a loss of customer trust and potential business loss.	A robust cyber security framework and IT security management plan is in place. Conducting regular Vulnerability Assessment and Penetration Testing (VAPT). Continuous monitoring for cyber threats and securing IT infrastructure.
Manufacturing Facility	Disruption in Supply Chain.	Manufactured Capital: Dependency on a single Location for production could lead to operational halts during disruptions. Financial Capital: Delays and disruptions could cause financial losses due to unfulfilled orders. Human Capital: Workforce productivity may be affected during disruptions.	Developing multi-located manufacturing facilities to mitigate location risks. Improving logistics and supply chain management to ensure continuous operations. Implementing contingency plans for potential disruptions. Conducting various training programs for employees to train them with new set of skills and competencies for multiple roles and responsibilities, which can be utilised to ensure operational flexibility during disruptions.



Risk Area	Risk Description	Impact on Business	Mitigation Strategy
Quality	Loss of Customer due to unsatisfactory performance of Products	Relationship Capital: Poor quality could lead to loss of customer confidence and reputation. Financial Capital: Loss of customers due to quality issues could result in loss of revenue. Intellectual Capital: Failure to meet quality standards could affect brand image and innovation.	Implementing a robust Quality Risk Management framework. Conducting regular quality audits and complying with external quality standards. Experts' training to quality teams to enhance their skills and knowledge.
Business Continuity Planning	Disruption in Business Continuity	Manufactured Capital: Lack of a business continuity plan could lead to operational disruptions and loss of production. Financial Capital: Disruptions could result in financial losses. Social Capital: Business continuity failures could impact relationships with customers, suppliers and other stakeholders.	Developing a comprehensive Business Continuity Plan (BCP) including identification of critical processes and recovery objectives. Conducting regular Business Impact Analysis (BIA) and establishing recovery time objectives.
Fire/Hazard Management	Risk of Fire Hazards at Manufacturing Facilities	Manufactured Capital: Fire hazards could lead to equipment / civil damages and operational shutdowns. Financial Capital: Financial loss due to property damage and potential legal liabilities. Human Capital: Safety risks to employees could lead to injuries and loss of life.	Maintaining critical fire protection equipment and conducting regular inspections. Regularly conducting Fire safety training and awareness programs. Emergency response protocols are established and ensuring availability of fire safety equipment.
Research and Development (R&D)	Loss of business potential due to lack of Investment in R&D	Intellectual Capital: Inadequate investment in R&D could hinder innovation and competitive edge. Financial Capital: Loss of business potential due to lack of new product development could affect revenue. Human Capital: Shortage of skilled R&D personnel could limit research capabilities.	Increasing investment in latest R&D infrastructure, facilities and manpower. Implementing advanced technologies and digital tools to streamline R&D processes.



Financial Risks

Risk Area	Risk Description	Impact on Business	Mitigation Strategy
 Product Concentration	Product Diversification	<p>Financial Capital: Inability to quickly adapt to regulatory updates or product bans could affect operational inefficiencies and overall financial health.</p> <p>Intellectual Capital: A weak pipeline for other products could limit business growth.</p>	The Company actively diversifying in various therapeutic categories and specialty chemicals.
 Foreign Exchange	Volatility in Foreign Currency	<p>Financial Capital: Increased expenditure on export and import due to currency fluctuations could affect profitability.</p> <p>Manufactured Capital: Unfavourable exchange rates could impact the cost of raw materials and products.</p>	Regularly monitoring foreign exchange exposure and implementing hedging measures when needed. System is in place for periodic review of forex exposure and hedging strategies.
 Fraud Monitoring	Anti-Fraud and Unethical Practices	<p>Financial Capital: Fraud could lead to significant financial losses and legal penalties.</p> <p>Relationship Capital: Unethical practices could damage the company's reputation and stakeholder trust.</p> <p>Relationship Capital: Fraud incidents could impact relationships with customers, supplier and stakeholders.</p>	A comprehensive internal control system is in place to oversee fraud prevention and detection. Conducting regular internal fraud awareness trainings and timely review of policies.


ESG Risks



Risk Area	Risk Description	Impact on Business	Mitigation Strategy
 Environmental, Social and Governance (ESG)	ESG Goals	<p>Natural Capital: Non-compliance with environmental regulations could lead to environmental degradation and depletion of natural resources.</p> <p>Social Capital: Failure to adhere to social governance standards could result in loss of community trust and stakeholder confidence.</p> <p>Financial Capital: Fines and penalties along with revenue losses for non-compliance with ESG regulations could impact financial performance.</p>	Established an ESG program to ensure compliance with all requirements. Conducting regular training for employees to raise awareness to achieve ESG Goals. Implementing policies and procedures for environmental impact, carbon emissions, water usage, energy utilisation, and good work practices.

Regulatory Risks



Risk Area	Risk Description	Impact on Business	Mitigation
 Regulatory Requirements	Non-compliance with Laws and Regulations	<p>Financial Capital: Fines and penalties for non-compliance could significantly impact financial bottom line.</p> <p>Relationship Capital: Non-compliance could damage the company's reputation and stakeholder trust.</p> <p>Manufactured Capital: Operational disruptions due to regulatory issues could affect production.</p>	A robust compliance management system is in place to ensure adherence to all regulations. Compliance officer oversee statutory requirements, policies and procedures periodically to stay abreast of regulatory changes.

Robust Governance Framework

Ethics and Transparency

At IOL, we adhere to high standards of ethics and transparency. Our Code of Conduct provides clear guidelines for ethical behaviour, ensuring that all employees and stakeholders maintain integrity. We prioritise transparent decision-making processes and maintain open and honest communication across all levels of the organisation. Our adherence to ethical practices enhances our corporate reputation and builds trust with our stakeholders, including customers, investors, and employees.

Core Governing Principles

Our robust governance framework is designed to safeguard the interests of all stakeholders and ensure the long-term sustainability of our operations. The following principles guide our governance practices:

1. Promotion of Ethical and Responsible Decision-Making
2. Timely and Balanced Disclosures
3. Respect for the Rights of Shareholders
4. Legal and Statutory Compliance in Letter and Spirit
5. Composition of the Board to Add Value
6. Safeguarding Integrity in Financial Reporting
7. Recognition and Management of Business Risks
8. Recognition of the Legitimate Interests of 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 & Growth Committee**

Commitment to Governance

We prioritise strong and effective corporate governance to ensure the best interests of all our stakeholders. Our well-structured governance system serves as the foundation for our operations, enabling us to operate efficiently, mitigate business risks, and safeguard the interests of our stakeholders. We are dedicated to long-term value creation and innovation, to create a management culture that upholds the highest standards of corporate governance and promotes transparency across all aspects of our organisation.

Policy Implementation

We have established comprehensive policies that firmly anchor our business in responsible practices. We consistently oversee our systems and processes, verifying that our operations align with our predetermined guidelines. To instil transparency and ethical conduct within our framework, we have developed and implemented pertinent policies. These policies are essential in guiding us toward our growth objectives while upholding our core values. They serve as principles that protect the interests of our business and our stakeholders. The detailed policies can be access at <https://www.iolcp.com/about-us/policies>.

Code of Conduct for Directors and Senior Management

We uphold our Code of Conduct as the guiding principle for our operations. We deliver thorough training on this ethical code to our Board of Directors (BoDs), key management personnel (KMPs), employees and all our esteemed partners throughout the value chain.

Our Directors and senior management personnel reaffirm their pledge to prioritise the Company's best interests every year, ensuring no personal or business associations or transactions compromise its operations. Likewise, our senior management confirms each year that they have not engaged in any significant transactions that could conflict with the Company's broader interests.

Business Responsibility Policy

We aim to integrate our business responsibility policy across the organisation and all our operations. An appointed function head is responsible for monitoring and implementing this policy. Functional heads develop action plans and checklists to ensure compliance. Ultimately, the Board delegates oversight to individual Directors or Officials. Stakeholders can report grievances related to this policy's adherence to investor@iolcp.com for appropriate resolution.

Anti-sexual Harassment Policy

The policy upholds a respectful workplace environment for everyone, ensuring equal opportunities irrespective of gender. We maintain a zero-tolerance policy towards sexual harassment, with measures designed for the prevention and redressal of any such actions. This policy safeguards all employees, regardless of gender.

Corporate Social Responsibility (CSR) Policy

Our CSR policy integrates corporate social responsibility principles into our operational and strategic decision-making processes, emphasising both social welfare and economic advancement. The CSR Committee is responsible for overseeing the implementation of programs in accordance with this policy.

Vigil Mechanism and Whistle Blower Policy

Employees are encouraged to report any unethical behaviour or wrongful conduct to the Audit and Risk Management Committee within 45 days of awareness. The Committee is responsible for conducting comprehensive investigations and may delegate this responsibility to senior officers or specialised committees. Procedures are designed to ensure fairness and thoroughness, including the possibility of conducting interviews. Upon conclusion, the Committee will recommend appropriate disciplinary actions.

Nomination and Remuneration Policy

The policy helps in the identification and appointment of Directors, Key Managerial Personnel (KMP) and Senior management. The determination of remuneration, compensation and commission for personnel is overseen by the committee and sanctioned by the Board, with requisite approvals from shareholders and government bodies as necessary. Our practices comply with statutory provisions, and we may propose increments within the limits set by shareholders.

Environment, Health, Safety and Sustainability Policy

We prioritise protecting the environment and ensuring the health and safety of our employees by integrating these values into our daily practices. We provide a safe, healthy workplace and comply with statutory EHS obligations. We minimise adverse impacts through technological upgrades, employee and stakeholder participation and optimal resource use. We cultivate a safety culture, regularly review EHS performance and implement robust programmes to prevent injury and illness. Sustainability considerations are embedded in all business decisions, contributing to a greener future, and this policy is communicated to all stakeholders.

Energy policy

We prioritise energy efficiency in manufacturing and distributing high-quality APIs, intermediates and speciality chemicals. Our energy management strategy includes monitoring, decarbonising and minimising energy use, and enhancing efficiencies through continuous opportunity identification. We ensure compliance with all legal and regulatory energy requirements. Our proactive and cost-effective approach includes procuring energy-efficient products and services and integrating energy policy into business planning. We communicate this policy to all employees and stakeholders and make it available upon request.

Sustainable procurement policy

We prioritise sustainable procurement, emphasising sustainability, social responsibility and environmental stewardship. We ensure compliance with legal and ESG requirements, prioritise eco-friendly products, uphold ethical sourcing, support local businesses, maintain transparency and continuously improve our practices. By communicating this policy to all stakeholders, we aim to enhance awareness and accountability. This approach reaffirms our dedication to responsible resource management and a sustainable future for all.



Social Accountability Policy

The policy ensures a socially accountable work environment by prohibiting child labour, forced labour and discrimination. We uphold ethical practices and respect employee rights, including health and safety, working hours and remuneration. The policy promotes freedom of association and collective bargaining, systematically implementing SA 8000 requirements. The policy undergoes regular review, and efforts to enhance employee awareness are consistently undertaken to drive continual improvement. This policy is applied throughout the organisation and communicated to all stakeholders, ensuring a fair and respectful workplace.

Quality Policy

Our objective is to consistently deliver high-quality products and improve customer satisfaction by developing robust processes, adhering to Good Manufacturing Practices, continuously enhancing our Quality Management System, embracing advanced technologies, and cultivating a strong quality culture. We achieve this through ongoing team development, training and empowerment of our team. We firmly believe that quality should be ingrained into our products and is a shared responsibility within our organisation.



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.



DR. SANDHYA MEHTA
Independent Director

Dr. Sandhya Mehta, Principal of Guru Nanak Institute of Management & Technology, brings over 26 years of experience in industry and academia. She has authored seven books and numerous journal publications. Recognised for her excellence in teaching, Dr. Mehta's insights are crucial for the company's academic and strategic initiatives.



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.

Luminaries of Excellence



US FDA-approved facility since 2015, recertified in 2019



EUGMP certification in 2013, 2017 and recertification in 2020



State Food and Drug Administration Manufacturing License, GMP



GMP certificate by the Ministry of Industry and Trade of the Russian Federation



Certified Halal in accordance with Sharia Board guidelines



Ministry of Public Safety and Security
Certificate of DMF Registration from the MFDS (Ministry of Food and Drug Safety) of the Republic of Korea



Certified WHO GMP (COPP)



Written confirmation from the Central Drugs Standard Control Organisation (CDSCO)



Certificate of Suitability from the European Directorate for the Quality of Medicines & HealthCare (EDQM)



Certified Kosher issued by certification agencies and the Chief Rabbinate of Israel



ISO 9001:2015, ISO 14001:2015, ISO 20400 :2017
ISO 45001:2018, ISO 50001 and ISO 14064-1



Recognition for our commitment to quality and compliance, exemplified by the REACH Certificate for ethyl acetate, enabling exports to 40+ countries worldwide.



Social Accountability Standard



International Sustainability & Carbon Certification



Ecovadis Bronze Medal for FY 2023-24



Disclosure Insight Action



Financial *Capital*

At IOL, we maintain financial discipline to sustain our growth momentum. Through judicious financial planning, which encompasses prudent investments as well as effectively deploying financial resources, we have generated optimum returns for stakeholders while securing a strong balance sheet. Our focus on capital allocation, profit sharing with shareholders and strategic investments has laid a robust foundation for our value-accretive business.

With a healthy balance sheet and consistent cash flow generation, we are well-positioned to capture emerging opportunities. By unlocking enhanced operational efficiencies, streamlining processes and strengthening our capabilities, we have delivered a strong bottom line, significantly improved cash flow and enhanced shareholder returns.

Stakeholders Impacted



Investors



Employees and
 Contractual
 Labourers



Suppliers /
 Vendors



Regulatory
 Authorities

Key highlights

₹ 2,162.9 cr

Total Income

12.1%

EBITDA Margin

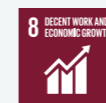
₹ 261.6 cr

EBITDA

₹ 135.4 cr

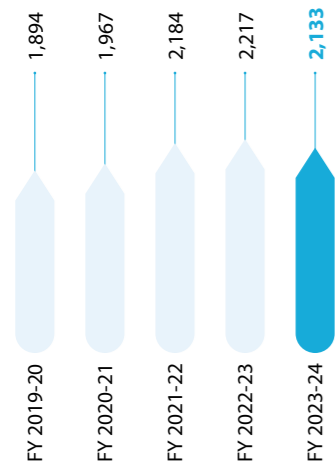
Profit After Tax

SDGs Impacted



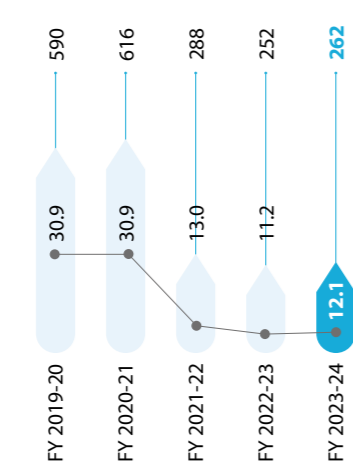
Revenue from Operations

(in ₹ cr)



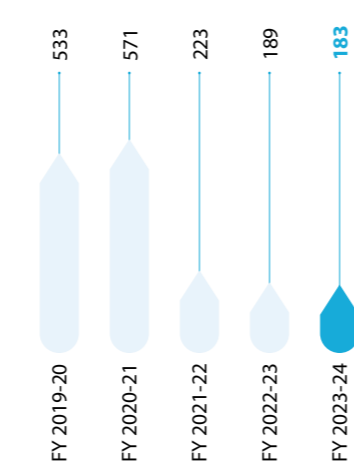
EBITDA

(in ₹ cr) — in %



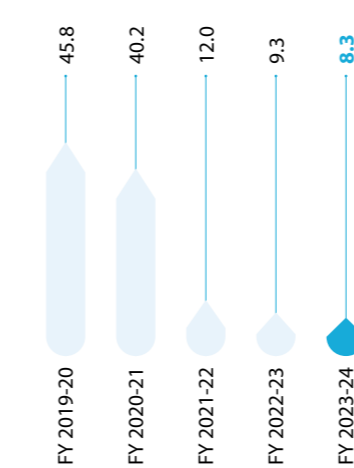
PBT

(in ₹ cr)



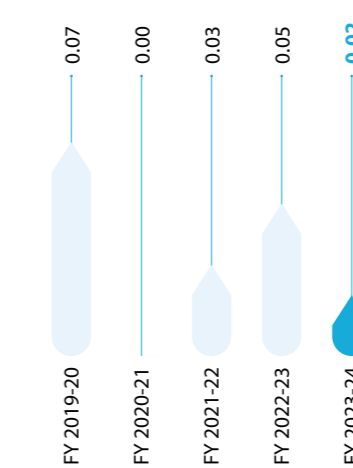
Return on Net Assets (RoNA)

(in %)



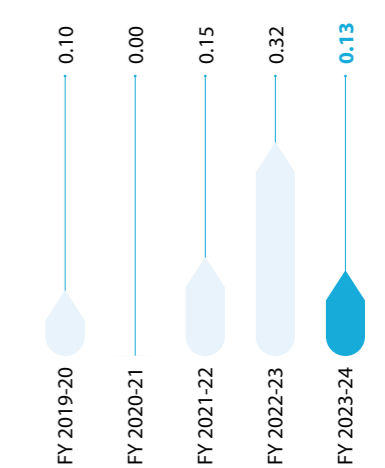
Net Debt to Equity

(in times)



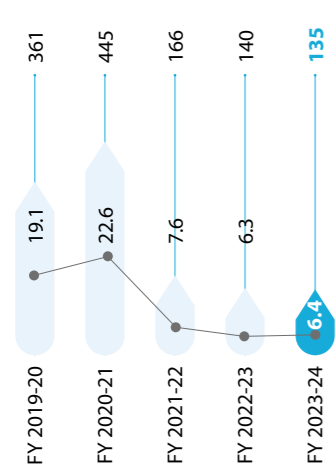
Net Debt to EBITDA

(in times)



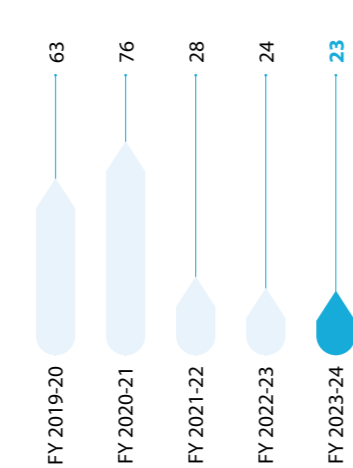
PAT

(in ₹ cr) — in %



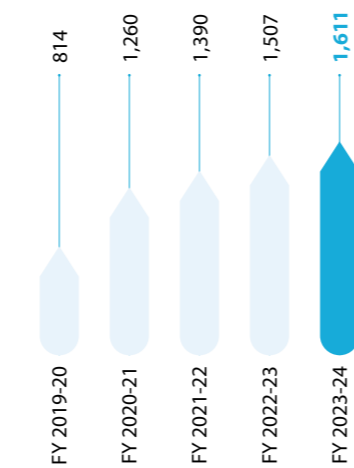
Earnings Per Share

(in ₹)



Net Worth

(in ₹ cr)

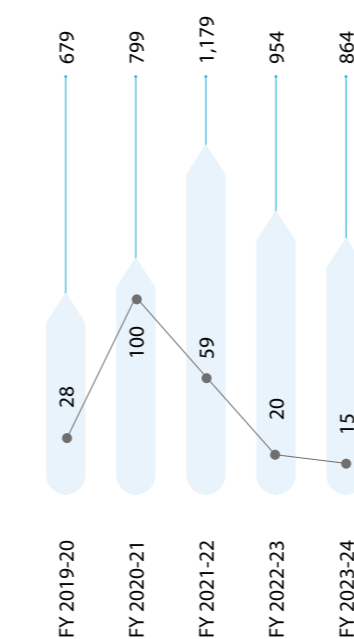


Financial performance across verticals

Revenue from the chemical segment declined due to lower selling prices and a reduction in traded goods. However, the introduction of Acetic Anhydride helped balance this decline to a certain extent. While the volume of Ibuprofen and other APIs increased during the year, the sales revenue for other APIs declined primarily on account of lower selling prices. The corresponding decrease in raw material prices enabled us to maintain our margins.

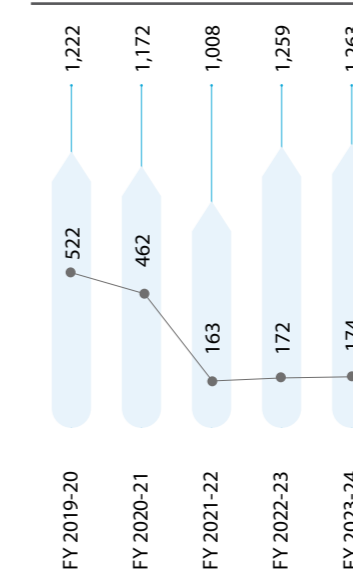
Chemical Segment (₹ cr)

● Revenue (net of intersegment) ● EBIT (₹ cr)



Pharma Segment (₹ cr)

● Revenue (₹ Cr) ● EBIT (₹ cr)



Our strategic initiatives are closely aligned with our long-term goals and objectives. We aimed to increase the volume of our non-API segments by adding new products and improving capacity utilisation. Additionally, we diversified our business by expanding to other locations.

Financial strategy refresh

We undertook a strategy refresh exercise to maintain our financial performance amid challenging market conditions. By continually refreshing our strategies, we managed to maintain our EBITDA levels even with a substantial decline in finished goods prices. Additionally, we explored business growth opportunities by expanding to new locations, purchasing new land and planning to install new manufacturing facilities for both chemical and pharmaceutical products.

Efforts to improve our market capitalisation included conducting quarterly investor meetings, continually paying dividends, attending conferences, arranging roadshows and facilitating analyst visits to our plant. Further, we invested in fixed assets for future and existing projects to increase revenue and reduce production costs. Notably, all CAPEX was funded from internal accruals, increasing our book value per share as well as our net worth.

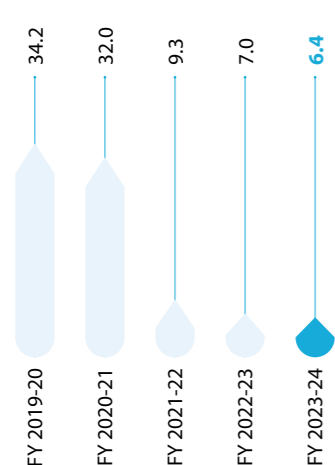
Strategic focus areas and expansion efforts

During the fiscal year 2023-24, we maintained a persistent emphasis on expanding our geographical reach, especially in regulatory markets for APIs. This expansion resulted in a surge in overall volumes, enabling us to sustain profitability in line with the previous financial year, despite a considerable decline in selling prices.

Key Ratios

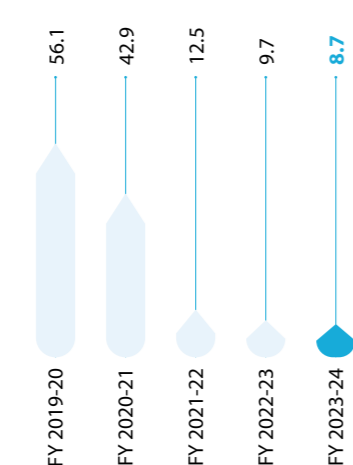
Return on Assets

(in %)



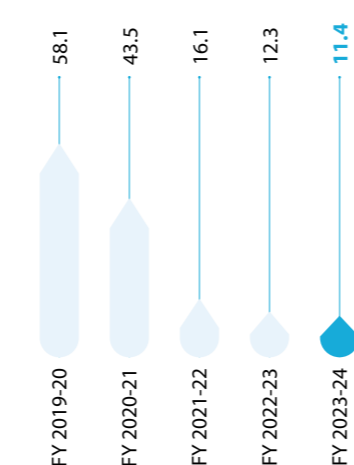
Return on Equity

(in %)



Return on Capital Employed (RoCE)

(in %)



Cost optimisation measures

Throughout the course of the past year, we implemented numerous cost optimisation measures. We successfully executed a project for Acetic Acid recovery from by-products in Paracetamol production, which not only reduced costs but also controlled waste. Moreover, we installed additional boilers and automated production activities to ensure uninterrupted operations. Our R&D team focused on improving production efficiencies while maintaining the quality of finished products in both the chemical and pharmaceutical segments.

Effective Management of Financial Risks

Several internal and external factors impacted our financial position during the year under review. The decline in selling prices affected our turnover, but we mitigated this by increasing volumes and purchasing raw materials at lower prices. Notably, our raw material to selling price ratio improved from 69.8% in FY23 to 65.5% in FY24. We also commenced the production of Acetic Anhydride in the chemical segment, primarily for captive consumption in the production of Acetyl Chloride, Mono Chloro Acetic Acid and Paracetamol.

This backward integration improved our bottom line and ensured the continuity of production activities for other products in both the chemical and pharmaceutical segments. However, external factors such as geopolitical disturbances and the Red Sea crisis led to higher freight costs and extended voyage spans for raw material and finished goods deliveries. We passed the increased freight costs on to customers in new sales contracts.

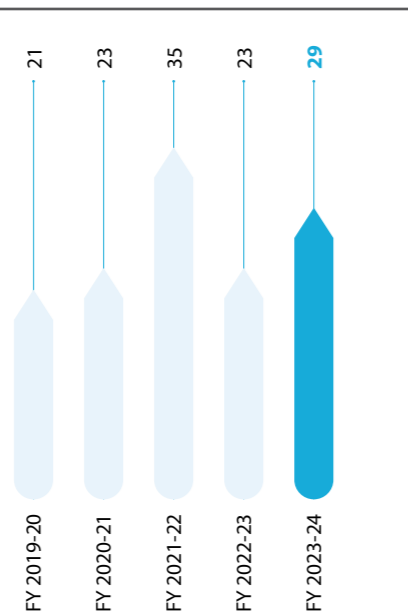
Maintaining financial health

Stakeholder engagement is crucial for maintaining financial health and securing capital. Recognising this, we build strong relationships with lenders, investors and rating agencies through regular meetings and business reviews, discussing ongoing and prospective engagements, market trends and emerging structures. We periodically meet with stakeholders to update them on our financial performance and projections. This approach ensures both robust financial stability and sustained investor confidence.

Maximising value creation

We aim to balance short-term financial gains with long-term value creation. Committed to delivering value to our shareholders, we integrate dividend distribution into our Capital Allocation Policy. As part of this commitment, we have paid a interim dividend of 5 per fully paid-up equity share with a face value of 10 each during the FY24.

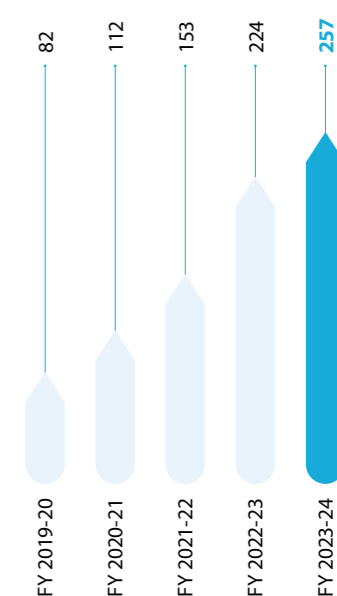
Dividend (in cr)



New investment opportunities

Looking ahead, we are exploring new investment opportunities to boost revenue generation and maximise profitability and shareholder returns. Our investments in new projects are aimed at widening our top and bottom lines. We have begun purchasing land at new locations near our existing facilities and are considering cost-cutting measures to enhance value addition.

Capex (in cr)



R&D Investment (in cr)





Manufactured *Capital*

Our state-of-the-art manufacturing facilities are equipped with new-age processes to deliver innovative and affordable solutions that make a difference in patient's lives. The facilities are operated and maintained per the latest global quality and manufacturing standards.



Stakeholders Impacted



Employees and Contractual Labourers



Service contractors



Suppliers/ Vendors

Key highlights

4

Dedicated API manufacturing facilities

6

Multi-product facilities

28%

Export contribution

3

Dedicated specialty chemical facilities



SDGs Impacted



Ensuring manufacturing excellence

Our state-of-the-art manufacturing facilities are designed to enhance efficiency and ensure the delivery of superior quality products. Backed by advanced technology and stringent quality control measures, we have sustained our position as a reliable API, intermediate and speciality chemical manufacturer.

Pilot Plant

This facility handles multiple products, allowing for flexible and small-scale production.

Unit-1 and Unit-2

These units are dedicated to the production of ibuprofen, with a combined capacity of **12,000 MT** per annum, ensuring a steady supply of products to the market.

Unit-3,

These units handle multiple products, providing flexibility to adapt to market demands.

Unit-4

Specialises in paracetamol production with a capacity of **3,600 MT** per annum, supporting our product diversification strategy.

Unit-5

Dedicated to the production of Clopidogrel bisulphate with capacity of **180 MT**.

Unit-6

Dedicated to the production of Pantoprazole sodium with a capacity of **240 MT** per annum.

Unit-7

Focused on the production of Metformin with a capacity of **7,200 MT** per annum.

Unit-8

Produces Ibuprofen derivatives with capacity **300 MT** or Levetiracetam with a capacity of **180 MT** per annum.

Unit-9

These units handle multiple products, providing flexibility to adapt to market demands.

Unit-10

Dedicated to Fenofibrate production with a capacity of **180 MT** per annum.

Ethyl Acetate

This unit has the largest capacity, producing **100,000 MT** of Ethyl Acetate per annum.

Acetyl Chloride & MCA

Produces Acetyl Chloride and MCA with capacities of **5,200 MT** and **7,200 MT** per annum respectively.

IBB

Focuses on IBB production with a capacity of **12,000 MT** per annum.

Acetic Anhydride

This unit produces **25,000 MT** of Acetic Anhydride per annum.

Co-generation plant

Dedicated co-generation plant of **17MW**

Achieving economies of scale

We focused on achieving economies of scale to enhance cost efficiency and enhance productivity. It has enabled us to optimise production processes, leverage technological advancements and improve procurement strategies. These measures have allowed us to mitigate costs and streamline operations, reinforcing our competitive edge in the market.



Initiatives



Bulk Purchasing and Supplier Agreements

Establishing long-term contracts with key suppliers to secure bulk purchase discounts and reduce raw material costs.



Centralised Production Facilities

Consolidated production to maximise resource utilisation and reduce overhead costs.



Standardisation of Components and Processes

Standardising components and manufacturing processes to reduce complexity and increase efficiency across production lines.



Optimisation of Supply Chain Logistics

Streamlining supply chain logistics to ensure timely procurement of materials and delivery of finished products, thereby reducing holding costs.



Investment in High-Capacity Machinery

Investing in advanced machinery to increase manufacturing capacity and reduce the per-unit cost of production.

Backward integration

Our backward integration capabilities enhance control over our supply chain and enable us to achieve greater cost efficiencies. It has helped to secure raw material supply, reduced dependency on external suppliers and improved the efficiency of the entire production process. This approach has been particularly beneficial for the production of key products such as ibuprofen, where backward integration has played a pivotal role in ensuring high-quality outputs and cost-effectiveness.

Ibuprofen Production Process



Raw Material Production

We produce key raw materials for ibuprofen, including isobutyl benzene, at our manufacturing facility. It involves sourcing of basic chemicals to convert them into intermediates.



Intermediate Production

The raw materials are further processed to produce intermediates such as 4-isobutylacetophenone, Isopropyl Chloro acetate and



Active Pharmaceutical Ingredient (API) Synthesis

The intermediates are then used to synthesize the active pharmaceutical ingredient (API) for ibuprofen. This synthesis involves complex chemical processes and stringent quality checks to ensure the highest levels of purity and potency of the API.

We have placed significant emphasis on cost optimisation, operational excellence and continuous process improvement to enhance our manufacturing efficiency and maintain a competitive edge. Through targeted initiatives and the adoption of advanced technologies, we have streamlined our operations, reduced costs and improved production quality and efficiency.



Initiatives and Key Performance Indicators (KPIs)



Cost Optimisation

- Implemented lean manufacturing principles to minimise waste and optimise resource utilisation.
- Invested in energy-efficient technologies and practices to reduce operational costs and environmental impact.



Operational Excellence

- Utilised Six Sigma and lean manufacturing methodologies to improve process efficiency and reduce variability.
- Created a dedicated department to focus on operational excellence, driving continuous improvements in production processes.
- Upgraded MOC to high-strength metallurgy in specific units to enhance operational reliability.



Production Improvement

- Adopted Industry 4.0 technologies, including IoT and AI, to monitor and optimise manufacturing processes in real-time.
- Used advanced analytics to streamline production workflows and improve yield and efficiency.
- Leveraged clean vacuum technology and other advanced processes to improve manufacturing efficiency and reduce operational costs.

~12%

increase in overall equipment effectiveness (OEE)

15.11%

increase in production

Way forward

Ensuring effective quality control

Our quality control processes are designed to meet the highest standards of quality and safety. By implementing stringent measures at each step of the production process, we ensure consistency and compliance with industry regulations. We validate these processes with in-process quality checks at every stage to maintain product consistency and quality.

Key Highlights

- Received the Certificate of Suitability (CEP) for Paracetamol and Losartan
- Successful completion of Anvisa audit for all products
- Awarded the Bronze Eco Vadis Medal for sustainability practices

Paracetamol capacity enhanced to **900 MT/M.**

Metformin capacity enhancement from **600 MT/M to 950 MT/M.**

Clopidogrel bisulphate plant expansion from **14 MT/M to 20 MT/M.**

Development of a pilot plant for direct compression (DC) grade materials, including a DC grade commercial plant with a capacity of **10 MT/day.**

Installation of **high G-force filtration** equipment to improve quality and reduce processing time.

Adoption of **membrane technology** for solvent dehydration processes.

Installation of **continuous dryers** to streamline drying processes and increase production efficiency.

Automation of **sampling and packing operations** to improve precision and efficiency.



Intellectual Capital

With a focus on key therapeutic areas such as pain management, cardiovascular health, and anti-infectives, we are dedicated to strengthening our intellectual capital. Our mission is to contribute to the advancement of healthcare and improve the quality of life for people worldwide through diverse approaches, including pharmaceuticals, biotechnology, and innovative non-pharmaceutical solutions. Specifically, we aim to bolster our unique drug discovery platform by advancing translational research, biomarker research, and cutting-edge technology development. Additionally, we are committed to promoting data-driven drug discovery and continuously creating development candidates that address fundamental pathophysiological mechanisms.

Stakeholders Impacted



Customers



Employees

Key highlights

5

patents

110

R&D team size

₹ 19.33 crore

R&D Expenditure

SDGs Impacted



R&D efforts in the generic API

In our research and development efforts, we concentrated on two key areas: developing new medications and improving existing ones. We focused on creating drugs for diabetes and heart disease using innovative techniques like synthetic chemistry, biocatalysis, and continuous flow chemistry. Additionally, we prioritised enhancing the quality and cost-effectiveness of our current products, making them more accessible and beneficial for patients.

5

Patents held



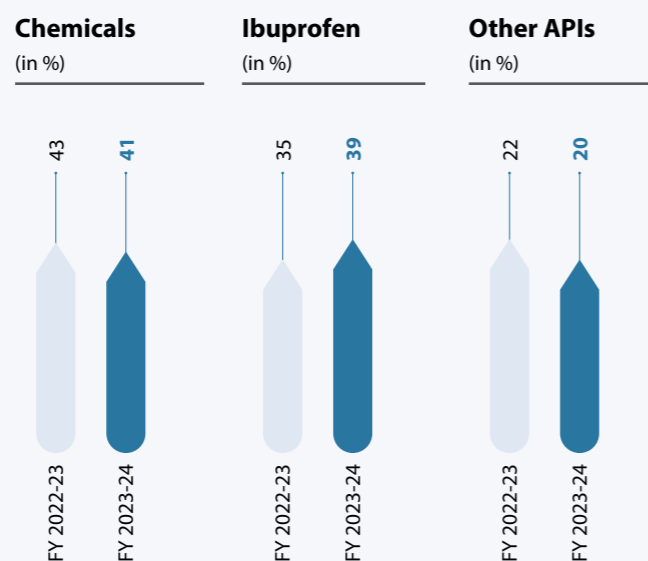
R&D efforts in intermediates research

We have intensified our focus on intermediates by dedicating a separate team of scientists for their development and evaluation. This shift has allowed us to develop intermediates as a separate business vertical. Notably, we developed intermediates such as S-POX, MINO-III, TFMT, and VAL-03 during FY2023-24.

Ensuring alignment between R&D activities and market demand

To ensure our R&D activities align with market demand for generic APIs and intermediates, we conduct periodic meetings with cross-functional teams. These reviews help us stay updated on new market scenarios and adjust our strategies accordingly.

Percentage of revenue derived from proprietary products or technologies



Case study

Edoxaban acquisition

We focused on advancing our intellectual capital by developing new Active Pharmaceutical Ingredients (APIs) with non-infringing routes and acquiring patents for these molecules. We acquired patent for Edoxaban, which addresses critical needs in the field of anticoagulation therapy.

Understanding the need for Edoxaban

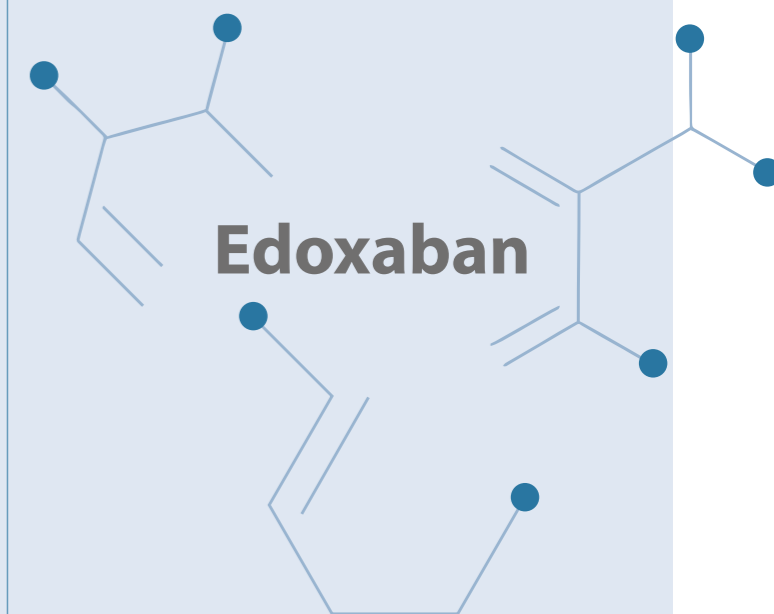
Atrial fibrillation (AF) affects more than 33 million people globally¹, making it the most common sustained arrhythmia with serious health impacts such as stroke, heart failure, and increased mortality. The prevalence of AF has increased by 33% over the last 20 years and is projected to rise by more than 60% by 2050, highlighting the growing need for effective treatments.

Challenges with Existing Anticoagulants:

- Traditional blood thinners are tricky to manage and require frequent adjustments.
- **50%** patients need frequent check-ups for these medications, which can be inconvenient and expensive.
- Up to **30%** of patients find it difficult to manage these medications properly.²

Role of Edoxaban

- Edoxaban is taken once daily, significantly improving patient compliance.
- It has shown a **20%** reduction in major bleeding events compared to some traditional anticoagulants, making it safer.
- By reducing the need for frequent monitoring, Edoxaban alleviates the burden on patients and healthcare providers, promoting better adherence and outcomes.



Importance of Edoxaban

- Once-daily dosing leads to a **25%** higher adherence rate, ensuring patients receive full therapeutic benefits.
- **Lower risk** of major bleeding and fewer monitoring requirements offer a safer and more manageable option for patients.
- **Edoxaban** is valuable for extended anticoagulation therapy, improving quality of life and health outcomes.

¹<https://www.frontiersin.org/journals/public-health/articles/10.3389/fpubh.2023.1137230/full>

²<https://www.frontiersin.org/journals/cardiovascular-medicine/articles/10.3389/fcvm.2022.997698/full>

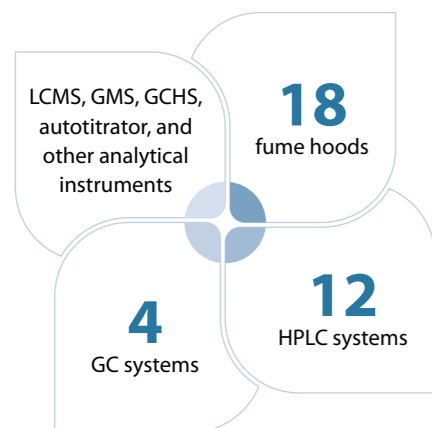
Sitagliptin development

We have achieved a significant milestone in our R&D efforts with Sitagliptin. This innovative product has been validated and approved by the Indian Patent Office. Sitagliptin's approval advances our healthcare solutions and strengthens our position within the pharmaceutical industry.

R&D Infrastructure Capacity

Our R&D infrastructure is robust, capable of developing 4-5 multistep APIs and 4-5 intermediates or chemical products annually. This includes scale-up, commercialisation, and regulatory filings.

The infrastructure includes



Leveraging digital technology for R&D innovation

We utilise digital technologies to integrate systems and processes across all areas, from product selection to development, quality assurance, commercialisation, and servicing of final products. Key digital tools include software for product selection, literature and route scouting, digital notebooks for data capture and analysis, and simulation and optimisation software.

Future vision for R&D

Our long-term goals for R&D investment include acquiring better analytical tools like ICPMS, XRD, DSC, and TGA. Additionally, we plan to increase our kilo-scale studies for better optimisation of process parameters and explore new software to enhance our analytical capabilities.

Digital transformation in R&D

At IOL Chemicals and Pharmaceuticals Limited, we leverage digital technology to drive innovation in our R&D processes. Our approach connects systems and processes from product selection to development, quality assurance, commercialisation, and servicing.

- We use specialised software to select new products based on comprehensive data analysis, ensuring we focus on the most promising opportunities.
- Advanced tools help us efficiently review literature and scout routes for product development, leveraging existing research to identify the best pathways.
- Digital electronic notebooks enable us to meticulously capture and analyse data, centralising documentation for easy access and thorough analysis.
- Various software applications allow us to simulate and optimise parameters, predicting outcomes and refining processes before implementation.



Data Analytics in R&D

We utilise data analytics to enhance our R&D decision-making, by implementing Design of Experiments (DOE) software within our Quality by Design (QBD) framework, we analyse existing data to inform our experimental design. This approach ensures that our experiments are precisely targeted to achieve optimal outcomes.

Digitisation in value chain

We have seamlessly integrated digital technologies across our entire value chain. This comprehensive digital transformation ensures that every stage of our operations is interconnected, enabling efficient data management, enhanced process control, and superior product quality.

Initiative	Benefits
Electronic Notebooks in R&D	Reduction in manual errors, enhanced data analytics
LIMS in QC Labs	Better monitoring and control of process parameters
DCS-based Plants in Production	Improved process efficiency and consistency
Trackwise Software in Quality Assurance	Streamlined quality assurance processes
SAP for Operations and Distribution	Integrated operations, seamless distribution management





Social and Relationship Capital

We recognise the importance of cultivating deep, synergistic relationships with our stakeholders. Over the years, we have built crucial partnerships and support systems for the manufacturing and delivery of speciality chemicals. We embrace our responsibility to give back to the communities we serve. To ensure the holistic well-being of people and communities, we engage in initiatives that maximise long-term value creation.



Stakeholders Impacted



Local Communities



Customers



Suppliers/Vendors

Key highlights

₹11.83 crores

CSR spend

15 %

Input material directly sourced from within the district and neighbouring districts

4.91 %

Input material directly sourced from MSMEs/small producers

~2 lakh

Beneficiaries of our CSR initiatives

SA 8000: 2014

Certified

SDGs Impacted

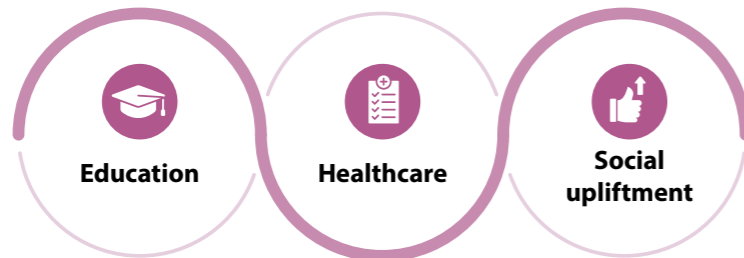


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Community engagement

At IOL, corporate excellence and social welfare drive our philosophy. We embed Corporate Social Responsibility (CSR) into our ethos, ensuring our values, culture and operations reflect our dedication to societal improvement. As responsible corporate citizens, we prioritise giving back to society and enhancing the lives of people and the environment. Our CSR initiatives aim to contribute to a secure and sustainable future, recognising that integrating social development into business strategy is essential for long-term sustainability. We believe that even small contributions can lead to significant positive changes in our society.

Our CSR focus areas



Education

We believe in the transformative power of education to empower individuals. To support this mission, we have made substantial contributions by donating study materials and reinforcing school infrastructure. These resources aim to enhance learning opportunities and ensure equal access to education for children. Through our initiatives, we aspire to uplift these young minds, enabling them to thrive and contribute meaningfully to society.

22,050

Lives impacted through education initiatives in FY24

Making education accessible

As part of the 'To Become Studier' project, the IOL Foundation is dedicated to providing education to children in need, recognising this as a key responsibility. We have initiated a program to offer free education to children who, due to financial difficulties, are unable to attend school. This year, we have identified approximately 100 students in Ludhiana, including orphans and those from impoverished backgrounds, for scholarships. These students will be admitted to selected schools, chosen by our team, to ensure they receive quality education. We also distributed school uniforms to the students in the selected schools.



Students, staff and parents with IOL staff after admission



Distribution of school uniforms by IOL staff

School infrastructure

We undertook significant infrastructure improvements as part of our CSR activities at two schools in Ludhiana. At Government Senior Secondary School, Ladhawal, we completed the flooring and shed construction in the Mid-Day Meal area, along with kitchen renovation and other civil works. Additionally, at Government Primary School, Bhattian Bet, we carried out multiple civil works including interlocking, shed installation in the Mid-Day Meal area, and renovation of the water drinking area. These efforts aim to enhance the learning environment and overall facilities for the students.



Distribution of educational books

We distributed educational books at the Helping Hand Club NGO in Ludhiana. This initiative aims to aid underprivileged students and advance educational opportunities for all. By providing these resources, IOL Foundation seeks to alleviate educational disparities and support the academic development of those in need.



Healthcare

In our effort to enhance healthcare infrastructure, we have invested in various medical machines and equipment at Civil Hospital Barnala and Christian Medical College (CMC) Ludhiana. These initiatives aim to improve the healthcare environment and support the well-being of underserved individuals. Additionally, we supply medicine to impoverished patients through various village dispensaries including Fatehgarh Channa, Ghunas, Sandhu Patti, Sanghera, SHC Dhaura and other villages. We also assist in the medical treatment and provision of medicine for children with thalassemia from low-income families.

65,259

Lives impacted through healthcare initiatives in FY24

Eye care programme

This year, the Bhagat Puran Singh Sewa Sanstha, under IOL Foundation's CSR program, organised its 25th Eye Operation and Lens Camp in Joga village, Mansa district. Over 457 patients benefited from comprehensive eye examinations, receiving free medications, transportation, accommodation and meals. This initiative reflects the foundation's dedication to community welfare and healthcare support.



Social upliftment

Through numerous CRS initiatives, we strive to uplift the communities and make a positive impact on their lives. At the heart of our community initiatives lies a commitment to enhancing well-being and promoting sustainability.

72,701

Lives impacted through social upliftment initiatives in FY24

Animal welfare

Under the animal welfare, the renovation of the Prachin Gaushala in Ludhiana has been completed, marked by a ceremonial inauguration. This initiative demonstrates our dedication to advancing animal welfare. Additionally, we provided medicines and undertook the renovation of the Langar Hall to support community development and animal welfare effort.



Supporting elderly care

With an aim to enhance the comfort and quality of life for the elderly residents, we contributed furniture and other essential items to an Old Age Home in Ludhiana. The thoughtful gesture showcases our efforts to create a more comfortable and supportive environment for those in need.



Supporting child development

We improved the learning and play environment at Dhaura Anganwadi by supplying essential furniture and toys. By providing a nurturing and stimulating atmosphere for the children, we are supporting their developmental needs and overall well-being.



Supporting livelihood

We inaugurated a new sewing centre in Fatehgarh Channa, which aims to enhance local women's skills, providing them with valuable employment opportunities. By equipping these women with essential sewing skills, the initiative seeks to promote economic growth and self-reliance within the community.



Promoting sustainability

As a part of our social upliftment programme, we distributed plants to nearby villages, promoting environmental sustainability and enhancing community well-being. We also maintain Natural Park and Shaheed Bhagat Singh Park in Barnala. Additionally, we support a clean and green environment in nearby villages through road cleaning, sewer line civil work, and drain maintenance. We have also installed a solar power generation system and developed parks in Dhaura.



Strengthening regulatory compliance

We are committed to not only meeting but exceeding the standards set by regulatory compliance guidelines. We ensure updates to applicable legal regulations and standards through multiple channels, including memberships in legal update services, direct communication with authorities, frequent visits to relevant websites and government notifications.

We have secured membership with various regulatory agencies and allocated dedicated resources to periodically assess our adherence to relevant requirements. This structured approach ensures our operations consistently meet the highest standards of compliance in the industry. We identify all relevant statutory requirements, with compliance evaluated monthly according to standard operating procedures.

Collaborative Efforts for Industry-wide Sustainability

We collaborate with regulatory and industry bodies to advance global best practices and sustainability in the pharmaceuticals and speciality chemicals sectors. We prioritise manufacturing excellence with a strong focus on environmental care and long-term sustainability. By implementing global best practices, we ensure a sustainable and responsible business approach.



Customers

We prioritise maintaining and expanding our customer relationships by ensuring timely deliveries at competitive prices. Product availability and specifications are communicated through phone calls and email, with comprehensive information about all our products accessible on our website. We provide tailored materials in line with their specifications gathered through regular visits and detailed analysis of customer requirements.

We increase customer engagement and product visibility through participation in exhibitions such as CPhI India, CPhI Worldwide, Chemspec and Chemexpo. Additionally, we organise regular meetings with customers to gain deeper insights into their requirements. This proactive engagement ensures we align our offerings with market needs and maintain strong customer relationships.

Enhancing customer safety

We ensure the delivery of a Material Safety Data Sheet (MSDS) with every product shipment, detailing safe handling and storage protocols for our customers. The MSDS includes risk and hazard information along with mitigation strategies. Our product labels adhere to current regulatory guidelines, displaying all mandatory information. Additional details, such as transport emergency cards for material transportation, are provided as per customer requirements.

Sustainable supply chain

Sustainability and ethical practices are fundamental to our supply chain management. Recognising the critical importance of addressing environmental and social impacts throughout our value chain, we have implemented numerous strategies to enhance our supplier relationships and build a resilient supply chain ecosystem. Our efforts ensure that our supply chain aligns with our environmental and social responsibility goals, promoting transparency, accountability and long-term sustainability within our operations. Worldwide, Chemspec and Chemexpo. Additionally, we organise regular meetings with customers to gain deeper insights into their requirements. This proactive engagement ensures we align our offerings

Sustainable procurement

We adhere to a comprehensive sustainable procurement policy aligned with ISO 20400 best practices. Our procedures undergo rigorous third-party audits, resulting in a validated 'Statement of Opinion' affirming our compliance with ISO 20400 standards. Additionally, our supplier code of conduct is designed to enhance suppliers' practices, making them more competitive in the market.

15%

Input material directly sourced from within the district and neighbouring districts

4.91%

Input material directly sourced from MSMEs/small producers

Supplier evaluation

We evaluate supplier performance annually to ensure all the standards are met. Feedback is shared with each supplier to ensure alignment with our standards. This evaluation process is integral to maintaining excellence in our supply chain at IOL Chemicals and Pharmaceuticals

Supplier evaluation parameters

- **Business Dedication**
 - Cost efficiency
 - Technical support
 - Continuous improvement
 - Innovations
 - Market information
- **Sustainability**
- **Quality**
- **Security of Supply**

Supplier engagement

We strengthen supplier relationships through planned engagement initiatives across various channels. These engagements help enhance the skills of the supplier, build a feedback system and help in efficient operational planning.

- Supplier Training
- Annual Supplier Meet
- Supplier Evaluation and feedback to suppliers on their performance
- Supplier Grievances mechanism

Partnering for growth

Collaboration is integral to our approach to driving innovation and sustainability within the pharmaceuticals and speciality chemicals industry. We work closely with research institutions and laboratories to develop new products and enhance our R&D efforts. Our partnerships are carefully chosen to ensure they contribute significantly to our innovation goals while prioritising sustainability.

Ensuring strategic alignment

All our partnerships follow a stringent procedure to ensure mutual benefit and strategic alignment. Contracts and agreements are crafted to meet the expectations of our partners while aligning with our strategic objectives. This process ensures that both parties are well-positioned to achieve their goals and drive progress. We measure the impact of our partnership by:

Track the return on investment and return on ad spend generated by the partnership.

Measure the revenue attributed to the partnership.

Gauge partner satisfaction through surveys and feedback.

We ensure that our collaborations contribute to the long-term sustainability and growth of the industry by:

Addressing systemic challenges through multi-stakeholder collaboration

Innovating in sustainable materials and processes

Supporting broader industry and government initiatives

Building long-term capabilities and resilience





Human Capital



We contribute to their development through learning and development programmes and talent management initiatives. By embracing Diversity, Equity and Inclusion (DEI), we ensure equal opportunities for all. Our employee-centric initiatives, such as comprehensive training and development programmes, robust communication channels and a sharp focus on work-life balance, empower our people to thrive and achieve their full potential. We celebrate the strength of our people, driving long-term success, creating a fulfilling and rewarding work experience.

Stakeholders Impacted



Employees and contractual labourers

Key highlights

2,777+

Employees as on March 31, 2024

2,197

Employees trained on health and safety

2,380

Employees received skill-development training

100%

Permanent employees offered parental benefits



100%

Permanent employees covered under accident insurance

Zero

LTIFR & LTISR

SDGs Impacted

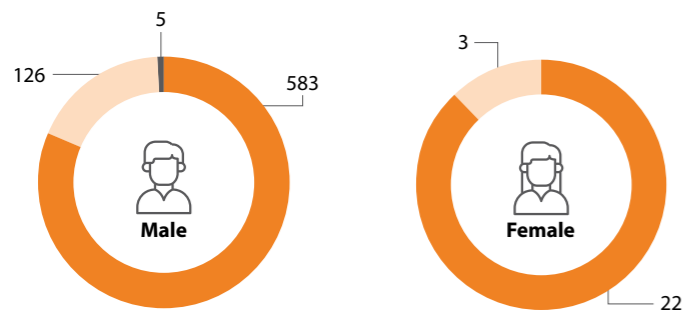


Talent management

At IOL, we acknowledge that our people are essential for our sustained growth trajectory. Through competency-based recruitment, we hire employees who understand our mission and have the potential to successfully contribute to our long-term organisational goals. We attract top talent through competitive offerings and support their career progression by providing them with mentorship, leadership development and internal job opportunities.

Employees				
For FY 2023-24	Age Group			Total
Permanent Employees	Below 30	30-50 years	Over 50 years	
Male	1450	1131	122	2703
Female	58	14	2	74
Total	1508	1145	124	2777

New Hires by Age and Gender for FY 2023-24

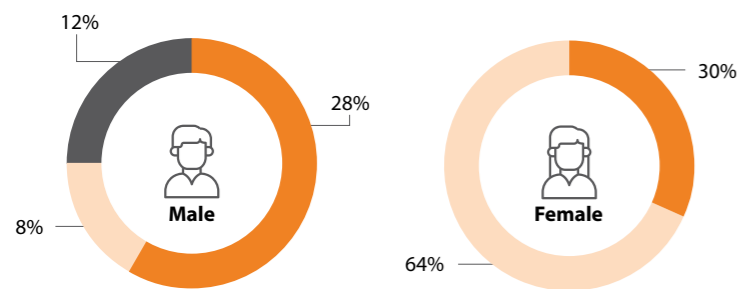


Age Group

● <30 ● 30-50 ● >50

Our comprehensive return-to-work programmes guarantee that employees who temporarily leave the workforce can seamlessly re-enter their roles. These initiatives are designed to support their transition, ensuring they feel valued and prepared to resume their responsibilities. By understanding and fulfilling the requirements of our workforce, we strive to maintain a conducive environment that promotes long-term employee satisfaction and loyalty.

Employee Attrition by Age and Gender for FY 2023-24



Age Group

● <30 ● 30-50 ● >50



Attracting top talent

- Competitive compensation packages
- Opportunities for career advancement
- Robust employer branding, emphasising innovation and social responsibility



Promoting Career Progression

- Mentorship programmes
- Leadership development initiatives
- Internal job postings
- Educational assistance programmes (Professional Skill Development and Doctorate Policy)



Performance management

- Assess employee performance
- Set clear goals
- Provide continuous feedback for development



Encouraging innovation

- Establishing cross-functional teams
- Hosting idea-sharing sessions
- Providing resources for experimentation
- Recognising and rewarding creative contributions
- Maintaining an open culture that values diverse perspectives



Recognising exceptional performance

- Pat on the Back: Monthly
- IOL Champions Award: Quarterly
- IOL Excellence Award: Annually

Employee engagement

Recognising the necessity of employee engagement, we have implemented effective communication channels. Our town hall meetings, health and safety committee meetings, works committee meetings and canteen committee meetings serve as valuable platforms for encouraging open dialogue. These efforts have enabled us to cultivate a positive work environment that encourages collaboration and engagement through constructive feedback, wellness programmes and fun activities.



Engagement initiatives

- Feedback surveys
- Birthday celebrations
- Monday Funday
- Marriage anniversaries
- Leadership skills, business communication and Six Sigma training programmes
- Festival celebrations



Enhancing employee experience

- Professional Skill Development and the Doctorate Policy
- Wellness programmes
- Sports tournaments



Encouraging ideas

- Suggestion boxes
- Town hall / open house sessions
- Brainstorming sessions
- Collaboration through open dialogue



Promoting a work life balance

- Wellness initiatives
- Employee assistance programmes
- Parental leaves



Cultivating a culture of ongoing learning

We prioritise the personal and professional growth of our people. To this end, we implement comprehensive training and development initiatives. By leveraging the expertise of both internal subject matter experts and external resources, we ensure a well-rounded learning experience for our team members. Practical learning opportunities are provided through on-the-job training and instructor-led classroom training, which combines theoretical knowledge with hands-on experience.



Identifying training needs

We have implemented a robust skill matrix and performance management system to identify and address workforce skill gaps. Our Training Needs Identification (TNI) process ensures that training programmes are tailored to meet specific business needs. The training needs are assessed to create an annual training calendar and the programmes are executed following the schedule. This ensures that our employees receive targeted development opportunities, enabling them to enhance their capabilities and contribute effectively to our organisational objectives.

Internal trainings

Behavioural

- Communication and presentation skills
- Team Building and Conflict Management
- Time and Stress Management
- Train the Trainer

Functional

- Behaviour-Based Safety, Use and Importance of PPEs, EHS Policy and General Safety Awareness
- Chemical Safety/Chemical Handling/MSDS/Gas Cylinder/Nitrogen Safety
- Housekeeping Sanitation and Hygiene
- Awareness Session on Mediclaim Insurance

- Fire and its prevention/Operation of Fire Extinguishers and Hydrant/ Electrical Safety/OSEP/Mock Drill/ Use of SCBA Set
- Investigation Techniques
- SOP, BPCR, PCCR and Change Control Training

Productivity and efficiency

- Lean Six Sigma Methodology : DMAIC approach to improve processes by eliminations wastes
- Increasing quality and efficiency.

Mandatory category

- Awareness Session on SA 8000(Social Accountability)
- Data Integrity, Key Documentation Requirements, Good Documentation Practices
- ICHQ7 Guidelines for Good Manufacturing Practices

- Internal Auditor Training on QMS/ EMS/ISO 45001
- POSH Training

External trainings

External trainings

- Business Communication
- Leadership Development
- Six Sigma
- Quality Culture
- MS-Excel
- High-performance liquid chromatography
- Operational training

2,227

Employees trained on human rights issues and policies in FY24

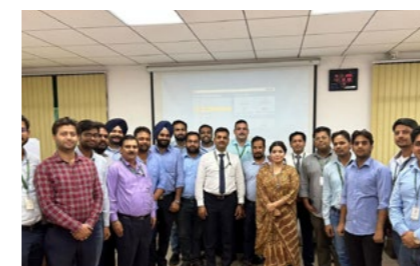
68,158 hours

Total training hours

Training initiatives in FY 2023-24

Global Reporting Initiative (GRI) Session

We conducted a session on GRI to enhance the understanding of the GRI framework for effective sustainability reporting. High-quality materials and expert insights provided invaluable knowledge for implementing IOL's sustainability framework.



Quality Culture and GDP Training

The training helped instil compliance, accountability and continuous improvement for product safety and efficiency. It focused on fostering a culture of excellence and patient-centricity through accurate and compliant record-keeping in the pharma industry.



MDP : Understanding Self for Leadership Excellence Workshop

The programme helped to enhance leadership skills through self-awareness and personal development.

The interactive sessions and reflective exercises provided insights for improving leadership effectiveness in a serene setting.



Champion workshop on Lean Six Sigma

This comprehensive leadership program was comprised of four half-day sessions aimed at equipping participants with the necessary knowledge and skills to identify and support Lean Six Sigma projects across various phases, namely Define, Measure, Analyse, Improve, and Control.



Effective Feedback Mechanisms

We utilise feedback mechanisms to enhance employee performance and productivity by providing regular, constructive input, setting clear goals in the Performance Management System and KRAs, offering training opportunities and maintaining an environment of open communication. The effectiveness of our training programmes is assessed through pre- and post-training evaluations, ensuring that they meet the evolving needs of our business and employees.

100%

Performance and career development review of employees

Innovative Platforms for Effective Learning

We employ innovative methodologies, including Six Sigma, with ongoing projects aimed at excellence and waste elimination. We are leveraging software including ElearnPosh (online training for POSH), Aspen, Chemcad, R&D E-notebook, Laboratory Information Management System (LIMS), Quality Monitoring and Control System (QMCS), ChemDraw, Marvin, Dynochem, Design of Experiments (DOE) and many more to enhance the learning experience in both technical and behavioural learning of employees. We have policies in place for professional skill

development and doctorate programmes, enabling employees to pursue further education and professional development during their tenure with our organisation.

Social Accountability

(SA 8000:2014)

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

Our anti-discrimination policies are implemented with the objective of creating a competent and diverse workforce. Regular reporting and the enforcement of Prevention of Sexual Harassment (POSH) laws are further components of our endeavours in this regard. Additionally, we prioritise POSH through mandatory training programmes and offer substantial support for women returning from maternity leave to enhance gender inclusivity. The significant progress achieved by our Women in Leadership programme reflects our efforts to develop an inclusive and equitable workplace.

Ensuring equal opportunities for all

We promote diversity through inclusive hiring practices, diversity training and policies that ensure equal opportunities and representation at all levels. Our equal opportunity policies prohibit discrimination based on gender, ethnicity, or background. We maintain unbiased recruitment and promotion processes, which are further complemented by diversity training. Also, we support our people by implementing parental leave policies, providing childcare support and advocating for women's advancement—all while promoting gender inclusiveness and a healthy work-life balance.

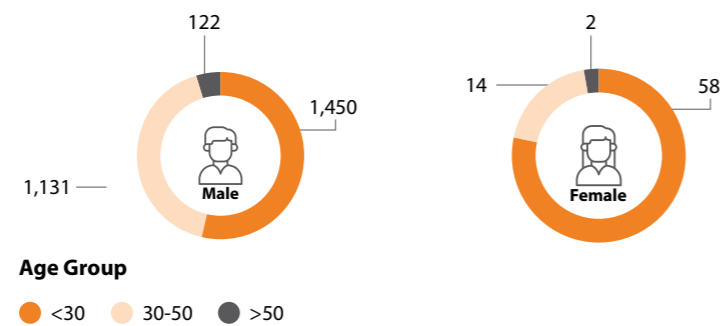
100%

Permanent employees covered under parental benefits

100%

Offered daycare benefits

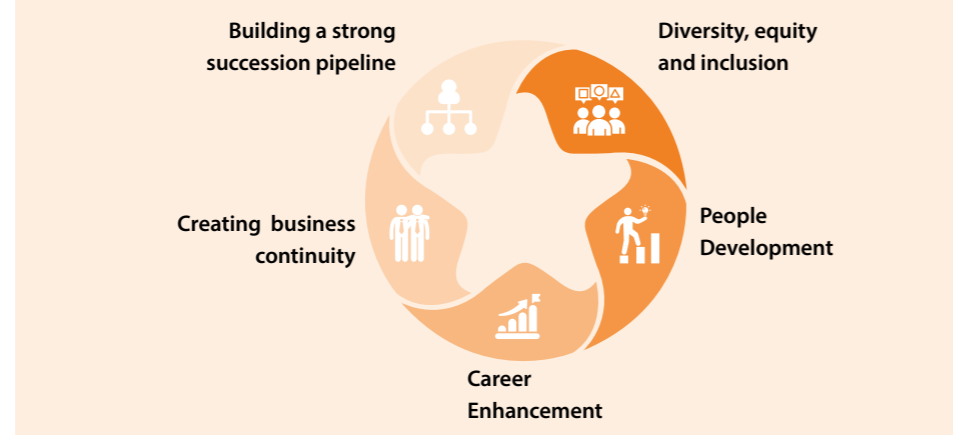
Employee Strength by Age and Gender for FY 2023-24



Number of Complaints on the following made by employees and workers:	FY 2023-24		FY 2022-23	
	Filed During the year	Pending resolution at the end of the year	Filed During the year	Pending resolution at the end of the year
Sexual Harassment	0	0	2	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
Anti-Bribery	0	0	0	0
Freedom of Association and Collective Bargaining	0	0	0	0
Information Security	0	0	0	0

Women in Leadership

Our Women in Leadership programme has witnessed notable progress, with increased representation of women in leadership roles, mentorship opportunities and career development initiatives. The programme is instrumental in enhancing our organisational performance, which often sees improved business outcomes



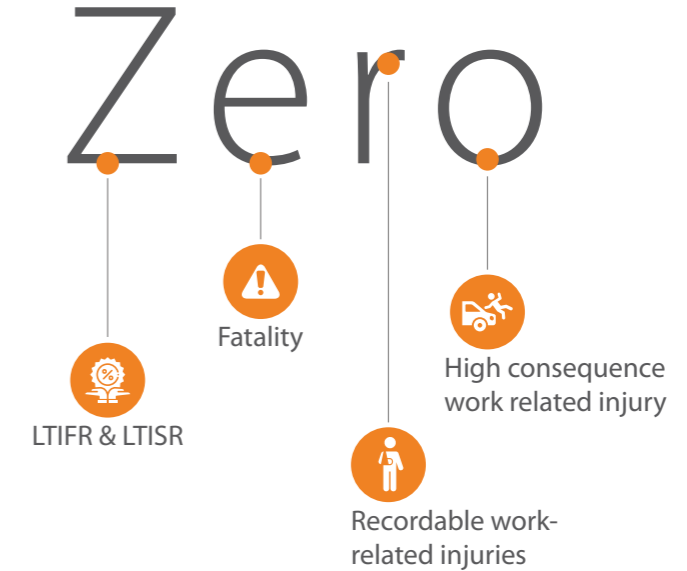
Health and safety

Besides institutionalising a comprehensive Occupational Health and Safety Management System, we prioritise the safety and well-being of all our stakeholders. This system covers all employees, contract workers, visitors and other stakeholders. We ensure that our Standard Operating Procedures are in strict accordance with our EHS&S Policy, as endorsed by our leadership team. This policy is communicated effectively throughout our organisation, reflecting our dedication to maintaining a safe work environment for all.

100%

Employees covered under accident insurance

Zeroing in on safety



Reducing fire hazards through smart earthing system

Flammable chemicals and solvents are routinely handled (loading/unloading), posing a risk of static charge generation, which can lead to serious fire incidents and disrupt business operations. Previously, a simple earthing rod system was used to dissipate static charge during chemical handling. However, the risk increased when personnel occasionally missed connecting the earthing rod, raising the fire hazard.

Solution

A Smart Earthing System was implemented for horizontal chemical handling. This system is interlocked with the pumps, ensuring that if there is any disconnection, the pump will not start, thereby preventing any material transfer. Only when connectivity is confirmed will the pump start, and loading/unloading can proceed safely.

Work site safety

As members of the Site Safety Committee as well as through various feedback mechanisms, our team members participate in our health and safety initiatives. We encourage our people to share their safety concerns through the near-miss reporting system, either online or on site.

Department safety coordinators convene regularly, while our leadership team conducts Loss Control Tours and shop floor interactions. These measures ensure that our workplace remains safe and that our personnel feel empowered to contribute to a secure working environment.

A proactive approach to safety

We employ the Hazard Identification and Risk Assessment (HIRA) process to identify potential hazards and assess associated risks in our chemical manufacturing operations. Through HIRA, we maintain a proactive approach to safety, effectively addressing risks before they escalate. This robust system forms an integral part of our EHS management framework, supporting our goal of zero accidents. By leveraging thorough root cause analysis and implementing corrective and preventive actions for any near-miss, first-aid or spill incidents, we continuously strengthen our safety practices. In addition, we have implemented JSA, HAZOP, What if analysis and PSSR to further review and ensure Safety in all processes. Powder Safety studies are carried out for all products.

Safety audits

We conduct an annual external safety audit and monthly internal audits in accordance with our Internal Audit Plan. Additionally, various customer audits are conducted throughout the year to verify the effectiveness of our EHS Management System. ISO certification and surveillance audits are also undertaken every year. This rigorous schedule ensures our adherence to the highest safety standards and our dedication to continuous improvement. Our Risk Management Committee ensures employee health and safety, with quarterly compliance reports submitted to the Board of Directors.

Safety awareness campaigns

We share essential safety information through one-on-one meetings, notice boards, meeting minutes, emails and safety booklets. Our aim is to ensure that all employees are well-informed and involved in maintaining a safe and healthy work environment. We conduct safety awareness campaigns throughout the year, with themed and seasonal campaigns tailored to specific audiences to enhance the effectiveness of our EHS Management System.

At IOL, we strive to go beyond business profitability to create a harmonious co-existence with our natural environment. Our deep commitment towards environmental stewardship encourages us to embrace sustainable practices, focusing on the responsible management of natural resources. We firmly believe that small changes can go a long way in minimising our ecological footprint, promoting biodiversity and ensuring sustainable progress.

Stakeholders Impacted



Key highlights

100%

Water Neutral Facility

100%

Zero liquid Discharge facility

81%

Renewable energy contribution

6.81%

Reduction in water consumption KL/ton of production **Achieved from 1.76 to 1.64**

2.3%

Increase in green cover

2

Developed and maintained Biodiversity Park

3.91%

Reduction in Scope 1 + 2 emissions against baseline emissions through various reduction initiatives

SDGs Impacted



Natural Capital

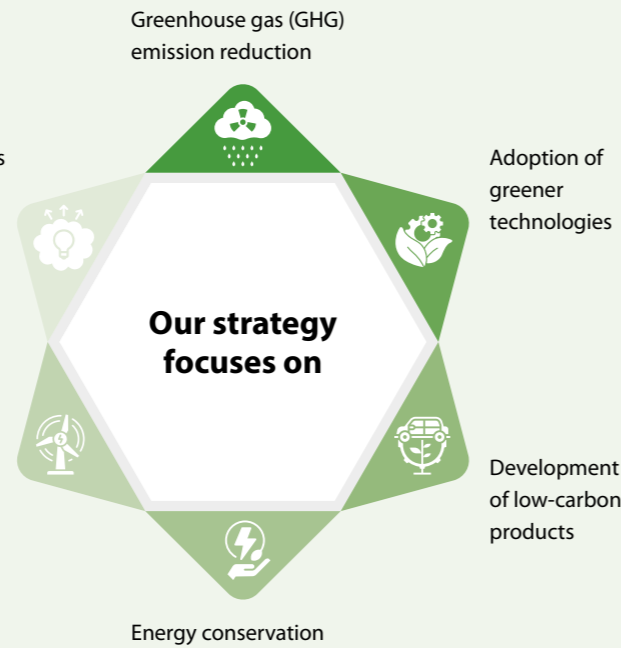
Integration of Environmental Considerations into Business Strategy

In line with our Environmental Health, Safety and Sustainability (EHS&S) Policy, we integrate sustainable environmental practices into our overall business strategy and decision-making processes. We understand the need for a comprehensive plan to achieve our environmental objectives and therefore, have developed a strategy for implementing quantifiable, measurable and science-based targets.

We are committed to follow the guidelines of Science Based Target Initiative (SBTi) and continuously assess it in accordance with the standards set for Climate Change and Water Security. Our comprehensive strategy encompasses resource allocation and the dissemination of information through dedicated efforts for promoting sustainable practices across the organisation.

Employee awareness and contribution to the climate change action plan

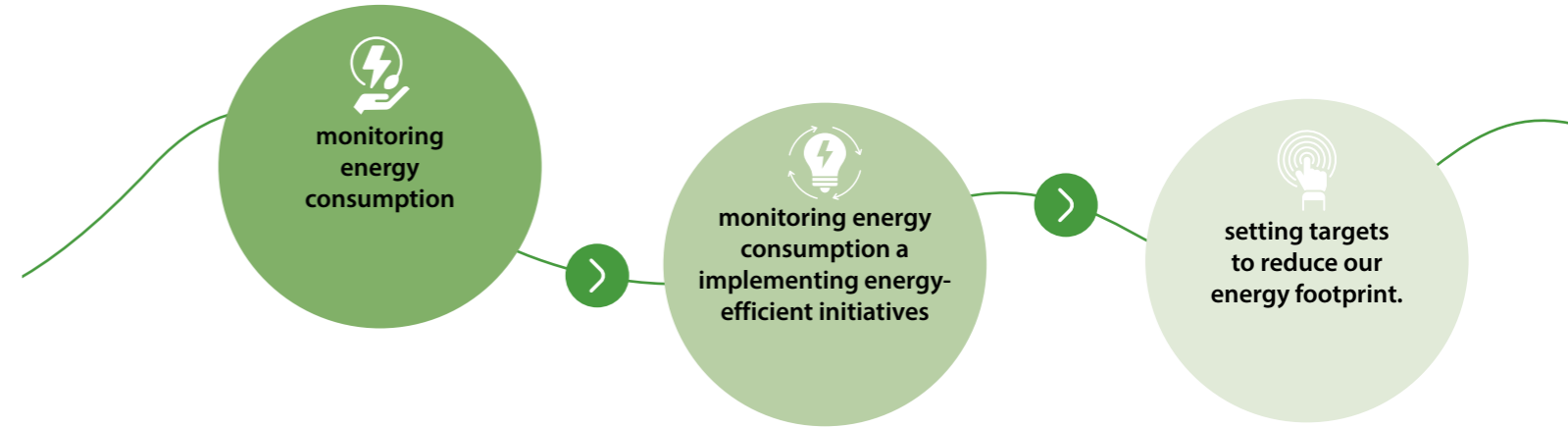
Enhancing renewable energy usage



Energy Management

We place significant emphasis on energy management to ensure efficient and sustainable operations. We minimise our carbon footprint and efficiently manage energy consumption through energy-efficient technologies and implementing renewable energy sources. Our ISO 50001:2018 Energy Management System is strictly enforced across all sites, showcasing our dedication to energy management.

Our efforts focus on



Targets for Reducing Energy Consumption



Specific Goal

Implement energy-efficient technologies to reduce overall energy consumption by 10% within the next three years.



Measurable Goal

Monitor and report energy consumption on a monthly basis, targeting a reduction of 5% in energy losses by the end of the fiscal year.



Achievable Goal

Retrofit 50% of existing equipment with energy-efficient alternatives within two years, ensuring that the transition is cost-effective and feasible with our current resources.



Relevant Goal

Increase the share of renewable energy in our total energy mix to 25% within the next five years, aligning with our sustainability and environmental objectives.



Time-Bound Goal

Complete the installation of solar panels across all facilities within the next 18 months, aiming to generate at least 15% of our total electricity consumption from solar energy.

To achieve our sustainability objectives, we have established SMART goals focused on reducing energy consumption and increasing energy efficiency. These goals prioritise minimising energy loss, adopting technological advancements and enhancing the use of renewable energy.



Parameter	FY 2023-24	FY 2022-23	FY 2023-24 (Excluding new Plants and Expansion) (TJ)
Renewable Sources			
Total electricity consumption	1775.3	1834.50	1502.5
Energy consumption through other sources	0.169	-	0.169
Total energy consumed from renewable sources	1775.4	1834.50	1502.7
Non-renewable Sources			
Total electricity consumption	626.0	295.0	616.5
Energy consumption through other sources	3.77	0.1	3.77
Total energy consumed from non-renewable sources	629.73	295.1	620.28
Total energy consumption	2405.2	2129.6	2123.0
Energy intensity (J per rupee of turnover)	0.0000001128	0.0000000961	0.0000000995

Note: Energy consumption for newly introduced plants or expansion of existing plants is excluded in the last column.

Energy Efficient Initiatives

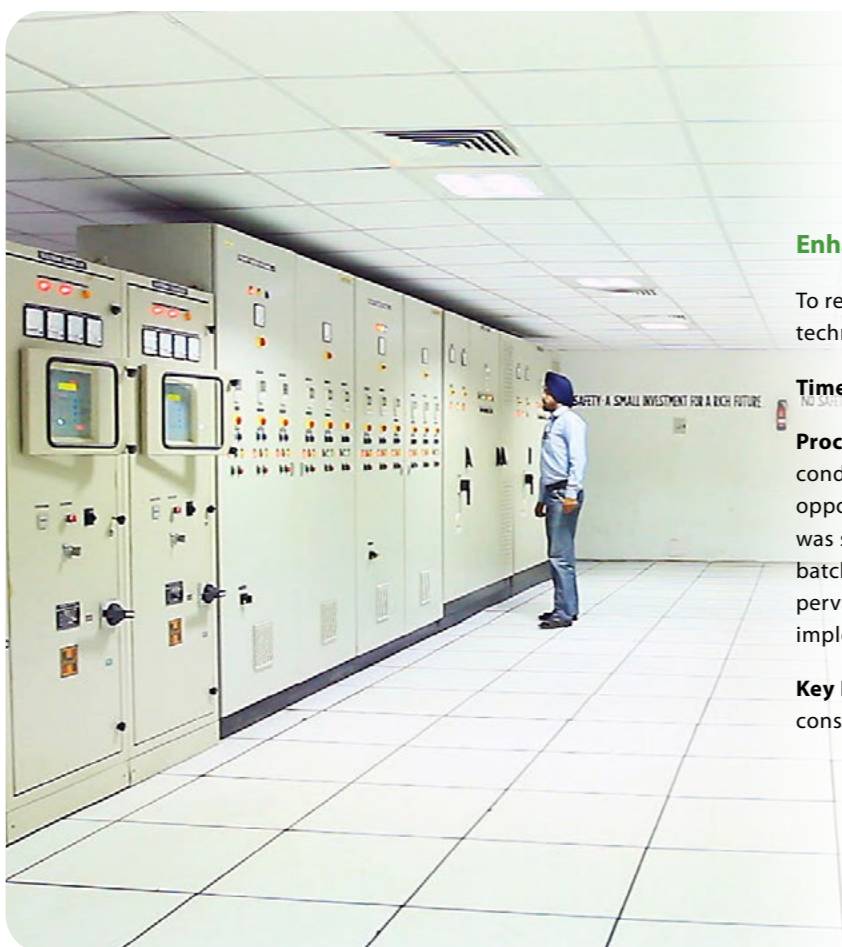
Our commitment towards energy efficiency encourages us to seek innovative solutions and technologies to optimise energy use across our operations.

Objective: Reduce steam consumption through technological upgrades

Timeframe: 6 months

Process: To achieve reduced energy consumption, an energy balance study was conducted at Unit-05. The analysis identified opportunities for energy reduction. Conventional steam ejectors were replaced with a dry vacuum pump for vacuum operations, leading to significant energy and effluent reductions.

Key Results: Energy consumption at the targeted stage decreased by 65-70%. This initiative not only improved energy efficiency but also minimised liquid and air effluents, showcasing a significant improvement in operational efficiency and environmental impact.



Enhancing Energy efficiency at unit-10 Plant

To reduce energy consumption by upgrading technology

Timeframe: 6 months

Process Followed: An energy balance study was conducted on Unit-10. Data analysis revealed opportunities for energy reduction. A proposal was submitted to replace the conventional batch distillation setup with a membrane-based pervaporation system, which is currently being implemented.

Key Results: Post-implementation, energy consumption is projected to decrease by 45%.

Key initiatives include

Refurbishment of 80TPH High-Pressure Boiler: Enhanced design and modifications led to savings of **90,000-100,000 KWH** per month.

Heating Boiler Direct DM Water: Saved **360-380 MT** steam per month.

Degasser Tower Installation: Saved **125 KL** water per month.

Reuse of Final Regeneration Water: Saved approximately **480 KL** of raw water per month.

Replacement of Old DG Set: Increased efficiency to **3.7-3.8 units/litre.**

Heat Reject Ducts VFD Installation: **Reduced heat load and improved efficiency.**

291TR Brine Machine VFD: **Eliminated breakdown and improved efficiency.**

ETP AHR Blowers VFD Installation: Generated power savings per day (KWH) = **564 Units**

13 MW Turbine Replacement: Generated approximately **2000 KW/hr** power and saved approximately **4-5 crore** in FY 2023-24.

Other initiatives include:

- ISO 50001 Certified
- External energy audits
- Standardisation of IE3 motor procurement
- Energy conservation audits

Reducing steam consumption at unit-05 & unit-06 Plant

Objective: The study aimed to reduce steam consumption by upgrading technology.

Timeframe: 6 months

Process Followed: To reduce energy consumption, an energy balance was studied at a specific stage of the Unit-05 plant. After data analysis, the potential for energy reduction was identified. A proposal to replace conventional steam ejectors with a dry vacuum pump was submitted and will be implemented by the end of this financial year.

Key Results: After implementation, energy consumption at the particular stage is expected to decrease by 65-70%.

Monitoring and Measurement of Energy Consumption

What We Do	How We Do It	Impact
<p>Continuous Monitoring: Utilise a Power Management System (PMS) for constant energy consumption monitoring.</p> <p>Daily Reporting: Generate daily 24-hour power reports via PMS.</p> <p>Energy Management Team: Establish a team to develop and implement energy-saving initiatives.</p> <p>Employee Engagement: Encourage employees to provide ideas and suggestions for energy-saving projects</p>	<p>PMS System: Use advanced monitoring for real-time tracking of transformer and feeder loads.</p> <p>ISO 50001 Standard EnMS: Implement the ISO 50001 Energy Management System standard for efficient control.</p> <p>Data Collection and Analysis: Collect and analyse data on consumption patterns to identify improvement areas.</p> <p>Regular Audits and Reviews: Conduct regular audits and reviews of energy consumption data.</p>	<p>Enhanced Energy Efficiency: Optimise energy usage through quick identification and rectification of inefficiencies.</p> <p>Reduced Carbon Footprint: Systematically manage energy consumption to significantly reduce carbon footprint.</p> <p>Employee Involvement and Innovation: Building a culture of sustainability and innovation through employee participation.</p> <p>Compliance and Recognition: Adhere to ISO 50001 standard to enhance reputation and regulatory compliance.</p>

Climate Strategy and Emission Management

Our climate strategy focuses on mitigating climate change by reducing greenhouse gas emissions, adopting greener technologies and developing low carbon-intensive products. Regular assessments and our science-based targets enable us to achieve our sustainability targets faster. Dedicated to lowering our emissions, we strive to support national and global net-zero goals, addressing process emissions from our operations.

Emission reduction at Unit -05 Plant

Objective: Reduce volatile organic content (VOC) in the atmosphere

Timeframe: 6 months

Emission reduction through technology upgrade at MCA Plant

Objective: To decrease volatile organic content (VOC) emissions in the atmosphere.

Timeframe: 6 months

Process Overview: The aim was to mitigate VOC emissions stemming from acetic acid in the atmosphere. The recovery process involved monitoring the solvent at a specific distillation stage in a batch process. Data collection revealed that approximately 1100 kg of acetic acid per day was not

Greenhouse Gas Emissions Inventory

Scope/Category	FY 2022-23 (MTCO2e)	FY 2023-24 (MTCO2e)
Scope 1/Category 1	23786	49521
Scope 2/Category 2	6134.45	6179.06
Scope 3/Category 3, 4 & 5	100887	119643
Total Scope 1, 2 & 3	130808	175343

Note: The increase in Scope 1 and 2 emissions is due to expansion activities and the installation of new efficient turbines. Due to increase in power and steam requirement by introduction of new plants, our Scope 1 & 2 emissions increased by 26951MTCO2e comparing to last year GHG emission which was (Scope 1 & 2) 29921 MTCO2e. Net Scope 1 & 2 Emissions against the baseline emissions of FY 2022-23 reduced by 3.91% through implementation of Various emission reduction initiatives.

Process Followed: The study aimed to reduce VOC due to methanol emissions. Initial monitoring showed a 20% loss of methanol during distillation, with 635 kg per batch unrecovered. A detailed process analysis identified that the heat exchanger for condensation was undersized. A new

heat exchanger was installed alongside the existing one to improve efficiency.

Key Results: The new heat exchanger reduced methanol loss from 635 kg to 445 kg per batch, improving methanol recovery to 86%. This enhancement also resulted in a 21 MTCO2e emission offset.

being recovered, resulting in an 84% recovery rate. An in-depth process analysis and related calculations identified that the heat exchanger used for condensation was undersized, necessitating a utility change from cooling tower water to chilled water. The proposal included installing a new heat exchanger alongside the existing setup.

Key Results: The implementation of a new heat exchanger and upgrading the utility system is projected to reduce solvent loss from 1100 kg to 500 kg daily, thereby enhancing acetic acid recovery from 84% to 92%.

Air Emission Management

To uphold stringent environmental standards, we have implemented air pollution control equipment like bag filters and Electrostatic Precipitators (ESP). Our closed-loop system prevents solvent release, and we use a continuous air quality monitoring system (CAAQMS) for real-time pollutant data. An in-house team verifies third-party results to meet State Pollution Control Board requirements. We are also transitioning to greener fuels for our thermic fluid heaters and furnaces to further our environmental efforts.

Pollutants	FY 2022-23	FY 2023-24 (µg/m3)
NOx (µg/m3)	118	148
SOx (µg/m3)	39	15
PM (µg/m3)	94.30	70
VOC (ppm)	350	320

Emission Reduction Projects and Initiatives

To reduce our environmental impact, we have implemented several emission reduction projects. These initiatives focus on enhancing operational efficiency, adopting renewable energy sources and optimising resource use.

Emission reduction through solvent recovery at Unit -05 Plant

Objective: To decrease volatile organic content (VOC) in the atmosphere.

Timeframe: 6 months

Process Followed: To address VOC emissions due to hexane, solvent recovery was

scrutinized during the distillation stage of a batch process. Initial data indicated a 65% recovery rate for MDC and 88% for hexane. A thorough process analysis revealed that the heat exchanger used for condensation was undersized. It was proposed to install new, appropriately sized heat exchangers to mitigate solvent losses.

Key Results: Post-implementation, the recovery of MDC is anticipated to rise to 70-75%, and hexane recovery to 93-95%.

Dust reduction by automated packaging at Unit -07 Plant

Objective: To reduce dust in the powder processing area of Unit-07.

Timeframe: 6 months

Process Followed: To address dust effluent at the Unit-07 plant, an upgrade from a manual bag filling system to an automated packing machine was proposed and is currently being implemented.

Key Results: The introduction of the automated packing machine will significantly reduce workers' exposure to dust in the powder processing area, enhancing workplace safety and improving overall operational efficiency.

Key projects include verified by third party :

Replacement of 12.1 MW Turbine with 12.4 MW Efficient Turbine: Saved **12080 MT** fuel till Jan 2024.

Sludge Dryer Installation: Achieved **85%** reduction in sludge moisture content.

Solar Panel Installation: Produced **42.359 MWh** of electricity.

Optimisation in Pharma Product: Recovered and sold **27.874 MT** of ammonium sulphate.

Replacement of Diesel Forklifts with 3 Electric Forklifts: Saved **0.9 MT** diesel consumption.

Waste Management

We implement robust waste management practices to minimise waste and promote recycling. Hazardous and non-hazardous waste is segregated at the source, ensuring proper disposal and adherence to legal requirements. Non-hazardous waste is sold to authorised recyclers, while hazardous waste is handled through methods such as treatment, storage, co-processing, and pre-processing. We continuously seek ways to reduce waste, enhance recycling efforts, and collaborate with certified recyclers to improve our environmental performance and operational efficiency.

Segregation of waste at source

To reduce our environmental impact, we have implemented several emission reduction projects. These initiatives focus on enhancing operational efficiency, adopting renewable energy sources and optimising resource use.

Types of Waste	FY 2022-23 (MT)	FY 2023-24 (MT)
Plastic Waste	24.359	60.18
E-waste	0.520	1.05
Biomedical Waste	0.0343	0.02344
Battery Waste	2.08	2.69
Hazardous Waste	1665.183	2458.775
Non-hazardous Waste	0	1898.86
Total Waste Generated	1692.18	4421.57
Total Recycled Waste	36.366	62.94
Incineration	179.67	342.37
Landfilling	1473.51	2075.34
Total Waste Disposed	1653.18	2417.71



Waste Reduction Initiatives

Our initiatives aimed at reducing waste generation or promoting waste recycling and reuse include:

- Hazardous waste reduction, recycling and reuse processes
- Implementation of sludge dryers to reduce moisture content

Water Conservation

Water plays a crucial role in our daily operations. Therefore, we consistently invest in advanced water treatment technologies and have implemented several conservation measures. To ensure environmental compliance and conserve precious water resources, we have embraced the latest wastewater treatment technologies. Our commitment to sustainable practices is further demonstrated through the establishment of a state-of-the-art Zero Liquid Discharge (ZLD) facility. This advanced facility allows us to treat and recycle water, significantly reducing our dependence on freshwater sources and contributing to our mission of environmental preservation.

Effluent reduction at Unit-06 Plant

Objective: To reduce solid and liquid effluent by converting waste stream into wealth.

Timeframe: 6 months

Process: At the Unit-06 plant, material balance calculations revealed that a significant amount of dissolved trisodium phosphate (TSP) (15% w/w concentration) was discarded to the Effluent Treatment Plant (ETP) during a specific manufacturing stage. The quantity of this waste stream was up to 4000 kg per batch. A proposal for the separation of TSP from water was submitted and is currently being implemented.

Key Results: The implementation of this proposal is projected to reduce solid effluent by up to 15 MTPM and liquid effluent by up to 50 MTPM.

Waste Reduction Initiatives

Our initiatives aimed at reducing waste generation or promoting waste recycling and reuse include:

Parameter	FY 2023-24 (KL)	FY 2022-23 (KL)	FY 2021-22 (KL)
Surface Water	226879	214477	214549
Groundwater	18256	13916	15845
Total Volume of Water Withdrawal	245135	228393	230394
Total Volume of Water Consumption	245135	228393	230394
Total Water Discharge	0	0	0

Water Conservation Measures

We have adopted advanced technologies and implemented various water conservation measures, including:

- Use of zero liquid discharge (ZLD) plants
- Enhanced recycling and reuse of water
- Installation of smart water-saving devices
- Promotion of water conservation through awareness campaigns.



Reduction in Freshwater Consumption

Freshwater consumption per ton of production has been reduced from **1.76 to 1.64 units**

Cooling tower makeup requirements are **80%** met through recycled water from the ZLD facility.

Material Management

Material management is crucial to our sustainability efforts. We focus on optimising material usage, reducing waste and promoting the use of sustainable and renewable materials. Furthermore, it significantly contributes towards creating an overall positive environmental impact.

Managing Material Inputs

Materials are acquired by a dedicated supply chain team as per the production schedule. Raw materials are handled and stored safely and in compliance with legal requirements.

Initiatives to Optimise Material Use

Our Site has developed waste management plans focusing on reuse, recycling and resource recovery. The research and development team continuously works on process optimisation and carbon footprint reduction.

Sustainable Sourcing Practices

We engage with suppliers to promote sustainable sourcing practices and reduce the environmental footprint of our supply chain. We view our suppliers as 'Business Partners' and ensure 100% coverage for key parameters as per our sustainable procurement procedure. Sustainability is integrated in our Supply Chain Management in line with ISO 20400:2017 Sustainable procurement guidance document.

Sr. no.	Parameter	% Engagement
1	Suppliers that have signed the sustainability procurement charter/supplier code of conduct	100 %
2	CSR assessment-Suppliers	100 %
3	CSR-on site audit	100 %
4	EHS & S Policy Communication	100 %

Note: 100% suppliers covered which are contributing to 80% spend

Material Consumption Data

Raw Material	FY 2023-24 (MT)	
Raw material Consumed	Units	FY 2023-24
Directly Sourced Raw Material	MT	~ 180448
Packaging Materials	MT	~ 285
Packaging Materials	NOs	~ 4433298

Commitment to Biodiversity

At IOL, 'committed to biodiversity' is not just a façade, it is a deep-rooted belief ingrained in our corporate DNA. Our aim to cultivate a greener future has consistently encouraged us to prioritise sound sustainable practices in our operations. We conduct thorough environmental impact assessments for our projects to ensure compliance with regulations and the protection of natural habitats. We strive to minimise the impact of our projects on the environment as well as society. To further our commitment towards environmental sustainability, we have developed and maintained biodiversity parks and green belts in the vicinity of our manufacturing plants.

21370

No. of trees planted outside and within the campus

38 Acres

Green Belt developed inside the premises

66,652 trees

Trees inside the premises, as of FY 2023-24



Environmental Impact Assessment

We conduct EIA to evaluate the potential environmental effects of our projects. These assessments help us identify and mitigate adverse impacts, ensuring adherence to environmental regulations while promoting sustainable development. These further help in striking a balance between environmental and economic cost and benefits.

To maintain transparency, these EIAs are conducted by third parties with the assessments being periodically reviewed. Thereafter, mitigation measures are included in Environmental Management Plans (EMPs), specifying actions, responsibilities, timing and budget.

Stakeholder Engagement

We engage with local communities and regulatory authorities to ensure transparency, inclusivity and informed decision-making in the EIA process. We relentlessly undertake initiatives to contribute towards fostering a greener planet. We deeply engage with local communities and promote tree plantation and biodiversity protection. Our commitment extends to improving water management in local communities through initiatives such as rainwater harvesting and providing access to clean drinking water.

Management Discussion and Analysis

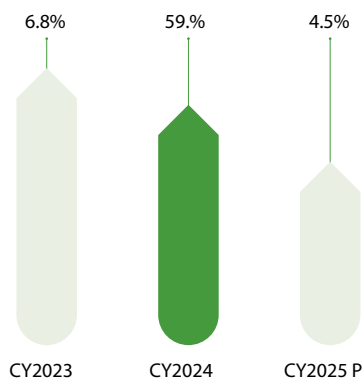
Economic overview

Global economy

The global economy demonstrated remarkable resilience in the face of macroeconomic challenges. The reported year recorded persistent geopolitical disequilibrium and volatile commodity markets leading to significant inflationary pressures worldwide. Central banks resorting to calibrated interest rate hikes further exacerbated the situation. Nevertheless, the global economy achieved a growth rate of 3.2%. The measures implemented by the central banks enabled to rein in the inflation in most regions. Furthermore, these measures fostered steady economic growth and improved employment opportunities across the US, Europe and various emerging markets.

However, ongoing geopolitical conflicts continued to disrupt international supply chains and trade flows. China plays a pivotal role in global manufacturing and possesses an extensive supply network; with China's economy facing ongoing pressures, it is expected that it will weigh on worldwide economic stability as well. On the other hand, several emerging economies, including India, Vietnam and Mexico, saw robust growth buoyed by significant investments from foreign institutional investors. These regions demonstrated strong economic performance, fortifying their position in the global market.

Global headline inflation



Outlook

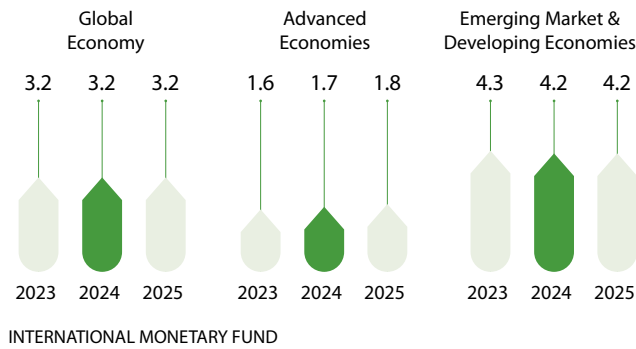
Despite the ongoing geopolitical turmoil in Europe and West Asia, a balanced outlook on global economic growth is anticipated. The GDP growth rate is projected to sustain at 3.2% in CY 2024 and continue through CY 2025 as well. The expected alleviation of inflationary pressures and adoption of more supportive monetary policies by central banks are expected to contribute to the outlook.



Trade volumes globally are projected to maintain modest growth, maintaining itself at 3% in CY 2024 and 3.3% in CY 2025. The collective policy efforts of governments and inherent resilience of global economies will play crucial roles in driving sustainable and inclusive growth in the forthcoming years.

Global GDP growth¹

WORLD ECONOMIC OUTLOOK APRIL 2024 GROWTH PROJECTIONS (REAL GDP GROWTH, PERCENT CHANGE)



Indian economy²

Despite navigating global adversities, India maintained its position as the world's fastest-expanding major economy. The National Statistical Office (NSO) reported a significant real GDP growth of 8.2% for the reported year, fuelled by robust macroeconomic stability, escalating domestic demand and prudent monetary strategies implemented by the Reserve Bank of India (RBI).

The manufacturing sector, registering a growth of 11.6% in the reported year, contributed extensively to industrial advancement. A decline in inflation coupled with an uptick in credit demand have propelled the growth of the Indian economy. The all-India consumer price index (CPI) indicated that headline inflation remained steady at 5.1% in February 2024.

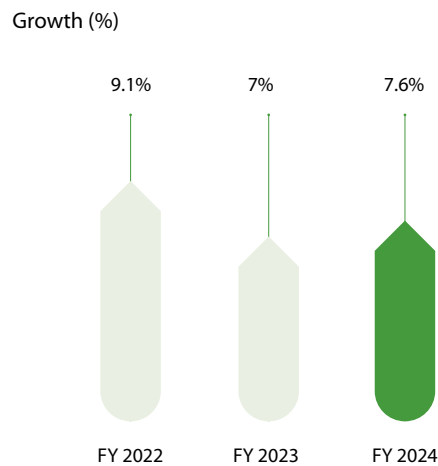
Debottlenecking of supply chains and consistent government emphasis on spending and domestic demand protected India from major economic shocks. India is steadily building its position as an alternative to China. Merchandise exports witnessed a seasonal peak in March 2024, coinciding with the peak in industrial production. Furthermore, greater capacity utilisation across the manufacturing sector has bolstered the economic growth.

Outlook

India is expected to become the world's third-largest economy by 2027³, supported by political stability and an increased governmental emphasis on public capital expenditure. Additionally,

a noticeable rise in private capital expenditure and a growing demand for credit are expected to fuel economic expansion. Furthermore, India's robust banking and financial services sector is further accelerating the growth trajectory. India is also gaining recognition as a leading manufacturing hub, meeting international demands for manufactured products. With its vast domestic market and expanding export opportunities, India is poised to surpass other major economies in terms of growth in the coming years.

India GDP growth rate⁴



Industry overview

Global Chemical Industry

The dynamic global chemical industry exerts its influence across various sectors from agriculture to high-tech industries. An integral component of the Indian economy, the global chemicals market exhibited moderate growth in CY 2023, valuing itself at USD 6.2 trillion in CY 2023. Regional dynamics play a crucial role in the industry. While Asia-Pacific dominates in market size growth, Europe's continued market size growth can be attributed to increased imports despite a decline in regional production.⁵

The landscape has undergone significant transformations over the years. Commodity prices, policies and supply chain concerns have compelled the industry to change its strategies. The US chemical sector is one of the largest global producers of chemical products, comprising agricultural chemicals, basic chemicals, specialty chemicals, consumer products and pharmaceuticals. On the other hand, Europe has maintained its position as a significant player in the global market despite facing high energy costs, increased international competition and complex regulations.

The chemical fertilisers market has grown steadily in the recent years. The market is expected to be influenced by the growing global

¹<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

²https://rbi.org.in/Scripts/BS_ViewBulletin.aspx

³<https://pib.gov.in/PressReleasePage.aspx?PRID=200112>

⁴<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/ORBIBULLETINAPRIL2024D39628B0A50466DA73AAE81CC5B42E1.PDF>

⁵<https://www.marketsandmarkets.com/blog/CM/Global-Chemical-Industry-Outlook-2024-Summary-Documents?text=The%20global%20chemical%20industry%20was,USD%205.9%20trillion%20in%202022>

Management Discussion and Analysis (Contd..)

food demand and increasing adoption of bio-fertilisers, primarily due to rising awareness about the adverse effects of synthetic fertilisers on soil and on the environment. China is the one of the largest chemicals markets in the world both in terms of production and capital investment.

With a surge in demand for chemicals and materials supporting the energy transition, the global chemical industry is expected to maintain a positive growth trajectory in the forthcoming years. It is projected to reach USD 7.06 trillion by 2027, growing at a compound annual growth rate (CAGR) of 7.33% between 2023 and 2027. Furthermore, the advent of digitalisation and increasing demand for sustainable and eco-friendly solutions are spurring innovation and fuelling growth.⁶

Specialty chemicals sector

The global specialty chemicals industry is a rapidly evolving sector, focused on producing chemicals and materials that cater to specific applications and performance requirements. The sector plays a crucial role within the broader chemical industry. As of 2023, the global specialty chemicals market was valued at approximately USD 641.5 billion, however it is projected to grow at 5.2% CAGR from 2024 to 2030.⁷

Increasing demand for environmental-friendly and bio-based specialty chemicals, rising need for consumer goods and surging infrastructure development are driving the demand for specialty chemicals. Sectors like pharmaceuticals, food and beverages, personal care, electronics and construction are becoming increasingly reliant on specialty chemicals for developing high-performance products.

Furthermore, high-performance, function-specific chemicals are also in demand across various end-use sectors such as oil and gas, pulp and paper, cosmetics and others. The versatility and the critical role of specialty chemicals in enhancing product performance and efficiency are contributing significantly to market growth.

As in 2023, the Asia-Pacific region leads the specialty chemicals market share by holding a significant share of 49.9%. This dominance is attributed to the rising demand from China and India, driven by rapid industrialisation and the growth of various end-use industries.

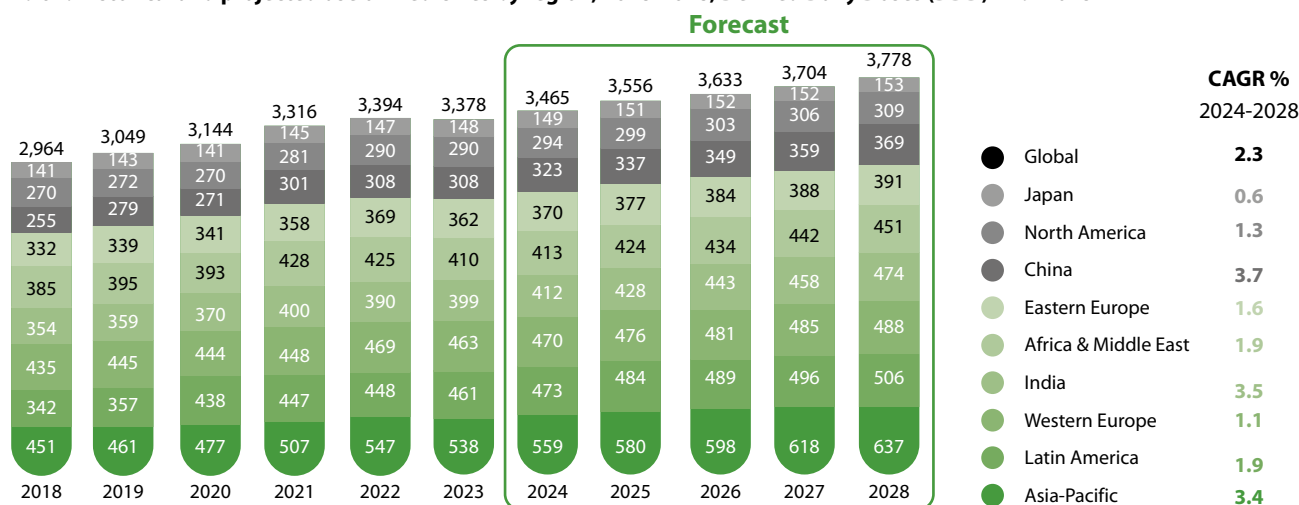
Pharmaceuticals Industry

The global pharmaceutical industry is experiencing robust growth. The market size is projected to reach approximately \$2.3 trillion by 2028, growing at 5-8% CAGR. The growth is primarily driven by increased use and expenditure on medicines, surpassing even pre-pandemic levels. The significant factors contributing to this surge include rising awareness about preventive healthcare and the introduction of breakthrough therapies over the past decade.⁸

Substantial investments play a crucial role in driving the growth of the pharmaceutical industry as it aids in the development of new drugs and the expansion of accessible treatments across various regions. In CY 2024, spending on medicines is expected to continue its upward trajectory fuelled by increased adoption of novel and more expensive therapies. This trend is particularly pronounced in developed markets where there is a higher availability and utilisation of innovative therapeutics. However, this growth has become moderated due to increasing use of generics and biosimilars that has lowered costs.

Growing consumption of medicine⁹

Exhibit 1: Historical and projected use of medicines by region, 2018-2028, Defined Daily Doses (DDD) in billions



⁶<https://www.researchandmarkets.com/reports/5781388/chemicals-global-market-report>.

⁷<https://www.grandviewresearch.com/industry-analysis/specialty-chemicals-market>.

⁸<https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-2024-outlook-to-2028>

⁹<https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-global-use-of-medicines-2024-outlook-to-2028>

¹⁰<https://www.databridgemarketresearch.com/reports/global-active-pharmaceutical-ingredient-api-market>

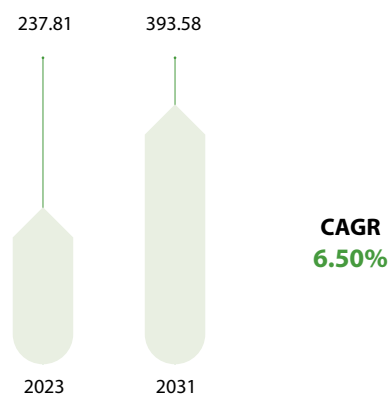
Regionally, the pharmaceutical market has recorded varied growth. Emerging markets such as the Asia-Pacific, led by China and India is witnessing fast growth driven by increasing healthcare access, rising disposable incomes and ageing population. Developed markets in North America and Europe, however, are facing challenges with patent expirations and cost pressures. Despite these challenges, the regions remain significant R&D hubs and expected to remain at the forefront of innovation in the global pharmaceutical landscape.

API (Active Pharmaceuticals Ingredients) Sector

In 2023, the global API market recorded significant growth driven by increasing demand for pharmaceuticals worldwide. The market size was valued at USD 237.81 billion in 2023 and is projected to reach USD 393.58 billion by 2031, with a CAGR of 6.50 % between 2024 and 2031¹⁰. Factors such as surging chronic disease cases, rising geriatric population, advancements in API manufacturing and growth of the biopharmaceutical sector have contributed significantly to the growth of the sector. Furthermore, rising incidences of lifestyle-related diseases globally has led to a higher demand for effective treatments, directly impacting the demand for APIs. Moreover, growing biopharmaceutical sector, especially the biotech APIs segment, is observing rapid growth due to their role in novel therapies.

Global API market growth¹¹

Market size (in USD billion)



Antibody drug conjugates (ADCs) are targeted cancer therapies that combine an antibody with a biologically active drug or cytotoxic compound. The flourishing ADC market, driven by revenue from approved ADCs and those in phase III development, is further projected to reach \$26 billion by 2028.¹² This surge is attributed to ADCs superior clinical profiles compared to standard chemotherapy across multiple indications.

The market of generic API drugs has seen a significant uptick with the generic APIs segment dominating the market with a revenue share of 56.8% in 2023.¹³ The production of generic APIs is increasing to meet the rising demand for generic medications. The adoption of generic drugs is supported by their lower cost, better accessibility and expiration of patents for various branded molecules.

India's chemical industry

India's chemical sector encompasses a vast array of products, including bulk chemicals, specialty chemicals, petrochemicals, agrochemicals, polymers and fertilisers. As of 2024, this sector is a significant contributor to the country's GDP. India's chemical industry, valued at USD 220 billion, is recognised for its extensive product portfolio that spans over 80,000 commercial products. India is the sixth largest producer of chemicals globally and the third largest in Asia, holds a significant position in both domestic and international markets.¹⁴

India's impressive growth trajectory is expected to sustain its momentum at a rate of 9-12% per annum, reaching approximately USD 300 billion by 2026.¹⁵ Rising domestic consumption and a shift in global sourcing towards India will play a pivotal role in driving the growth of the sector. Additionally, government initiatives such as the Production Linked Incentive (PLI) scheme and the establishment of Bulk Drug Parks have further augmented the confidence of manufacturers and investors in the sector.



¹¹<https://www.databridgemarketresearch.com/reports/global-active-pharmaceutical-ingredient-api-market>

¹²<https://www.nature.com/articles/d41573-024-00064-w#:~:text=Consequently%2C%20revenue%20from%20approved%20ADCs,application%20faces%20two%20main%20challenges.>

¹³<https://www.grandviewresearch.com/industry-analysis/india-active-pharmaceutical-ingredients-market-report#:~:text=Generic%20APIs%20segment%20dominated%20market,growth%20of%20generic%20API%20drugs.>

¹⁴<https://www.trade.gov/country-commercial-guides/india-chemicals#:~:text=The%20Indian%20chemicals%20industry%20is,reach%20%202440%20billion%20by%202026.>

¹⁵<https://www.trade.gov/country-commercial-guides/india-chemicals#:~:text=The%20Indian%20chemicals%20industry%20is,reach%20%202440%20billion%20by%202026.>

Management Discussion and Analysis (Contd..)

Government support has been pivotal in nurturing the growth and development of the Indian chemical industry. For the fiscal year 2024-25, the Department of Chemicals and Petrochemicals received an estimated budget allocation of INR 139.05 crore.¹⁶ These allocations aim to support the chemical industry's expansion and solidify its position on the global stage. The government's commitment to augment the growth of the industry is reflected through increasing investments, promoting research and development and facilitating the adoption of new technologies through various schemes and initiatives.

Specialty chemicals sector

The Indian specialty chemicals segment has witnessed robust growth and significant market expansion in the recent years. The sector encompasses a diverse range of products, including agrochemicals, dyes, pigments and pharmaceutical ingredients which are essential for various industrial applications. India's specialty chemicals market has reached USD 41.90 billion by 2023¹⁷ and is projected to grow at 11% CAGR till FY26.¹⁸ This growth is fuelled by robust demand from various end-user industries that require speciality chemicals.

The China plus one strategy adopted by multinational corporations seeking alternatives to Chinese suppliers and various governmental initiatives focusing on innovation and technological advancements are propelling domestic production of high-value specialty chemicals.

India's specialty chemicals market is gaining prominence globally. With ongoing development in sectors such as electric vehicles, green energy and digital infrastructure, the Indian speciality market is poised to become a critical player in the global chemical market. Additionally, India's cost-competitive manufacturing base coupled with robust process engineering capabilities fosters a conducive environment for both domestic and international companies to scale their operations.

Pharmaceuticals industry

The Indian pharmaceutical industry, catering to a wide spectrum of healthcare needs, continues to be a significant global player commanding a significant share of more than 20% in the global medical supply chain. The industry is characterised by its extensive diversity as it includes generic drugs, vaccines as well as biosimilars.¹⁹ Currently, India's pharmaceutical sector ranks as the third largest in the world by volume, exporting to over 200 countries.²⁰ India's ability to produce high volumes of generic drugs and vaccines at competitive prices makes the country a crucial player in global healthcare.

Rising healthcare awareness coupled with a burgeoning middle-economic class and improving accessibility are driving the growth of the Indian pharmaceutical sector. The industry's competitive advantages include cost-effective manufacturing, a large pool of skilled professionals and a strong focus on quality and compliance. The industry's broad spectrum encompassing advanced biologics and complex therapeutic products reflects its comprehensive expertise and innovative prowess. India continues to strengthen its position as the pharmacy of the world, providing essential medications and vaccines to a global audience.

API (Active Pharmaceuticals Ingredients)

The Indian API market stands as a critical component of the global pharmaceutical supply chain, recording significant growth and development in the reported year. APIs are the essential raw materials used in the production of pharmaceutical drugs. It has seen a surge in demand both domestically and internationally. The sector has recorded advancements in green chemistry, process optimisation and the adoption of digital technologies to enhance production efficiency and environmental sustainability.

The Indian API market size is estimated at USD 13.64 billion in 2024 and is expected to reach USD 20.32 billion by 2029, reflecting a CAGR of 8.31% between 2024 and 2029.²¹ The need to develop a resilient and self-reliant pharmaceutical supply chain post-pandemic has resulted in increased investments in API production. Additionally, the paradigm shift towards reducing dependency on single-source markets, particularly China, for API procurement has benefited India. It has positioned the country as an alternative hub for API manufacturing.

Furthermore, government initiatives supported and accelerated the growth of domestic API production. The Indian government has launched the Production Linked Incentive (PLI) scheme to promote domestic manufacturing of critical KSMs (Key Starting Materials), drug intermediates and APIs. Additionally, with the increase in capital expenditure (capex), pharmaceutical companies are expanding their production capacities steadily. These efforts are strengthening India's position in the global API market, ensuring a stable and secure supply of essential pharmaceutical ingredients while fostering innovation and sustainability in the sector.

¹⁶<https://www.indiabudget.gov.in/doc/eb/vol1.pdf>

¹⁷<https://www.techsciresearch.com/report/india-specialty-chemicals-market/4129.html>

¹⁸<https://www.thehindubusinessline.com/portfolio/in-charts-indian-specialty-chemicals-sector/article67817659.ece>

¹⁹<https://www.forbesindia.com/article/take-one-big-story-of-the-day/budget-2024-indian-pharma-industry-expects-tax-breaks-and-funding-for-innovation/91141/1>

²⁰<https://health.economictimes.indiatimes.com/news/pharma/key-trends-shaping-the-future-of-indian-pharma-in-2024/107092374>

²¹<https://www.mordorintelligence.com/industry-reports/india-active-pharmaceutical-ingredients-market>



Company overview

IOL is a prominent player in the global pharmaceutical and chemical industries with a strong focus on the production of Active Pharmaceutical Ingredients (APIs) and specialty chemicals. The Company is one of the leading manufacturers in APIs and speciality chemicals sectors, steadily diversifying its product portfolio and expanding its manufacturing capabilities to meet dynamic market needs.

The Company has carved a niche in the API market, catering to various therapeutic categories such as pain management, anti-diabetes and anti-convulsant. Its portfolio includes a range of APIs such as Metformin, Clopidogrel and Paracetamol. The Company is one of the world's largest producers of Ibuprofen, commanding 35% global market share.

In addition to APIs, the Company is a significant player in the specialty chemicals space. It is one of the leading domestic producers of Ethyl Acetate and holds a strong position globally in Iso Butyl Benzene production. The diversification positions IOL as a versatile player in the Indian chemical sector. The Company's consistent efforts to innovate and improve its product portfolio enable it to remain at the forefront of the pharmaceutical and chemical manufacturing industry. With over three decades of expertise, the Company continues to serve a critical role in global healthcare and chemical supply chains.

With production facilities in Barnala, Punjab, IOL's growth and development can be attributed to significant investments in technology and infrastructure. The Company aims at enhancing its manufacturing capabilities and ensuring compliance with international standards. The Company's research and development centre is approved by the Department of Scientific and Industrial Research (DSIR). On the other hand, the manufacturing facilities are equipped with state-of-the-art technology and adhere to current Good Manufacturing Practices (CGMP). The Company has received certifications from prestigious global entities such as the USFDA, EUGMP, KFDA, TFDA and WHO GMP. The Company's commitment to quality and excellence positions the organisation as a trusted partner in the pharmaceutical and chemical industries, capable of meeting the stringent requirements of global markets.

2nd
Largest Iso Butyl Benzene manufacturer in India

~35%
Global share in Ibuprofen

Management Discussion and Analysis (Contd..)

SCOT analysis



Strengths

- IOL enjoys global leadership in Ibuprofen production, holding 35% global market share
- The Company is fully backward-integrated, enhancing control over the supply chain and cost efficiencies
- IOL can manage high scale complex operations
- Diverse API and chemical portfolio, catering to various therapeutic and industrial applications
- Regulatory approvals by major international regulatory bodies
- Healthy long-term relationship with customers



Opportunities

- Growing API market provides an opportunity to expand its market share
- Rising demand from end-user industries for specialty chemicals facilitates the Company to strengthen its specialty chemicals segment
- Government policies supporting domestic API production, fuelling the Company's growth
- China plus one scheme providing increased outsourcing opportunities for the manufacturers



Challenges

- Competition in specialty chemicals from established domestic and international players
- Dependence on bulk drugs makes the Company vulnerable to price fluctuations
- Fluctuations in raw material costs can impact production margins



Threats

- Stringent regulations in key markets such as the US and Europe, impacting production and export processes
- Global economic slowdown could dampen demand for pharmaceuticals and specialty chemicals
- Trade disruptions due to geopolitical tensions can impact supply chains and exports

Risk management

The Board oversees risk management and internal controls. This includes establishing the Company's risk tolerance, consistently evaluating and tracking key risks and scrutinising reports generated by the internal auditors.

The Company is exposed to several risks that could impact its operations and financial performance. With dependency on key products such as Ibuprofen, the Company is vulnerable to market fluctuations and regulatory changes impacting products' demand and pricing. Additionally, operational risks pertaining to safety, health and environmental compliances are inherent in the chemical and pharmaceutical manufacturing sectors. These require continuous management and capital investment. Supply chain disruptions can also hinder efficiency of the Company as it could affect the availability of raw materials and impact production costs.

Furthermore, policy changes, both domestically and internationally, could influence operations, especially in key markets such as the USA and Europe.

IOL has implemented several strategies to mitigate the risks. The Company has diversified its product portfolio beyond Ibuprofen, expanding into other APIs and specialty chemicals, reducing dependency on a single product line. It also adheres to stringent international regulatory standards to manage regulatory risks effectively. The Company invests in state-of-the-art technology and infrastructure to enhance safety and compliance standards. The robust risk management framework ensures regular risk assessments and the implementation of risk mitigation strategies. The proactive approach aids the Company's resilience against operational disruptions and market volatility.



Financial performance

The Company has delivered industry-leading growth. The Company's total income stood at ₹ 2,163 Crores in FY 2023-24, as compared to ₹ 2,243 Crores in FY 2022-23.

Segmental revenue

The pharmaceutical sector made up about 59% of the overall revenue, marking a boost from approximately 57% the prior year. Meanwhile, the chemicals sector accounted for around 41% of the total revenue for the year, down from its 43% share last year.

EBITDA

The Company registered an EBITDA of ₹ 262 Crores in FY 2023-24 increasing from ₹ 252 Crores in the previous year. The improvement in EBITDA margins was primarily driven by decline in cost of raw material consumed.

Net profit after tax

The Company earned ₹135 crores as profit after tax during FY 2023-24 as compared to ₹140 crores earned last year.

Balance sheet

Share capital

As of March 31, 2024, the Company's paid-up equity share capital stands at ₹ 58.71 crore comprising 5,87,05,502 equity shares of ₹10/- each. There were no alterations in the capital throughout the fiscal year 2023-24.

Reserves and surplus

Reserves and Surplus for FY 2023-24 were ₹ 1553 crores as compared to ₹ 1448 crores in the previous year.

Net worth

The net worth of the Company has grown to ₹ 1611 crores in FY 2023-24 from ₹ 1,507 crores in FY 2022-23.

Borrowings

As of the end of FY 2023-24, the Company had no long-term secured or unsecured borrowings. Short-term secured borrowings stood at ₹ 33 crores, compared to ₹ 80 crores at the end of FY 2022-23.

Assets

Non-current assets

As of March 31, 2024, the Company's total non-current assets, including capital work in process, rose to ₹ 1124 crores from ₹ 1,102 crores as of March 31, 2023, after adjusting for depreciation and additions.

Current assets and current liabilities

As of March 31, 2024, the Company's inventories totalled ₹ 425 crores, up from ₹ 326 crores as of March 31, 2023. Trade receivables decreased to ₹ 471 crores from ₹ 505 crores in the previous year, while trade payables stood at ₹ 469 crores, compared to ₹ 314 crores as of March 31, 2023. These shifts align with the level of operations.

Cash flows

For the fiscal year ending on March 31, 2024, the Company generated a net cash flow of ₹ 291 Crores from operating activities of as contrasting with a net cash flow generation of ₹ 123 Crores in the previous year.

The Company's net cash used in investing activities totalled ₹ 192 crores for the fiscal year ending on March 31, 2024, compared to ₹ 119 crores in the previous year.

In the fiscal year ending on March 31, 2024, the net cash used in financing activities amounted to ₹ 92 crores, against ₹ 4 crores used in the previous year.

Ratio	FY 2022-23	FY 2023-24
Operating Profit Margin (EBITDA) (in %)	11.24	12.09
Net Profit Margin (in %)	6.31	6.35
Return on Average Net Worth (in %)	9.66	8.69
Trade Receivable Turnover	4.53	4.35
Inventory Turnover Ratio	4.99	4.57
Current Ratio	2.02	2.00

Management Discussion and Analysis (Contd..)

People and culture

IOL prioritises investing in its human resources and promotes a culture of continuous improvement. In FY 2023-24, the Company implemented several key initiatives to attract, develop and retain top talent across its operations. These efforts include training and development programmes to promote career growth opportunities and enhancing employee engagement through improved communication channels and committees.

The Company also offers various programmes to enhance the overall well-being of its employees. These initiatives are expected to further strengthen IOL's objectives of nurturing a high-performing, future-ready workforce capable of driving sustainable growth and innovation across its business verticals.

As of 31st March, 2024, the Company has a competent talent pool comprising 2,777 permanent employees spread across its production facilities and offices. The Company has witnessed remarkable growth over the years by prioritising leadership development and strong employee engagement.

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 37th Annual Report of the Company on the business operations and performance of the Company along with the audited financial statements for the year ended 31 March 2024.

1. Financial performance:

The brief summary of the financial performance of the Company for the Financial Year ended 31st March 2024 along with the comparative figures for the previous year is summarized herein below:

Particulars	(₹ in Crore)			
	Standalone		Consolidated	
	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Total income	2162.86	2242.68	2162.86	2242.72
Profit before interest & depreciation	261.59	252.09	260.66	251.28
Interest	16.10	16.47	16.10	16.47
Profit before depreciation	245.49	235.62	244.56	234.81
Depreciation	62.85	46.13	62.91	46.16
Profit before exceptional items	182.64	189.49	181.65	188.65
Exceptional items	0	0		0
Profit before tax	182.64	189.49	181.65	188.65
Provision for tax (including deferred tax)	47.22	49.51	47.22	49.51
Profit after tax	135.42	139.98	134.43	139.14

During the year under review, the standalone operating revenue of your Company was ₹ 2162.86 Crore as compared to ₹ 2242.68 Crore in the previous year. The gross margin for FY 2023-24 was ₹ 418.88 Crore as compared to ₹ 381.20 Crore in the previous year. Margins were improved due to lower raw material cost as compared to previous year.

Pursuant to Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Management Discussion and Analysis Report forms an integral part of this Integrated Annual Report and gives the details, inter alia, about the performance, Company's state of affairs and Industrial Businesses of the Company in India and International, important changes, external environment, and 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

The Board of Directors has declared interim dividends of ₹ 5 per equity share involving a cash outflow of ₹ 29.35 Crore during the year. The Board of Directors considers the same as

final dividend. The Board recommends the dividend based on the parameters laid down in the dividend distribution policy of the Company.

Pursuant to the Regulation 43A of the Listing Regulations, the Board of Directors of the Company formulated and adopted the Dividend Distribution Policy of the Company. The said policy 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 2023-24 in the profit and loss account and has not transferred any amount of profits to reserves not transferred any amount of profits to reserves for FY 2023-24.

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 2024.

5. Share Capital

During the financial year 2023-24, there was no change in the authorised, issued, subscribed, and paid-up share capital of the Company. The paid up equity share capital of the Company has been ₹ 58,70,55,020/- (Rupees Fifty Eight Crore Seventy Lakh Fifty Five Thousand and Twenty) consisting of 5,87,05,502 (Five Crore Eighty Seven Lakh Five Thousand Five Hundred Two) equity shares of ₹ 10/- each as on 31.03.2024.

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 email id investor@iolcp.com

7. Holding & Subsidiary Company

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

Directors' Report (Contd..)

We have 3 subsidiaries as on March 31, 2024. Out of these 3 subsidiaries IOL Foundations Corporate Overview Statutory Reports Financial Statements 41 is a Section 8 Company that undertakes the CSR activities of the Company. During the year under review, the company has closed its overseas subsidiary IOL GLOBAL LIMITED in UK

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 2023-24, the Company commenced "Acetic Anhydride" for captive consumption as well as merchant sale with installed capacity of 25000 MTPA .

During the year 2023-24, the Company has got additional approval from Center for Drug Evaluation (CDE) of National Medical Products Administration (NMPA), China for "Metformin Hydrochloride" whereas European Directorate for the Quality of Medicines & Health Care (EDQM) has issued a Certificate of Suitability for Gabapentin.

Further, during the year 2023-24, the Company successfully completed the Brazilian Health Regulatory Agency (ANVISA) GMP audit for all the 10 APIs manufacturing Units situated at Barnala, Punjab without any observation and later on received a Certificate of Good Manufacturing Practices in May 20024.

10. Directors and Key Managerial Personnel

The members of the company have appointed Mr Abhiraj Gupta as Executive Director for a Period of five years w.e.f 03rd April 2022 till 2nd April 2028 and has varied the terms of appointment of Mr Vikas Gupta by re-designating him as Joint Managing Director of the Company w.e.f 3rd April 2023

The Board of Directors has appointed Mr. Vikas Vij as Chief Executive Officer of the Company effective from 3rd April 2023 at the board meeting held same day.

Mr Vikas Gupta, Joint Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment forms part of the Notice for the ensuing AGM.

Further, On 14th May, 2024 the Board of Directors, subject to the shareholders' approval, re-appointed Mr. Kushal Kumar Rana as Director(Works) of the Company for a period of 5 years w.e.f. 4th June 2024. A resolution in this regard has been proposed in the notice for the ensuing annual general meeting for the shareholders consideration and approval.

The brief details of all the directors seeking appointment/ re-appointment at the ensuing Annual General Meeting is furnished in the explanatory statement to the notice calling the 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); Mr Abhay Raj Singh, Sr. VP & Company Secretary and Mr Vikas Vij, Chief Executive Officer 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. Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee ('NRC') evaluate the appropriate characteristics, skills and experience for the individual director and board with an idea to form a well diverse board having diversified backgrounds and experiences and recommends the eligible candidate to the Board for appointment as new directors.

Your directors consider that the Board diversity is a key factor in promoting effective governance, innovation, and decision-making. By focusing on board diversity, organizations can harness the full potential of their leadership teams, drive sustainable growth, and build a more inclusive corporate culture. Having a diverse Board is a strategic advantage that can lead to better performance, greater innovation, and enhanced reputation for the organization.

Pursuant to the Regulation 19(4) & 20(4) and Part D of Schedule II of Listing Regulations, 2015 the Board of the Company has adopted a Policy on diversity of Board of Directors. The said policy is available on the website of the company 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.

12. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, Dr Sandhya Mehta is serving as Independent Woman Director on the Board of the Company. She is also Chairperson of Stakeholders Relationship Committee and member of Audit Committee, Nomination and Remuneration Committee, CSR Committee and Risk Management Committee.

13. 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 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.

14. Number of Meetings of the Board

During the year the Board met 4 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.

15. 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 29th March, 2024 to review the matters as laid down in the aforesaid Schedule and Regulations.

16. 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:

- a. that in the preparation of the annual financial statements for the year ended 31 March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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;
- c. 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

17. Declaration by Independent Directors

All the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Companies Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company and hence, they continue to comply the criteria to serve as independent directors.

18. 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>

Directors' Report (Contd..)

19. 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>

20. 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.

21. Audit Committee

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

22. 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 MDA for additional details.

23. 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.

24. Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business and therefore did not attract the provisions of Section 188 of the Companies Act 2013. Moreover, there were no material transaction entered into with any related party during the year under review.

All related party transactions were approved by the Audit Committee and periodically reported to the Audit Committee. Prior omnibus approval of the Audit Committee was taken for related party transactions which are of repetitive nature and entered in the ordinary course of the business on arm's length basis.

The details of the related party transaction during financial year 2023-24 are provided in the accompanying financial statements.

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 2023-24 and hence does not form part of this report.

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.

25. 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>

26. Research and Development

IOL is committed to investing in R&D, as part of our mission to find breakthroughs to safeguard lives. Our R&D program is designed to develop safe and effective breakthroughs for human lives across the globe. R&D has played a significant role in the development of customized requirements, addressing regulatory requirements, leading to four new CEP filings, three USDMF filings & two new approval of CEPs.

We are active supporters of finding new ways of developing API's using latest technological tools by minimizing energy consumption & minimal waste generation to keep environment cleaner. In this context R&D team has successfully developed & scale up a key intermediate of an API via continuous flow chemistry. In continuation to last year, we have established novel route of synthesis for one of our API & filed patent application.

Our Commitment to Improving Health through R&D in API's is continuous & this year three products have been scaled up at commercial scale in multipurpose production facility, and three new products are at kilo scale.

27. Statutory Auditors

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 Auditor forms part of this Report and Annual Accounts 2023-24. 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.

28. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s B. K. Gupta & Associates, practicing Company Secretary for conducting secretarial audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure - 3**.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

29. 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.

30. 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 2024-25 at a remuneration of ₹ 181500/- 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 2023, provided by the Cost Auditor, does not contain any qualification or adverse remarks that require any clarification or explanation.

31. 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.

32. CEO & CFO Certification

In accordance with the provisions of the SEBI Listing Regulations the Executive Director & CEO and Chief Financial Officer of the Company have submitted the relevant certificate

Directors' Report (Contd..)

for the Financial Year 2023-24 to the Board of Directors, which forms part of this Report.

33. Annual Return

Pursuant to the provisions of Section 134(3)(a) of Companies Act, 2013, the web address of the Annual Return of the Company is <https://www.iolcp.com/investors/annual-returns>

34. 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.

35. 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 2024 and the date of this report.

36. 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.

37. 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.

38. Industrial Relations

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

39. Safety, Health and Environment

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.

40. Prevention of Sexual Harassment Policy

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)

Act, 2013, the Company has set up Complaints Committees at its workplace. No complaints have been received during the year 2023-24.

41. 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

42. 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

43. 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 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.

44. Integrated Reporting

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

45. 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. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Change in the nature of business of the Company.
3. 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.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. 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.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.
7. There has been no one time settlement of loans with any bank or financial institution.
8. There are no proceedings admitted against the Company under the Insolvency and Bankruptcy Code, 2016.

46. Acknowledgement

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, Bankers, Central/State Government Departments, its Customers and Suppliers.

We also place on record our sincere appreciation of the contribution made by the employees at all levels. Our consistent growth is made possible by their devout, sincere and unstinted services.

Further, the Board expresses its gratitude to you as Shareholders for the confidence 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 :14th May 2024

Directors' Report (Contd..)

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 2023 to 31 st March 2024	From 01 st April 2023 to 31 st March 2024	From 01 st April 2023 to 31 st March 2024
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	23.25	(2.48)	(2.50)
7.	Total assets	56.82	8.43	8.41
8.	Total Liabilities	23.50	0.91	0.91
9.	Investments	0	0	0
10.	Turnover	937.32	0	0
11.	Profit before taxation	(96.82)	(1.19)	(1.18)
12.	Provision for taxation	0	0	0
13.	Profit after taxation	(96.82)	(1.19)	(1.18)
14.	Proposed Dividend	0	0	0
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 2024

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 IOL values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, IOL 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. IOL 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:

- 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
- 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:

Directors' Report (Contd..)

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	4
2	Mr. Vikas Gupta	Joint Managing Director, member of CSR	4	4
3	Dr.Sandhya Mehta	Independent Director, member of CSR	4	4

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 i.e 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):** ₹ 332.54 Crore
(b) Two percent of average net profit of the company as per section 135(5) : ₹ 6.65 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 : Nil
(e) Total CSR obligation for the financial year (7a+7b-7c): ₹ 6.65 Crore
- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 7.68 crore
(b) Amount spent in Administrative Overheads : 0.21
(c) Amount spent on Impact Assessment, if applicable : Nil
(d) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 7.89 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.
7.89	-	-	-	-	-

- (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)	6.65
(ii)	Total amount spent for the Financial Year	7.89
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.24
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.24

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	5.04	3.70	-	-	1.34	
2.	2021-22	6.12	0.72	0.44	-	-	0.28	
3.	2020-21	2.93	0.001	0.001	-	-	-	
Total		9.05		4.141	-	-	-	

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:

Sl. 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: Not Applicable

For and on behalf of the Board

Sd/

Varinder Gupta

Managing Director

Chairman of the CSR committee

DIN: 000044068

Place: Ludhiana

Dated :14th May 2024

Directors' Report (Contd..)

Annexure – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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, Punjab-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, 2024 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, 2024 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;(Not applicable during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- 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 (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period) and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(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:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;

- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.

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

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. 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.

Majority decision is carried through while the dissenting members' views were captured and recorded as part of the minutes.

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 made following decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

- During the audit period under review, company has closed its wholly owned subsidiary company IOL GLOBAL LIMITED which was incorporated on 30th January 2022 in U K under the Companies Act 2006 of the England and Wales.

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

Sd/-

(CS Bhupesh Gupta)

FCS No.:4590

CP No.:5708

Place: Ludhiana

Date: 14.05.2024

UDIN: -F004590F000362134

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]

Directors' Report (Contd..)

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: - 14.05.2024

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 2023-24 (FY 24) and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the FY24 are as under:

Name of Director/ Key Managerial Personnel	Designation	Remuneration (₹ in crore)	% Increase in remuneration	Ratio of remuneration to median remuneration of employee
Mr Varinder Gupta	Managing Director	9.68	30.00	256.08
Mr Vikas Gupta	Joint Managing Director	2.95	21.00	78.04
**Mr Abhiraj Gupta	Executive Director	1.27	NA	33.6
**Mr. Vikas Vij	Chief Executive Officer	2.69	NA	71.16
Mr Pardeep Kumar Khanna	Chief Financial Officer	1.58	18.00	41.8
Mr Kushal Kumar Rana	Director Works	1.67	24.00	44.18
Mr Abhay Raj Singh	Senior Vice President and Company Secretary	0.74	16.00	19.58
*Dr Sanjay Chaturvedi	Executive Director & CEO	0.78	NA	20.63

*Dr Sanjay Chaturvedi resigned from the position of CEO & Directorship with effect from closure of the 3rd April, 2023

** Mr. Abhiraj Gupta appointed as Executive Director and Mr. Vikas Vij appointed as Chief Executive Officer with effect from 3rd April 2023

- (ii) The maiden remuneration of employees was increased by 9.2% and the median salary of employees for the FY 2023-24 was ₹ 3.78 Lakh.
- (iii) The number of permanent employees on the rolls of the Company was 2777 as on 31 March 2024.
- (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 13.7% and average increase in salary of managerial personnel (Managing Director and Whole-time directors) was 17.00%.
- (v) It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

which, in the aggregate, was not less than one crore and two lakh rupees:

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 Varinder Gupta, Managing Director, 9.68, Higher Secondary, 38, 29/09/1986, 61, First Employment, 2.10%; Mr Vikas Gupta, Joint Managing Director, 2.95, BSc. (Hons.) in Business Management from Kings College London, 11, 20/07/2013, 32, First Employment, 0.00%; Mr. Vikas Vij, Chief Executive Officer, 2.69, PGD. (International Magt.), 33, 03/04/2023, 57, Cipla, 0.00%; Mr Kushal Kumar Rana, Director (Works), 1.67, M.Sc., 34, 11/04/2005, 55, Morepen Laboratories, 0.00%; Mr Pardeep Kumar Khanna, Chief Financial Officer, 1.58, M.COM., 35, 23/12/1995, 55, First Employment, 0.01%; Mr Gopal Singla, President, 1.39, B.E. (Instrumentation), 26, 01/04/2007, 48, Indian Acrylics Ltd, 0.00%; Mr. Abhiraj Gupta, Executive Director, 1.27, Engineering in Business Mgt. (The University of Warwick, UK), 6, 25/09/2017, 29, First Employment, 0.00%; Dr Damandeep Singh, President, 1.26, PHD, 26, 23/10/1997, 50, First Employment, 0.00%; Mr Lokesh Dhawan, Senior Vice President, 0.99, B.E. (Electronics & Comm.), 28, 27/10/2014, 49, Shri Lakshmi Cotfin Ltd, 0.00%; Mr. Deepak Goyal, Vice President, 0.97, B.E. (Chemical), 18, 17/11/2005, 40, First Employment, 0.00%;

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 financial year, was in receipt of remuneration for that year

- (ii) There was no other employee, except mentioned in (a) above who employed throughout financial year

Directors' Report (Contd..)

2023-24 was receipt of remuneration not less than one crore and two lak

- (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

Dr Sanjay Chaturvedi, Executive Director & CEO, 0.78, PHD, 27, 15/03/2021, 54, Praj Industries, .00%; Dr Kamlesh Jayantilal Ranbhan, President, 0.7, PHD, 29, 10/04/2017, 59, Arch Pharmalabs Limited, 0.00%; Praveen Hans, President, 0.49, B.E. (Chemical), 52, 01/07/2021, 31, Wockhardt Ltd. .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, 2023.

A. CONSERVATION OF ENERGY

1. Step taken or impact on conservation of energy:

- A) At multiple cooling water operation areas, the running head of the pumps has been compared with the design head of the pumps. Accordingly, new low head pumps of exact duty points have been installed, which has resulted in power savings of around 1300 kWh/Day.
- B) Recovered hot water from Ethyl Acetate Plant is transferred to cooling tower for recycling of the wastewater. In cooling tower, the heat of this water is rejected to the atmosphere. This waste heat is utilized in generating the hot water for HVAC Applications in Pharma Plants. As a result, the waste heat is recovered and the steam consumption by HVAC system has been reduced by around 150 MT/month.
- C) In Compressed air systems, the exhaust of the compressors was earlier trapped within the compressor room. This system resulted in heat accumulation in the area. Due to this heat accumulation, the running efficiency of the compressor gets reduced. Hence, new exhaust ducts have been installed at the exhaust of the compressor to divert the hot outlet outside the machine room. This has resulted in reduction of the inlet air temperature by 10 Deg C and hence increase in air compressor efficiency by nearly 2% , which has resulted in power savings.
- D) High efficiency HEPA filters have been installed in all Fluidized bed dryers (17 Nos.) having low initial pressure drop of 10 mmwc as compared to earlier installed filters with 25 mmwc as initial pressure drop, which has resulted in power savings by reducing the system head by 15 mmwc, which is directly proportional to power drawn by the blower of the system.
- E) Refurbishment of 80TPH High Pressure boiler with latest design of bed coils & modifications in air feeding system has been done which helps in maintaining the air velocities and flow of air in the furnace so that optimized quantity of oxygen will be maintained. Earlier, excessive air was resulting to erosion of all related parts of the boiler which has caused leakages and multiple breakdowns, but now, by maintaining proper air quantity in the boiler, the life of the equipment is increased, as well as, power norms of the boiler has been reduced from 22.8 kw/MT to 20.95 KW/MT, resulting in approx. 90000 KWH to 100000 KWH energy being saved every month. Refurbishment work has also reduced losses due to unburnt fuel in ash from 12 % to 6%, which has helped in saving of approx. 5 to 6 MT of fuel daily. Maintaining proper air velocities additionally helps boiler ESP to work efficiently and effectively by maintain the proper SPM levels.
- F) We have started heating boiler direct DM water through waste heat recovery from Ethyl plant. We have increased temperature of approx. 350 KI DM water per day from 35 Deg C to 58 Deg C. we have saved 12-14 MT steam per day in Deaerator of Boiler. So, total 360 – 380 MT steam saved per month.
- G) We have installed Degasser Tower in existing DM plant system to reduce anionic load to increase OBR value. Previously we were regenerating Strong Base Anion vessel after every 20 Hours, but after installation of Degasser tower, the OBR time increased from 20 Hours to 23 hours. So, total 5 Regenerations were reduced per month and total 125 KL water was saved per month.
- H) We have started reusing the final Regeneration water & online Conductivity meter water as a RO water, this will save approx. 12 KL of Ro water daily which leads to saving of approx. 480 KL of Raw water per month.
- I) We have replaced our old in-efficient DG Set with a new DG Set of 625KVA having higher efficiency and better cooling. It can take up more loading without increasing its temperatures and thereby generating more units per liter of fuel (Currently approx. 3.7-3.8 Units/liter as compared to earlier 3.5 Units/Liter).
- J) We have installed Heat rejection ducts in different VFD rooms such as 55T control room, 291/344TR machine VFD rooms etc. Excess heat is directly vented out thereby decreasing the heat load on Air Conditioner and improving its efficiency. (Approx 15000 to 16000 KWH units will be saved yearly.)
- K) 291TR Brine Machine conventional Soft Starter has been replaced by VFD. Earlier there were frequent tripping’s of main VCB due to high jerks while starting machine on soft starter leading to complete utility breakdown. This has now been eliminated by soft starting method of VFD. Hence, by shifting to VFD, breakdowns have been reduced.
- L) Installation of VFD’s on ETP AHR blowers which are continuously running. Hence, power savings are generated by reducing their rpms and loading.

2. Step taken by Company for utilizing alternate sources of energy

- A) We have installed Solar of 62KW capacity at our Old Canal Water reservoir and are getting savings of approx. 20-

Directors' Report (Contd..)

50% on our power bills. Further, we have also planned for one solar captive plant of 500 KW at our new Reservoir.

- B) After installation and commissioning of special overbed feeding system on our boilers we have started consuming the alternative biofuels such as Wood Chips, Sun mica Dust, Sawdust Briquette Paddy Husk Pellets, Paddy Husk Briquette, Cotton Seeds Pellets, and forest crushing (combination of wooden chips, leaves, and tree branches) in our boiler. These alternative fuels consumption helps us reducing our dependency on conventional fuels.

3. Capital investment on energy conservation equipments:

- A) New 280 TR Screw based chiller has been ordered. This new chiller operates on green refrigerant R-134a. As a result, it would reduce the design power requirement of chiller and also would be a further step in sustainability.
- B) PNG gas connection has been installed for one Thermopack where earlier HHC or spent gas was only fuel source, but with the installation of PNG line a green fuel option has been created which will result in less CO₂ emissions and lead towards sustainability.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

The Company has taken various steps in its Research and Development centre, the mains are as follows:

- a. This year team has developed 5 API's and two advanced intermediates at R&D & successfully commercialized at different level.
- b. Company has added three molecules to antidiabetic category i.e Sitagliptin, Vildagliptin & Imeglimin, all three molecules commercialized. Minoxidil & Clopidogrel besylate are other two moved to commercial validation phases.
- c. In addition to the above commercial validations, another five products built-in by completing the laboratory work like Sacubitril Valsartan, Edoxaban, caffeine, choline fenofibrate etc.

- d. Apart from API, IOL team has developed & commercialized three intermediates TFMT (Sitagliptin), Azacyclonol (Fexofenadine) & S-POX (Ezetimibe).

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

- a. Process improvement is a continuous activity at IOL. The aim of this is to bring the high quality, safe, robust, and affordable products to market.
- b. Efforts done for continuous improvement resulted in quality improvement of PAN-08 intermediate which resulted in yield improvement of Pantoprazole by 5%, 5-DFMB key intermediate of pantoprazole is also developed by R&D is under commercialization, which will enable IOL to have better control on SCM.
- c. R&D developed a robust process for SABA, which is a key starting material for Levetiracetam, in Clopidogrel we have developed alternative process to achieve customer specific requirement of Low Chiral impurity.

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

4. Expenditure incurred on Research and Development during the financial year ended 31 March 2024:

	(₹ in crore)
Capital	1.96
Revenue	17.37
Total	19.33

C Foreign Exchange Earnings & Outgo during the financial year ended 31 March 2024:

	(₹ in crore)
Used	575.08
Earned	534.84

Corporate Governance Report

FY 2023-24

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
- (ii) Promote ethical and responsible decision-making
- (iii) Safeguard integrity in financial reporting
- (iv) Make timely and balanced disclosures
- (v) Recognise and manage business risks
- (vi) Respect the rights of the shareholders
- (vii) Recognise the legitimate interest of the stakeholders
- (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	Chairman & Independent Director	13	4	5	-
Mr Varinder Gupta DIN: 00044068	Managing Director	6	-	1	11,96,965
Mr Vikas Gupta DIN: 07198109	Joint Managing Director	6	-	2	-
Mr Abhiraj Gupta DIN: 08204917	Executive Director	5	-	-	-
Mr Kushal Kumar Rana DIN: 09189020	Director (Works)	1	-	-	-
Mr Harpal Singh DIN: 06658043	Independent Director	3	1	1	-
Dr Sandhya Mehta DIN: 06954964	Independent Director	1	1	2	-
Mr Sharad Tyagi DIN: 00371842	Independent Director	1	-	2	-

(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.

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.

Corporate Governance Report (Contd..)

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	Independent Director
	2. Waaree Technologies Limited	Independent Director
	3. Filatex India Limited	Independent Director
Mr Varinder Gupta	IOL Chemicals and Pharmaceuticals Limited	Managing Director
Mr Vikas Gupta	IOL Chemicals and Pharmaceuticals Limited	Joint Managing Director
Mr Abhiraj Gupta	IOL Chemicals and Pharmaceuticals Limited	Executive Director
Mr Kushal	IOL Chemicals and Pharmaceuticals Limited	Director (Works)
Mr Harpal Singh	IOL Chemicals and Pharmaceuticals Limited	Independent Director
	Him Teknoforge Limited	Independent Director
Dr Sandhya Mehta	IOL Chemicals and Pharmaceuticals Limited	Independent Director
Mr Sharad Tyagi	IOL Chemicals and Pharmaceuticals Limited	Independent Director

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 2023-24, the Board met 6 (Six) times on 3rd April 2023, 28th April 2023, 29th June 2023, 9th August 2023, 8th November 2023 and 6th February 2024. 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 10 th August 2023
Mr Rajender Mohan Malla, Chairman	6	Yes
Mr Varinder Gupta	6	Yes
Mr Vikas Gupta	6	Yes
Mr Abhiraj Gupta	3	Yes
Mr Kushal Kumar Rana	6	Yes
Dr Sandhya Mehta	6	Yes
Mr Harpal Singh	6	Yes
Mr Sharad Tyagi	6	Yes

3. Audit Committee

Audit Committee consists of four directors, three being independent directors viz. Mr Harpal Singh (Chairman), Dr Sandhya Mehta, Mr Sharad Tyagi and one executive director viz. Mr Vikas Gupta as on 31st March 2024. 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 2023-2024, Audit Committee met 4 (Four) times on 28th April 2023, 9th August 2023, 8th November 2023 and 6th February 2024. 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	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	4	4
Dr Sandhya Mehta	4	4
Mr Vikas Gupta	4	4
Mr Sharad Tyagi	4	4

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three directors, all being Independent Directors viz. Dr Sandhya Mehta (Chairman), Mr Rajender Mohan Malla and Mr Harpal Singh as on 31st March 2024. 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, 3 (Three) meetings was held on 3rd April 2023, 28th April 2023 and 29th June 2023.

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

Name of the Members	No. of Meetings	
	Held	Attended
Dr Sandhya Mehta, Chairman	3	3
Mr Rajender Mohan Malla	3	3
Mr Harpal Singh	3	3

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.

Detail of remuneration paid to the Executive Directors during the financial year 2023-2024 is given below:)

Name	Position	Salary	Comm- ission	Contri- bution to Provident & other Funds	₹ in Lakhs	
					Other perq- uisites & allow- ances and Bonus	Total
Mr Varinder Gupta	Managing Director	345.60	-	41.47	598.59	985.66
Mr Vikas Gupta	Joint Managing Director	105.60	-	12.67	182.32	300.59
Mr Abhiraj Gupta	Executive Director	48.00	-	5.76	75.88	129.64
Mr Kushal Kumar Rana	Director (Works)	64.80	-	7.78	98.08	170.66

- 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 2023-2024 is given below:

Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings	Total Fee Paid
Dr Sandhya Mehta	3.00	7.50	10.50
Mr Rajender Mohan Malla	3.00	2.00	5.00
Mr Harpal Singh	3.00	4.50	7.50
Mr Sharad Tyagi	3.00	8.50	11.50
TOTAL	12.00	22.50	34.50

During the year 2023-24, 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.

6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of four Directors and chaired by the Independent director viz., Dr Sandhya Mehta (Chairperson), Mr. Sharad Tyagi, Independent Director, Mr Varinder Gupta and Mr Vikas Gupta, Executive Directors as on 31st March 2024. 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, two meetings were held on 9th August 2023 and 6th February 2024.

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

Name of the Members	No. of Meetings	
	Held	Attended
Dr Sandhya Mehta, Chairman	2	2
Mr Varinder Gupta	2	2
Mr Vikas Gupta	2	2
Mr Sharad Tyagi	2	2

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 2023-24 are as under:

Sr. No.	Nature of complaints / queries	No. of Complaints / queries during the year		
		Received	Attended	Pending
1	Transmission of shares	42	42	Nil
2	Mandate	20	20	Nil
3	Loss of shares	47	47	Nil
4	SEBI/Stock Exchange	-	-	-
5	Change of Company Name	22	22	Nil
6	Change of Address	25	25	Nil
7	Split/Consolidation	-	-	-
8	Others	20	20	Nil

Corporate Governance Report (Contd..)

7. Corporate Social Responsibility (CSR) Committee

The Board of Directors have constituted a CSR Committee comprising of three directors, two being executive directors viz. Mr Varinder Gupta, Mr Vikas Gupta and one independent director viz. Dr Sandhya Mehta as its members. 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 meetings were held on 27th April 2023, 9th August 2023, 8th November 2023 and 6th February 2024. Attendance record of Corporate Social Responsibility Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Varinder Gupta, Chairman	4	4
Mr Vikas Gupta	4	4
Dr Sandhya Mehta	4	4

8. Risk Management Committee

The Board of Directors have constituted a Risk Management Committee comprising of five members, four directors, two being independent directors viz. Mr Harpal Singh (Chairman), Dr Sandhya Mehta, 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 meetings were held on 24th July 2023 and 15th January 2024.

Attendance record of Risk Management Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	2	1
Dr Sandhya Mehta	2	1
Mr Vikas Gupta	2	2
Mr Kushal Kumar Rana	2	2
Mr Pardeep Kumar Khanna	2	2

9. Other Committees

Banking & Finance Committee and Allotment Committee, both the committees comprising of three members, two being executive directors viz Mr Varinder Gupta (Chairman), Mr Vikas Gupta and one being independent director Dr Sandhya Mehta as its members.

Strategy & Growth Committee, the committee comprising of three members, two being executive directors viz Mr Varinder Gupta (Chairman), Mr Vikas Gupta and one being independent director Mr Sharad Tyagi as its members. During the year, ten meetings were held.

During the year one meeting of Independent Directors was held on 29th March 2024. 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
36 th AGM	10 th August 2023	Thursday	11:30 AM Through video conferencing / other audio visual means	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 / other audio visual means	1. To appoint Mr Sharad Tyagi as Independent Director of the Company. 2. To appoint Dr Sanjay Chaturvedi (Till 3.04.2023) as Executive Director & CEO of the Company.
34 th AGM	18 th September 2021	Saturday	11:00 AM Through video conferencing / other audio visual means	To appoint Mr. Kushal Kumar Rana as Director (Works) of the Company.

*The venue of the general meetings conducted through video conferencing or other audio visual means is considered to held at the Registered Office of the Company.

Postal Ballot:

During the Financial Year 2023-24 two resolutions 1. Appointment of Mr Abhiraj Gupta as Executive Director of the Company 2. Variation in the terms of appointment of Mr Vikas Gupta, Executive Director of the Company has been passed through exercise of postal ballot on 11th May 2023.

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.

e) 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 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	11 th March 2020	30%	16 th April 2020	17 th April 2027
2020-21	6 th November 2020	40%	13 th December 2020	14 th December 2027
2021-22	18 th September 2021 Final Dividend	20%	21 st October 2021	22 nd October 2028
2021-22	4 th February 2022	40%	9 th March 2022	10 th March 2029
2022-23	7 th February 2023	40%	9 th March 2023	10 th March 2030
2023-24	6 th February 2024	50%	10 th March 2024	11 th March 2031

In view of this, Members are requested to claim their unpaid/unclaimed dividends from the Company, within the stipulated timeline.

10. General Shareholders Information

Following information would be useful to the members:

- a) **Annual General Meeting** of the Company will be held on **Friday, 23rd August 2024 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 2023 to 31st March 2024. Tentative financial calendar of the Company for the year 2024-25 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 th June 2024	During August 2024
Financial Results for the quarter/half year ending 30 th September 2024	During November 2024
Financial Results for the quarter ending 31 st December 2024	During February 2025
Financial Results for the quarter ending 31 st March 2025	During May 2025

c) Date of Book Closure

The Register of Members and Share Transfer Books will remain closed from **17th August 2024 to 23rd August 2024** for the purpose of the Annual General Meeting.

d) Dividend payment date

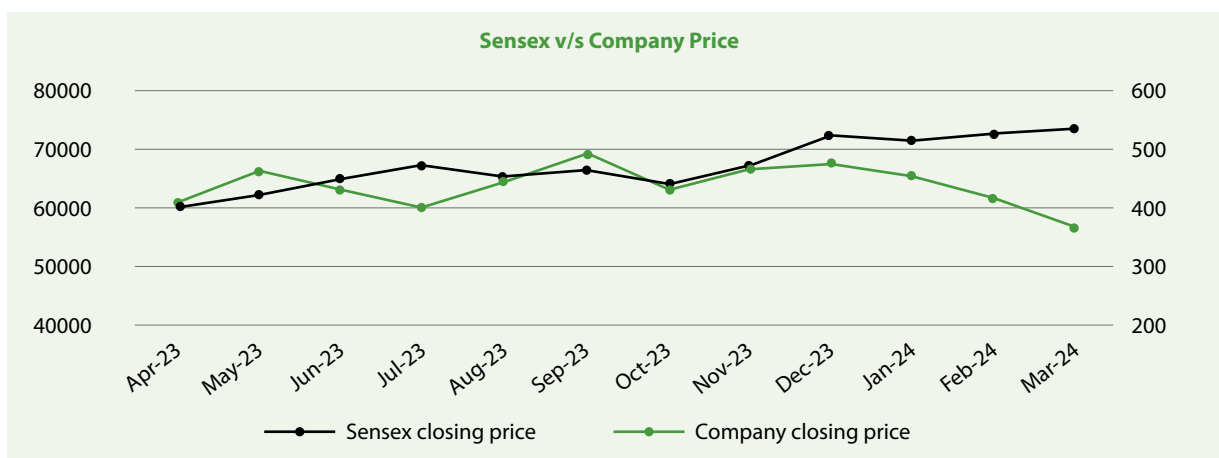
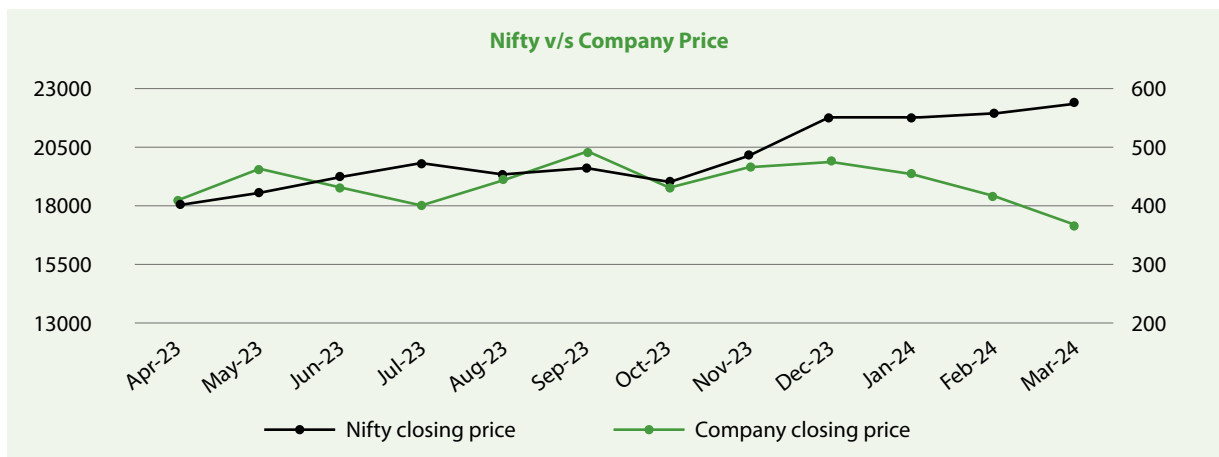
During the year under review, an Interim Dividend @ 50% i.e. ₹ 5/- per equity share of face value of ₹ 10/- each, for financial year 2023-24 was declared and paid to the Shareholders of the Company. The Board of Directors considers the same as final dividend and therefore have not recommended any final dividend to the shareholders.

Corporate Governance Report (Contd..)

f) Shares of the Company are listed on the following Stock Exchange

Financial Year 2023-24	NSE				BSE			
	Share Price		NIFTY		Share Price		BSE SENSEX	
	High	Low	High	Low	High	Low	High	Low
Apr-23	439	284	18065	17398	442	282	61209	58793
May-23	463	392	18634	18069	463	388	63036	61002
Jun-23	470	413	19189	18488	470	414	64769	62359
Jul-23	423	363	19979	19323	423	363	67619	64836
Aug-23	442	362	19734	19254	443	362	66658	64724
Sep-23	536	426	20192	19435	536	427	67927	64818
Oct-23	489	396	19812	18857	488	397	66592	63093
Nov-23	465	411	20133	18989	465	411	67070	63550
Dec-23	488	439	21779	20268	488	439	72484	67149
Jan-24	497	429	22097	21239	498	429	73428	70002
Feb-24	453	392	22217	21616	453	392	73414	70810
Mar-24	415	351	22494	21817	416	350	74245	71674

Source: nseindia.com and bseindia.com



g) 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**h) 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.

i) Distribution of Shareholding

The Distribution Schedule of the Company as on 31st March 2024 is as follow:

Shareholding of Nominal value in `	Shareholders		Shares	
	Number	% age of total holders	Number	% age of total capital
Upto 500	1,23,999	95.38	87,57,972	14.92
501 to 1000	3,406	2.62	26,22,121	4.47
1001 to 2000	1,463	1.13	21,54,752	3.67
2001 to 3000	418	0.32	10,54,462	1.80
3001 to 4000	176	0.14	6,64,757	1.07
4001 to 5000	144	0.11	6,64,757	1.13
5001 to 10000	240	0.18	17,23,945	2.94
10001 and Above	157	0.12	4,11,02,092	70.01
Total	1,30,003	100.00	5,87,05,502	100.00

j) Shareholding Pattern:

The shareholding pattern of the Company as on 31st March 2024 is as follow:

Category	As on 31 st March 2024			As on 31 st March 2023		
	Shareholders	Shares	% age	Shareholders	Shares	% age
Promoter						
Indians	5	2,82,90,077	48.19	8	2,82,90,077	48.19
Foreign	-	-	-	-	-	-
Sub – total	5	2,82,90,077	48.19	8	2,82,90,077	48.19
Non-Promoters						
Financial Institutions / Mutual Funds	7	1,69,934	0.29	6	1,35,418	0.23
Foreign Portfolio Investors	44	8,25,912	1.41	44	14,27,560	2.43
NBFCs registered with RBI	1	7,500	0.01	1	7,500	0.01
Bodies Corporate	378	92,38,930	15.74	444	91,55,613	15.60
Individuals	1,25,436	1,81,88,724	30.98	1,35,544	1,78,99,404	30.49
HUF	2,047	7,28,638	1.24	2,062	6,59,305	1.13
NRI	1,975	11,67,354	1.99	1,970	10,69,803	1.82
Clearing Members	21	71,772	0.12	45	41,704	0.07
Employees	86	15,434	0.03	49	12,654	0.02
Foreign Nationals	-	-	-	-	-	-
Trust	3	1,227	0.00	4	6,464	0.01
Sub –total	1,29,998	3,04,15,425	51.81	1,40,169	3,04,15,425	51.81
Total	1,30,003	5,87,05,502	100	1,40,177	5,87,05,502	100

k) 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.

Corporate Governance Report (Contd..)

Shares held in demat and physical mode as on 31st March 2024 are as follow:

Particulars of shares	Equity shares of ₹ 10/- each		Members	
	Number	% of Total	Number	% of Total
Demat mode	5,82,27,260	99.18 %	1,26,569	97.36
Physical mode	4,78,242	0.82 %	3,434	2.64
Total	5,87,05,502	100 %	1,30,003	100.00

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 2024. The ISIN No. of the Company is INE485C01011

l) Outstanding GDR/ADR/Warrants/Convertible Instrument

The Company has no outstanding GDR/ADR/Warrants/Convertible Instrument.

m) 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

- Total exposure of the listed entity to commodities in ₹ : **Nil**
- Exposure of the listed entity to various commodities: **Nil**
- Commodity risks faced by the listed entity during the year and how they have been managed: **Nil**

n) Credit rating

CARE Ratings Limited vide its letter dated 29th June 2023 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)	140	CARE A+; Stable (Single A Plus ; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities (Non-fund-based Working Capital)	460 (Enhanced from 410)	CARE A1 + (A One Plus)	Reaffirmed
Total	600		

o) Plant Location

Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District - Barnala- 148107 Punjab.
Phone : +91-1679-285285-86
Fax : +91-1679-285292

p) 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 : rt@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 2023-24 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 and 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 and Risk Management 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

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.

Corporate Governance Report (Contd..)

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.
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	Sandhya Mehta
Strategy and planning	Y	Y	Y	Y	Y	Y	Y	Y
Governance, Risk and Compliance	Y	Y	Y	Y	Y	Y	Y	Y
Financial Performance	Y	Y	Y	Y	Y		Y	
Commercial Experience		Y	Y	Y	Y	Y		
International		Y	Y	Y	Y		Y	
Product skills		Y	Y	Y		Y		

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 four subsidiary companies:

- IOL- Foundation.
- IOL Speciality Chemicals Limited
- IOL Life Sciences Limited

During the year under review , the Company has closed its overseas subsidiary viz. IOL Global Limited.

The Company has no material subsidiary Company.

viii) Detail of utilization of fund raised through preferential allotment

During the year Company has not raised fund through preferential allotment

ix) Total fees paid to statutory auditor

The Company has paid ₹ 0.27 crore lakh to the statutory auditors for all services including the fee paid for audit of subsidiary company. The detail of the same in given in Note no. 47 of Notes forming part of financial statements.

x) 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 2023-24 are as under:

Nature of complaints / queries	No. of complaints during the year		
	Filed	disposed	Pending
N.A	0	0	0

12. Compliance report on discretionary requirements under Regulation 27(1) of SEBI (LODR) Regulations.

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 person to the post of chairman and

managing director. Mr Rajender Mohan Malla 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 2024.

Sd/-

Place: Ludhiana
Date: 14th May 2024

Varinder Gupta
Managing Director
DIN: 00044068

Corporate Governance Report (Contd..)

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Vikas Vij, Chief Executive Officer (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 2024 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: 14th May 2024

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

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 2024, 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 2024.
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

M. No. 506955

UDIN:24506955BKCNTF6865

Place : Ludhiana
Date : 14th May 2024

Corporate Governance Report (Contd..)

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, 2024, 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 : 09th May 2024

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	April 1, 2023 to March 31, 2024
10	Name of the Stock Exchange(s) where shares are listed	The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
11	Paid-up Capital	₹ 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	TUV SUD South Asia 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	59%
2.	Manufacturing	Chemical Segment	41%

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	36.43%
2	Non Ibuprofen API's	21002	18.31%
3	Ethyl Acetate	20119	36.01%
4	Acetic Anhydride	20119	2.60%
5	Other	20119 / 21002	6.65%

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	-	-	-

Business Responsibility & Sustainability Report (Contd..)

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	23
International (No. of Countries)	80

b. What is the contribution of exports as a percentage of the total turnover of the entity?

28%

c. A brief on types of customers

- Specialty Chemicals/Products Manufacturing Companies
- Pharmaceuticals Finished Dosage Manufacturing Companies

IV. Employees

20. Details as at the end of Financial Year: March 31, 2024

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)	2777	2703	97.33 %	74	2.66 %
2.	Other than Permanent (E)	148	134	90.54 %	14	9.46 %
3.	Total employees (D + E)	2925	2837	96.99%	88	3.01%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

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)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

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	3	0	0.00%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

S. No.	FY 2023-2024 (Turnover rate in current FY)			FY 2022-2023 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.0%	33.8%	19.4%	16.5%	41.5%	17.2%	15.1%	19.5%	15.2%
Permanent Workers	0	0	0	0	0	0	0	0	0

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 Crores) 2132.79
(iii) Net worth (in Rs Crores) 1611.33

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 2023-24 Current Financial Year			FY 2022-23 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	4	Nil		4	Nil	
Employees and workers	Yes https://www.iolcp.com/about-us/policies	Nil	Nil		Nil	Nil	
Customers		Nil	Nil		Nil	Nil	
Value Chain Partners		Nil	Nil		Nil	Nil	
Other (please specify)		Nil	Nil		Nil	Nil	

Business Responsibility & Sustainability Report (Contd..)

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 2023-24, 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
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
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
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) 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								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer details provided in the Sustainability Goals, targets and Progress part of Integrated Report FY 2023-24								
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 resolute in our commitment to incorporating sustainability principles across our value chain even while we broaden the scope of our positive social impacts and penetrate new markets. Our goal is to provide our patients and customers with high-quality, cost-effective goods that may save and improve their lives while also attaining a high growth trajectory in terms of expanding our business. We'll keep working towards improving and accomplishing our targets while delivering our stakeholders with effective solutions. In our pursuit of sustainability, we look forward to encouragement and support from all stakeholders for greener and 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 Dr Sandhya Mehta, Member DIN 06954964								

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

Business Responsibility & Sustainability Report (Contd..)

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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	Yes*	No	No	No

*TUV SUD South Asia Pvt Ltd.

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)									
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)									

Not Applicable since the policies of the Company cover all Principles on NGRBCs

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	<ul style="list-style-type: none"> The awareness session on principle of BRSR for the Company’s directors covering Safety, Health, Environment, Strategy, Industry trends, Code of conducts, Ethics & Governance, and Legal & regulatory matters. These matters are also regularly discussed and deliberated upon in Board meetings, Board’s Audit Committee meetings, and other Board committees. The awareness session to executive directors covers EHS & S General Awareness/ EHS & S Policy/ Ergonomics/ Industrial Hygiene/ Road Safety Awareness, Fire and its preventions/operation of Fire Extinguishers & Hydrant/Electrical Safety/OSEP/Mock Drill/Use of SCBA Set. Benchmark Lean Six Sigma Champions Workshop to Executive Directors. 	100%
Key Managerial Personnel	74	<ul style="list-style-type: none"> The awareness and training session to Key Managerial Personnel covering Code of conducts, Ethics & Governance, Anti-Bribery Management System, Cybersecurity Awareness, POSH, Benchmark Lean Six Sigma Champions Workshop, EHS & S General Awareness/ EHS & S Policy/ Ergonomics/ Industrial Hygiene/ Road Safety Awareness, Fire and its preventions/operation of Fire Extinguishers & Hydrant/Electrical Safety/OSEP/Mock Drill/Use of SCBA Set, Train the Trainer and various other on the Job Trainings. 	100%

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
Employees other than BoD and KMPs	349	<ul style="list-style-type: none"> The awareness and training session to Employees covering Code of conducts, Ethics & Governance, Anti-Bribery Management System, Cybersecurity Awareness, POSH, Benchmark Lean Six Sigma Champions Workshop and Green Belt Certification, Business Communication, First Aid Boxes Behaviour Based Safety/ Use and Importance of PPE's, Time and Stress Management, Quality Culture, Good Documentation Practices, Good Manufacturing Practices, EHS & S General Awareness/ EHS & S Policy/ Ergonomics/ Industrial Hygiene/ Road Safety Awareness, Fire and its preventions/operation of Fire Extinguishers & hydrant/Electrical Safety/OSEP/Mock Drill/Use of SCBA Set, On the Job Trainings and Train the Trainer. 	86.71%

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. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the Listing Regulations, 2015 and as disclosed on the entity's website):

For FY2023-24, there were no cases pending pertaining to unfair trade practices, irresponsible advertising and/ or anti-competitive behavior. Additionally, there were no cases of corruption, with reference to the employees or the business partners.

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:

Not Applicable

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:

No Directors/KMPs/employees/workers were involved in bribery/corruption in the Financial Year 2023-24.

6. Details of complaints with regard to conflict of interest:

No complaint was received with regard to conflict of interest against Directors/KMPs in the Financial Year 2023-24.

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 2023-24	FY 2022-23
Number of days of accounts payable	86	82

Trade payable excluding accrued expenses

Business Responsibility & Sustainability Report (Contd..)

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 2023-24 (%)	FY 2022 -23 (%)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	23.44%	25.44%
	b. Number of trading houses where purchases are made from	24	22
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	95.63%	97.00%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	31.05%	30.15%
	b. Number of dealers / distributors to whom sales are made	273	281
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	39.09%	37.08%
Share of RPTs in	a. Purchases (Purchases with related parties as % with Total Purchases)	6.50%	6.01%
	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)	1.46%	1.48%

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
6	- 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, each Director of the Company declares their interest in, and concerns about, the Company, its subsidiaries, bodies corporate, firms, and other associations of individuals, as well as any changes made thereto, whether yearly or otherwise. This disclosure also covers holdings. The Finance department receives these disclosures and marks the parties in their system for the purpose of tracking and monitoring any transactions the company enters into with those parties.

Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and their role therein. The Senior Management also affirms annually that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large.

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.

Particulars	FY 2023-24	FY 2022-23	Details of Improvement in environmental & 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	38.94%	27.19%	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.
- Plastic waste is disposed off to authorized recyclers in line with requirement of Plastic waste management rules 2016.
- E waste is disposed off to Authorized vendor approved by PCB inline with requirements of E - waste rules
- Specific area is defined for the storage of Hazardous waste within the organization (Hazard Waste Room)
- Agreements with GGEPIL, Nimbua Ramky and Re Sustainability are signed for the safe disposal and treatment of the waste to complete the proper End of Life Cycle.
- Authorization Number of IOL : HWM/PBIP/Sangrur/2024/2402607873
- Categories of Hazardous Waste of IOL Chemicals and Pharmaceuticals Limited:
1. (5.1) Mobile Oil
 2. (5.2) Waste Residue containing oil
 3. (20.3) Distillation Residue
 4. (28.1) Process Residue and wastes
 5. (28.2) Spent Catalyst
6. (28.3) Spent Carbon
 7. (28.4) Off Specification Products
 8. (28.5) Date expired Products
 9. (28.6) Spent Solvents
 10. (33.1) Empty Barrels
 11. (33.2) Contaminated cotton Rags
 12. (35.3) ETP Sludge
 13. (36.2) Spent Carbon
 14. (37.1) sludge from Wet Scrubber
 15. (37.2) Ash from incinerator
 16. (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	Effluent generation from process having potential of water pollution and soil pollution	Zero liquid Discharge process is implemented to treat, recycle and reuse the good quality water in cooling towers

Business Responsibility & Sustainability Report (Contd..)

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 2023-24	FY 2022-23
HDPE Drums	10%	0

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 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	37.4 MT	-	-	24.359 MT	-
E-waste	-	1.05 MT	-	-	0.520 MT	-
Hazardous waste	-	-	2417.71	-	-	1653.176
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
0	0

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	% of employees covered by										
	Total (A)	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	2703	2703	100%	2703	100%	0	0	2703	100%	0	0
Female	74	74	100%	74	100%	74	100%	0	0	74	100%
Other											
Total	2777	2777	100%	2777	100%	74	2.66	2703	97.34	74	2.66
Other than Permanent employees											
Male	134	134	100%	134	100%	0	0	134	100%	0	0
Female	14	14	100%	14	100%	14	100%	0	0	14	100%
Other											
Total	148	148	100%	148	100%	14	9.46%	134	90.54%	14	9.46%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	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 workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 202-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.57%	0.50%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	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 – Pension, Leave encashment 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 fixed CTC, 15 years & above of service as 2 months of 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

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%	96%
Female	86%	100%
Total	99%	96%

Business Responsibility & Sustainability Report (Contd..)

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

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	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	2777	0	0	2569	0	0
- Male	2703	0	0	2494	0	0
- Female	74	0	0	75	0	0
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 2023-24					FY 2022-23				
	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)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2703	2145	79.36%	2321	85.87%	2494	1845	73.98 %	1855	74.38
Female	74	52	70.27%	59	79.73%	75	36	48.00 %	38	50.67
Total	2777	2197	79.11%	2380	85.70%	2569	1881	73.22 %	1893	73.69
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2703	2703	100%	2494	2494	100 %
Female	74	74	100%	75	75	100 %
Total	2777	2777	100%	2569	2569	100 %
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

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, ISO 45001 :2018 certified company and have well established safety management system

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Well Defined Standard Operating procedures are in place for risk assessment - HIRA, AIA, HAZOP, JSA and PSSR etc.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, we encourage our employees to report work related hazards proactively through online reporting system.

- d. 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:

		FY 2023-24	FY 2022-23
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.

Organization is ISO 45001:2018 Occupation Health and Safety Management System Certified

13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	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

Business Responsibility & Sustainability Report (Contd..)

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 inspect the records of the value chain partners 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 complied at the earliest by the value chain partner and releases the payments upon submission of documentary evidence.

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 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	0	0	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

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
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,
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

1. 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.

2. 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.

3. 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

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2777	2227	80.19%	2569	1723	67.07%
Other than permanent	148	0	0	140	50	35.71%
Total Employees	2925	2227	76.14%	2709	1773	65.45%
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

Business Responsibility & Sustainability Report (Contd..)

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	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	2777	-	-	2777	100%	2569	-	-	2569	100%
Male	2703	-	-	2703	100%	2494	-	-	2494	100%
Female	74	-	-	74	100%	75	-	-	75	100%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

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	2,55,60,000	0	
Key Managerial Personnel (excluding MD and ED)	3	1,80,00,000	0	
Employees other than BoD and KMP	1,157	6,00,000	70	4,32,960
Workers	1,539	2,77,800	4	2,42,040

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24 (%)	FY 2022-23 (%)
Gross wages paid to female as % of total wages	3%	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.

Grievance Redressal Committee, POSH Policy Implementation, SA 8000:2014 certification

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	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		2	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:

Particulars	FY 2023-24 (%)	FY 2022-23 (%)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees / workers	0	100%
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	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

SA 8000:2014 Social Accountability Standard requirements are implemented. No concern raised.

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	

Business Responsibility & Sustainability Report (Contd..)

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.

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 Crores) 2132.79

Parameter	FY 2023-24	FY 2023-24 (Excluding new Plants and Expansion)	FY 2022-23 (Tera Joules)
Renewable sources			
Total electricity consumption	1775.3	1502.5	1834.50
Total fuel consumption	-	-	-
Energy consumption through other sources (Solar)	0.169	0.169	-
Total energy consumed from renewable sources	1775.4	1502.7	1834.50
Non-renewable sources			
Total electricity consumption	626.0	616.5	295.0
Total fuel consumption	-	-	-
Energy consumption through other sources (DG)	3.77	3.77	0.1
Total energy consumed from non-renewable sources	629.73	620.28	295.1
Total energy consumption	2405.2	2123.0	2129.6
Energy intensity (J per rupee of turnover)	0.0000001128	0.0000000995	0.0000000961

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 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	226879	214477
(ii) Groundwater	18256	13916
(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)	245135	228393
Total volume of water consumption (in kilolitres)	245135	228393
Water intensity per rupee of turnover (Water consumed / turnover)	0.00001149	0.00001030
Water intensity Per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (KL) / Revenue from operations adjusted for PPP)	0.00001149	0.00001030

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, TUV SUD South Asia Pvt Ltd.

4. Provide the following details related to water discharged

Parameter	FY 2023-24	FY 2022-23
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

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, TUV SUD South Asia Pvt Ltd.

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 2023-24	FY 2022-23
NOx	mg/NM ³	148	118
SOx	mg/NM ³	15	39
Particulate matter (PM)	mg/NM ³	70	94.30
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	PPM	320	350
Hazardous air pollutants (HAP)	mg/NM ³	16.70	18
Others– please specify	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

Business Responsibility & Sustainability Report (Contd..)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	49521	23786
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MtCO ₂ e	6179	6134
Total Scope 1 and Scope 2 emissions per rupee of turnover	MtCO ₂ e / Rs	0.000002611	0.000001349
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)	MtCO ₂ e / Rs	0.000002611	0.000001349
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MtCO ₂ e	0.000002611	0.000001349

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.

Note: Relevant biogenic CO₂ emissions and removals quantified separately in tCO₂e for Rice Husk for FY 2023-24 (153503.9) and FY 2022-23 (155243)

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Various Initiatives were taken in FY 23-24 :

- Refurbishment of 80TPH High Pressure boiler with latest design of bed coils & modifications in air feeding system.
- Heating boiler direct DM water through waste heat recovery from Ethyl plant
- Installed Degasser Tower in existing DM plant system to reduces anionic load to increase OBR value
- Reusing the final Regeneration water & online Conductivity meter water as a RO water, this will save approx. 12 KL of Ro water daily which leads to saving of approx. 480 KL of Raw water per month
- Replaced our old in-efficient DG Set with a new DG Set of 625KVA having higher efficiency and better cooling.
- Installed Heat reject ducts VFD in different rooms such as 55T control room, 291/344TR machine VFD rooms. Excess heat is directly vented out thereby decreasing the heat load on Air Conditioner and improving its efficiency.
- Installation of VFD's on ETP AHR blowers which are continuously running. Hence, power savings are generated by reducing their rpms and loading.
- Hazardous waste reduction, recycling, and reuse work processes.
- Replacement of Forklifts (Diesel Operated to Electrical)
- EV Golf Car Procurement for Emission Reduction
- Solar Panel Installation
- Sludge Dryer installation to Reduce Moisture Content
- Steps to reuse byproducts of the process.
- Improving the system for recovering waste heat.
- Energy consumption reduction via equipment modernization
- Lowering greenhouse gas emissions by optimizing processes
- Steps to guarantee that equipment is airtight and that emission sources are enclosed.
- 62.4 KW Solar panel installed at reservoir
- Talent Capability Building – 15 member CII certified Professional on Resource efficiency and Environmental Sustainability

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	60.18	24.359
E-waste (B)	1.05	0.520
Bio-medical waste (C)	0.02344	0.0343
Construction and demolition waste (D)	0	0
Battery waste (E)	2.69	2.08
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2458.775	1665.183
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1898.86	0
Total (A+B + C + D + E + F + G + H)	4421.57	1692.18
Waste intensity per rupee of turnover (Total waste generated (MT) / Revenue from operations)	0.0000002073	0.0000000763
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT) / Revenue from operations adjusted for PPP)	0.0000002073	0.0000000763
Waste intensity in terms of physical output	0.0000002073	0.0000000763
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	62.94	36.366
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	62.94	36.366
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	342.37	179.67
(ii) Landfilling	2075.34	1473.51
(iii) Other disposal operations	NA	NA
Total	2417.71	1653.18

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.

- Different dustbins are defined in every plant, office, OHC, Canteen for collection of waste depending on the type and segregating from the source itself.
- Hazardous 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, Recycling and Reuse in Cooling Towers adopting Zero liquid Discharge Facility (ZLD Facility)

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

Business Responsibility & Sustainability Report (Contd..)

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
NA	NA	NA	NA	NA	NA

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	NA	NA	NA	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 2023-24	FY 2022-23
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)		

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 , TUV SUD South Asia Pvt. Ltd.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	119643	100887
Total Scope 3 emissions per rupee of turnover		0.0000056	0.0000045

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.

TUV SUD South Asia Pvt. Ltd.

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. In addition IOL has planted 21370 no. of trees in outside villages and 66652 plants planted within the premises in FY 2023-24.

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
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 Output of this initiative is measured for Full FY 23-24	18534.54 tCO ₂ e	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 tCO ₂ e	Monthly Monitoring & Inspection
3	Solar Panel Installation	Under Scope 2 neutral initiative Phase-1 62.5 KW Solar panel Installed	16.502 tCO ₂ e	Monthly Monitoring & Inspection
4	Optimization in one of the pharma product	Ammonium Sulphate formation (By Product) Recovery and covert to saleable product	27.874 MT product sold	Monthly Monitoring & Inspection
5	Replacement of Forklifts	Procurement of 7 Electric Forklift for replacement of Diesel operated forklift	128 tCO ₂ e	Monthly Monitoring & Inspection

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

Business Responsibility & Sustainability Report (Contd..)

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 IOL 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

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.

Nine

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.

Sr. 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	Ludhiana Management Association	National - India
9	National Safety Council (NSC)	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)
NO						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company works closely with the community for carrying out the Corporate Social Responsibility initiatives. Within the area of work, the employees of the Company work with the communities to understand the impact of the projects on the intended beneficiaries. These interactions provide the people with various opportunities to identify and address the community issues/concerns.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	4.91%	11.01%
Sourced directly from within the district and neighbouring districts	15%	39.94%

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 2023-24 (%)	FY 2022-23 (%)
Rural	76.05%	74.63%
Semi-Urban	-	-
Urban	23.86%	25.28%
Metropolitan	0.08%	0.09%

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

Business Responsibility & Sustainability Report (Contd..)

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
NO				

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
NA		

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		

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 2023-24		Remarks	FY 2022-23		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	48	4	NA	41	34	NA

Note: The pending resolutions are now closed.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Reasons for recall	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.

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.

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.

7. Provide the following information relating to data breaches:

- 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

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.

IOL 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 tpe entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

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, 2024, 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, 2024 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: <ul 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>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>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. 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.

S.no. Key Audit Matter	Auditors' Response
<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, 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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, 2024 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.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
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 14, 2024

Membership No.:506955
 UDIN: 24506955BKCNTB5301

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, 2024 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, 2024, 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 14, 2024

Membership No.:506955
UDIN: 24506955BKCNTB5301

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:

- 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, 2024 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 given any guarantee and any security 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, 2024 for a period of more than six months from the date they become payable.

- (b) Details of statutory dues referred to in sub clause(a) above which have not been deposited on account of a dispute as on March 31, 2024 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is Pending	Period to which the Amount Relates	Amount (in ₹ crore)
The Income Tax Act, 1961	Income Tax	National Faceless Appeal Centre (NFAC)	A.Y. 2020-21	0.56

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.

- (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.

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.

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

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

- (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) 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.

- (c) No whistle-blower complaints were received during the year by the Company.

(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.

- xii. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to 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.

- 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.

(f) The Company has not raised loans during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.

- xiv. (a) In our opinion, the Company has an adequate internal audit system which commensurate with the size and nature of its business.

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) 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. The Company has during the year spent the amount of Corporate Social Responsibility as required under subsection (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company

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 14, 2024

Membership No.:506955
UDIN: 24506955BKNTB5301

Standalone Balance Sheet

as at 31-March-2024

Particulars	Note No.	in ₹ Crore	
		As at 31-Mar-2024	As at 31-Mar-2023
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	921.12	750.52
(b) Right of use assets	4	-	0.14
(c) Capital work-in-progress	3.3	99.83	81.40
(d) Other Intangible assets	3.2	11.57	0.65
(e) Intangible assets under development	3.4	1.04	8.24
(f) Financial assets			
(i) Investments	5.1	17.71	17.71
(ii) Other financial assets	6	48.87	233.87
(g) Other non-current assets	7	24.35	9.01
Total non-current assets		1,124.49	1,101.54
2 Current assets			
(a) Inventories	8	424.84	325.52
(b) Financial assets			
(i) Investments	5.2	2.88	2.56
(ii) Trade receivables	9	471.23	505.28
(iii) Cash and cash equivalents	10	7.53	0.96
(iv) Bank balances other than (iii) above	11	135.09	19.94
(v) Other financial assets	12	7.11	3.80
(c) Current tax assets (net)	24	6.76	1.75
(d) Other current assets	13	64.04	59.26
Total current assets		1,119.48	919.07
TOTAL ASSETS		2,243.97	2,020.61
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	58.71	58.71
(b) Other equity	15	1,552.62	1,447.84
Total equity		1,611.33	1,506.55
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ia) Lease liabilities	16	-	-
(b) Provisions	17	6.71	1.65
(c) Deferred tax liabilities (net)	31	66.14	56.36
(d) Other non-current liabilities	18	0.04	0.14
Total non-current liabilities		72.89	58.15
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	32.76	79.63
(ia) Lease liabilities	16	-	0.18
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		8.16	14.70
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		461.02	299.52
(iii) Other financial liabilities	21	37.55	36.00
(b) Other current liabilities	22	16.87	17.75
(c) Provisions	23	3.39	8.13
Total current liabilities		559.75	455.91
TOTAL EQUITY AND LIABILITIES		2,243.97	2,020.61

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Vikas Vij
Chief Executive Officer

Standalone Statement of Profit and Loss

for the year ended 31-March-2024

in ₹ Crore

Particulars	Note No.	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Income:			
I Revenue from operations	25	2,132.79	2,217.11
II Other income	26	30.07	25.57
III Total income (I+II)		2,162.86	2,242.68
IV Expenses:			
Cost of materials consumed	27	1,435.05	1,536.07
Purchase of stock-in-trade		0.15	29.22
Changes in inventories of finished goods, work in progress and stock in trade	28	(38.25)	(18.20)
Employee benefits expense	29	201.02	168.21
Finance cost	30	16.10	16.47
Depreciation and amortization expense	3	62.85	46.13
Other expenses	31	303.30	275.29
Total expenses (IV)		1,980.22	2,053.19
V Profit before exceptional items and tax (III-IV)		182.64	189.49
VI Exceptional items		-	-
VII Profit before tax (V-VI)		182.64	189.49
VIII Tax expense:			
Current tax		37.01	46.26
Deferred tax		10.21	3.25
Total tax expense (VIII)	32	47.22	49.51
IX Profit for the period (VII-VIII)		135.42	139.98
X Other Comprehensive Income / (loss)			
A Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) of defined benefit obligation		(1.71)	(0.51)
ii) Income tax relating to items that will not be reclassified to profit or loss	32	0.43	0.13
B Items that will be reclassified to profit or loss			
i) Net movement in effective portion of cash flow hedge reserve		(0.01)	0.24
ii) Income tax relating to items that will be reclassified to profit or loss	32	-	(0.06)
Total other comprehensive income/(loss) for the year, net of tax (X)		(1.29)	(0.20)
XI Total Comprehensive Income for the period (IX+X)		134.13	139.78
XII Earnings per equity share of ₹10/- each			
- Basic & Diluted (in ₹/share)	33	23.07	23.84
Weighted average number of equity shares used in computing earnings per equity share			
- Basic & Diluted		5,87,05,502	5,87,05,502

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-

Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Vikas Vij
Chief Executive Officer

Standalone Statement of Changes in Equity

for the year ended 31-March-2024

A. Equity Share capital

(1) Current reporting period from 01-Apr-2023 to 31-Mar-2024

	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-2022 to 31-Mar-2023

	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-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 current 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 current period	10.76	225.72	1,324.30	(8.13)	(0.03)	1,552.62

Standalone Statement of Changes in Equity

for the year ended 31-March-2024

(2) Previous reporting period from 01-Apr-2022 to 31-Mar-2023

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	1,101.75	(6.47)	(0.20)	1,331.56
Profit for the period transferred from statement of profit and loss			139.98			139.98
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(0.38)		(0.38)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					0.18	0.18
Total Comprehensive Income for the period	-	-	139.98	(0.38)	0.18	139.78
Dividend paid on equity shares			(23.50)			(23.50)
Balance as at the end of the previous period	10.76	225.72	1,218.23	(6.85)	(0.02)	1,447.84

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 : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Vikas Vij
Chief Executive Officer

Standalone Cash Flow Statement

for the year ended 31-March-2024

in ₹ Crore

Particulars	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Cash flow from operating activities		
Profit before tax	182.64	189.49
Adjustments for:		
Depreciation and amortisation expense	62.85	46.13
Net (Gain)/Loss on current investment	(0.01)	-
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(4.77)	(1.97)
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.02)	(0.01)
Subsidy Income amortized	(0.05)	(0.07)
Interest income on financial assets carried at amortized cost net of rent amortized during the period	(0.03)	(0.06)
Sundry balances written off	0.16	-
Liabilities no longer required written back	(0.11)	(0.03)
Net (Gain)/Loss on Property, plant and equipment sold	(0.14)	0.33
Loss on Property, plant and equipment discarded	0.04	0.26
Interest expense	16.10	16.47
Interest income	(13.96)	(16.63)
	60.06	44.42
Operating profit before working capital changes	242.70	233.91
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	161.98	(105.34)
Decrease/(Increase) in trade and other receivables	27.42	(42.70)
Decrease/(Increase) in inventories	(99.32)	84.37
	90.08	(63.67)
Cash generated from operations	332.78	170.24
Income tax paid (net)	(42.02)	(47.10)
Net cash flow from/(used in) operating activities (A)	290.76	123.14
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(274.17)	(211.29)
Proceeds from sale of property, plant and equipment	1.85	2.22
Proceeds from sale of investments	0.24	-
Purchase of investment	(0.54)	(17.81)
Interest received	13.46	17.71
Bank balances not considered as cash and cash equivalents:		
(Increase)/Decrease in deposit with banks, having original maturity more than three months	67.27	98.34
(Increase)/Decrease in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	0.20	(8.36)
Net cash flow from/(used in) investing activities (B)	(191.69)	(119.19)

Standalone Cash Flow Statement

for the year ended 31-March-2024

in ₹ Crore

Particulars	For the year ended 31-Mar-2024		For the year ended 31-Mar-2023
Cash flow from financing activities			
Proceeds/(Repayment) of current borrowings	(46.87)		36.88
Interest paid	(16.10)		(16.40)
Lease rent payments	(0.18)		(1.09)
Dividend paid on Equity shares	(29.35)		(23.50)
Net cash flow from/(used in) financing activities (C)		(92.50)	(4.11)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		6.57	(0.16)
Cash and cash equivalents at the beginning of the period		0.96	1.12
Cash and cash equivalents at the end of the period *		7.53	0.96
* Comprises			
Balances with banks in current account		6.65	0.43
Cash on hand		0.88	0.53
		7.53	0.96

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 : 14-May-2024

Sd/-

Abhay Raj Singh

Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Sd/-

Vikas Gupta

Joint Managing Director

DIN-07198109

Sd/-

Vikas Vij

Chief Executive Officer

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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 14th May, 2024.

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-2024

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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 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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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.

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.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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 (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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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.

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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.

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.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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 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-2024

Note 3.1 : Property, Plant and Equipment

Particulars	in ₹ Crore						Total
	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	
Gross carrying value as at 01-Apr-2022	56.07	100.09	589.80	3.02	7.98	2.62	759.58
Additions	14.37	36.80	173.26	0.51	12.06	1.54	238.54
Disposals / adjustment	-	-	(3.29)	(0.19)	(1.70)	(0.81)	(5.99)
Gross carrying value as at 31-Mar-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
Accumulated depreciation as at 01-Apr-2022	-	16.06	178.85	1.09	3.11	0.98	200.09
Depreciation expense for the period	-	4.25	38.32	0.30	1.76	0.63	45.26
Elimination on Disposals / adjustment	-	-	(1.79)	(0.17)	(1.15)	(0.63)	(3.74)
Accumulated depreciation as at 31-Mar-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
Net carrying value as at 01-Apr-2022	56.07	84.03	410.95	1.93	4.87	1.64	559.49
Net carrying value as at 31-Mar-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

Note 3.2 : Capital work in progress

Particulars	in ₹ Crore			
	Opening Balance	Additions	Capitalized	Closing Balance
Current year	81.40	158.94	140.51	99.83
Previous year	102.03	168.09	188.72	81.40

Note 3.3 : Intangible assets

Particulars	in ₹ Crore			
	Computer Softwares	Technical Knowhow	Patents	Total
Gross carrying value as at 01-Apr-2022	0.89	0.55	-	1.44
Additions	0.48	-	0.10	0.58
Disposals/adjustments	(0.41)	-	-	(0.41)
Gross carrying value as at 31-Mar-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
Accumulated amount of amortization as at 01-Apr-2022	0.71	0.55	-	1.26
Amortization expense for the period	0.11	-	-	0.11
Disposals/adjustments	(0.41)	-	-	(0.41)
Accumulated amount of amortization as at 31-Mar-2023	0.41	0.55	-	0.96
Amortization expense for the period	0.99	-	-	0.99
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2024	1.40	0.55	-	1.95
Net carrying value as at 01-Apr-2022	0.18	-	-	0.18
Net carrying value as at 31-Mar-2023	0.55	-	0.10	0.65
Net carrying value as at 31-Mar-2024	11.47	-	0.10	11.57

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Note 3.4 : Intangible assets under development

Particulars	in ₹ Crore			
	Opening Balance	Additions	Capitalized	Closing Balance
Current year	8.24	3.65	10.85	1.04
Previous year	3.17	5.07	-	8.24

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
* Depreciation/Amortization	62.78	45.37
Amount transferred from deferred revenue	(0.07)	(0.07)
Depreciation on Right of use Assets (Refer note no. 37)	0.14	0.83
Depreciation/Amortization charged to statement of profit or loss	62.85	46.13

Notes:

No borrowing cost has been 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 ₹ 1.65 crores (Previous year ₹ 5.19 crores)

3.3a: Capital work in progress (CWIP) ageing schedule as on 31-March-2024

	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		
Projects temporarily suspended	-				-
Total	99.01	0.82	-	-	99.83

Capital work in progress (CWIP) completion schedule as on 31-March-2024

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-March-2023

	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	81.28	0.12	-	
Projects temporarily suspended	-				-
Total	81.28	0.12	-	-	81.40

Capital work in progress (CWIP) completion schedule as on 31-March-2023

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
	Growth Projects	44.11	-	-	
Environment, safety and compliance	-	-	-	-	-
Total	44.11	-	-	-	44.11

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

3.4a: Intangible assets under development ageing schedule as on 31-March-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-March-2024

in ₹ Crore

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Software commissioning	-	-	-	-	-
Total	-	-	-	-	-

Intangible assets under development ageing schedule as on 31-March-2023

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	8.24	-	-	-	8.24
Projects temporarily suspended	-	-	-	-	-
Total	8.24	-	-	-	8.24

Intangible assets under development completion schedule as on 31-March-2023

in ₹ Crore

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Software commissioning	8.24	-	-	-	8.24
Total	8.24	-	-	-	8.24

4 Right of use assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Right of use assets (Refer note no. 37)	0.14	0.97
Deletions of rights of use assets	-	-
Less: Depreciation on right of use asset	(0.14)	(0.83)
	-	0.14

5.1 Investments (non-current)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
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		

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
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	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

5.2 Investments (current)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds (unquoted)		
Nil (88491.150 as at 31-Mar-2023)	-	0.23
units of ₹10/- each of Principal Balanced Advantage Fund- Regular plan growth		
228117.384 (Nil as at 31-Mar-2023)	0.29	-
units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth		
Other investments (unquoted)		
Investment in Master Portfolio Services Limited MPLS Iragre Absolute Return Strategy	2.59	2.33
Total	2.88	2.56
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	2.88	2.56
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Security deposit (to related party) (Refer note no. 40)	-	0.87
Interest receivable	0.53	2.26
Fixed deposits account with remaining maturity of more than twelve months	29.10	186.66
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits account with remaining maturity of more than twelve months	19.24	44.08
	48.87	233.87

7 Other Non current assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good)		
Capital advances	15.12	2.83
Advances other than capital advances		
- Security deposit	3.72	1.04
- Lease hold land prepayments	0.14	0.15
- Prepaid expenses	0.59	0.21
Balance and deposits with government department or others *	4.78	4.78
	24.35	9.01

* 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-2024	As at 31-Mar-2023
Raw materials and components	193.55	134.08
Work-in-progress	44.85	61.85
Finished Goods	164.95	109.59
Stores and Spares	21.49	19.89
Stock in trade	-	0.11
	424.84	325.52
Included above (Goods in transit and at port):		
Raw materials and components	120.82	60.41
Finished Goods	48.35	49.93
	169.17	110.34

* Valued at cost or net realisable value, whichever is lower

Inventories includes ₹ 47.87 crore as at 31-Mar-2024 and ₹ 23.40 crore as at 31-Mar-2023 valued at net realisable value.

Value of Inventories above is stated after provisions of ₹ 5.19 crore as at 31-Mar-2024 and ₹ 4.63 crore as at 31-Mar-2023 for write-downs to net realisable value

Cost of inventory recognised as expense during the current period ₹ 1600.33 crore (Previous year ₹ 1685.89 crore)

All inventories of company have been hypothecated to secure borrowings of the company (refer note 19)

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

9 Trade receivables

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good)		
Trade receivables considered good - Unsecured *	471.98	506.03
Less: Allowances for expected credit loss and doubtful receivables	(0.75)	(0.75)
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables- credit impaired	0.90	0.66
Less: Allowances for expected credit loss and doubtful receivables	(0.90)	(0.66)
	471.23	505.28

* Net of bill discounted from banks ₹ 13.11 Crore (Previous year ₹ 18.23 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-2024

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 month	6 months to 1 year	1 - 2 years	2 - 3 year	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

Trade receivables ageing schedule as on 31-Mar-2023

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 month	6 months to 1 year	1 - 2 years	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	372.34	124.12	0.28	9.26	0.03	-	506.03
(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				0.04	0.55	0.07	0.66
Total	372.34	124.12	0.28	9.30	0.58	0.07	506.69
Less: Allowances for expected credit loss and doubtful receivables							(1.41)
Total Trade receivables							505.28

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

The following is the detail of allowance for lifetime expected credit loss:

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the period	1.41	1.39
- Impairment loss recognized	-	-
- Expected credit loss	0.24	0.02
- Amount written off	-	-
- Balance at the end of the period	1.65	1.41

10 Cash and cash equivalents

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Balances with banks		
- In current accounts	6.65	0.43
Cash on hand	0.88	0.53
	7.53	0.96

11 Other Bank Balances

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	104.48	14.19
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	-	3.49
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	27.71	1.01
Balances with banks in earmarked accounts for CSR Expenditure	1.78	0.35
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.12	0.90
	135.09	19.94

12 Other Financial Assets - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good)		
Security deposit (to related party) (Refer note no. 40)	0.90	-
Interest receivable	3.12	0.89
Export incentives/ other receivables from Government Authorities	1.51	1.93
Loans and advances to employees	0.98	0.73
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	0.60	0.25
	7.11	3.80

13 Other Current Assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good unless otherwise stated)		
Advances against supply of goods and services		
- to related party (Refer note no. 40)	-	-
- to others	8.29	8.74
Prepaid expenses	13.42	8.19
Balance and deposits with government department or others	35.58	31.01
Security deposit	0.49	0.40
Lease hold land prepayments	0.01	0.01
Other Receivables	6.25	10.91
	64.04	59.26

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

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 10/- each (par value)	8,00,00,000	80.00	8,00,00,000	80.00

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	Number	in ₹ Crore	Number	in ₹ Crore
Preference shares ₹10/- each (par value)	-	-	-	-
Total	8,00,00,000	80.00	8,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each (par value)	5,87,05,502	58.71	5,87,05,502	58.71
Total	5,87,05,502	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	Equity share capital			
	As at 31-Mar-2024		As at 31-Mar-2023	
	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
Shares and share capital issued during the period	-	-	-	-
Shares and share capital outstanding at the end of the period	5,87,05,502	58.71	5,87,05,502	58.71

b. Rights, preferences and restrictions attached to equity shares

The company presently has one class of equity shares having a par value of ₹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 interim dividend of 50% (₹ 5 per equity share of ₹ 10/- each) during the year ended 31-Mar-2024 and 40% (₹ 4 per equity share of ₹ 10/- each) during the year ended 31-Mar-2023

The amount of per share dividend recognized as distribution to equity shareholders is as follows:

Particulars	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Interim dividend	5.00	4.00
Final Dividend	-	-

The Company has incurred a net cash outflow of ₹ 29.35 crore during the year ended 31-Mar-2024 (Previous year ₹ 23.50 crore) on account of the interim dividend.

Rights attached to preference shares

The company has not issued preference shares during the current and previous year.

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

Particulars	Equity share capital			
	31-Mar-2024		31-Mar-2023	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	1,26,47,402	21.54%	1,26,47,402	21.54%
NM Merchantiles Private Limited	50,75,571	8.65%	50,75,571	8.65%
Vasudeva Commercials Limited	46,63,859	7.94%	46,63,859	7.94%
NCG Enterprises Limited	-	-	32,84,393	5.59%
NCVI Enterprises Limited	93,70,139	15.96%	28,12,032	4.79%

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-2024

h. Shareholding of Promoter and Promoter Group

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2024			Shareholding of Promoter and Promoter Group as on 31-Mar-2023		
		No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
	Promoter						
1	Varinder Gupta	11,95,865	2.037%	-	11,95,865	2.037%	-
	Promoter Group						
1	Varinder Gupta HUF	1,100	0.002%	-	1,100	0.002%	-
2	Mayadevi Polycot Limited	1,26,47,402	21.544%	-	1,26,47,402	21.544%	4.50%
3	NM Merchantiles Private Limited	50,75,571	8.646%	-	50,75,571	8.646%	-
4	NCG Enterprises Limited *	-	-	(5.595)%	32,84,393	5.595%	-
5	Bhudeva Lifesciences Limited *	-	-	(4.895)%	28,73,714	4.895%	-
6	NCVI Enterprises Limited	93,70,139	15.961%	11.171%	28,12,032	4.790%	-
7	True Value Traders Limited *	-	-	(0.681)%	4,00,000	0.681%	-
		2,70,94,212	46.153%		2,70,94,212	46.153%	4.50%
	Total Shares held by promoter and Promoter Group at the end of the period	2,82,90,077	48.190%		2,82,90,077	48.190%	4.50%

* True Value Traders Limited, NCG Enterprises Limited and Bhudeva Lifesciences Limited have got merged with NCVI Enterprises Limited during the year ended 31-Mar-2024. There is no change in the overall promoters holding and the shares held by the above said 3 companies got transferred to M/s NCVI Enterprises Limited.

15 Other Equity

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(i) Reserves and surplus		
a. Capital reserve	10.76	10.76
(Balance at the beginning and end of the period)		
b. Securities premium account	225.72	225.72
(Balance at the beginning and end of the period)		
c. Retained earnings		
Opening balance	1,218.23	1,101.75
Add: Profit for the year	135.42	139.98
Less: Interim/final Dividend	(29.35)	(23.50)
Closing balance	1,324.30	1,218.23
d. Remeasurements of defined benefit obligation (Refer note no 36)		
Opening balance	(6.85)	(6.47)
Add: Other comprehensive income/(expense) net of tax impact	(1.28)	(0.38)
Closing balance	(8.13)	(6.85)
(ii) Net movement in effective portion of cash flow hedge reserve (Refer note no 41 (ia))		
Opening balance	(0.02)	(0.20)
Add: Other comprehensive income/(expense) net of tax impact	(0.01)	0.18
Closing balance	(0.03)	(0.02)
Total	1,552.62	1,447.84

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 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).

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

16 Lease liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Lease liabilities (Refer note no. 37)	0.18	1.20
Deletions of lease liabilities	-	-
Interest expense on lease liabilities #	0.00	0.07
Payment of lease liabilities	(0.18)	(1.09)
	-	0.18

The break-up of current and non-current lease liabilities is as follows:

Particulars	As at 31-Mar-2024	Year ended 31-Mar-2023
Current Lease liabilities	-	0.18
Non Current Lease liabilities	-	-

less than ₹ 50000

17 Provisions - Non current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Provision for employee benefits:		
- Gratuity (Refer note no. 36)	5.44	0.13
- Compensated absences	1.27	1.52
	6.71	1.65

18 Other non current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Deferred capital grants related to Property, plant and equipment	0.04	0.14
	0.04	0.14

Trade payables ageing schedule as on 31-Mar-2024

Particulars	in ₹ Crore					Total
	Not due	Outstanding from the due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(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

Trade payables ageing schedule as on 31-Mar-2023

Particulars	in ₹ Crore					Total
	Not due	Outstanding from the due date of payment				
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME (Refer note no. 46)	15.43	2.54	0.04	-	-	18.01
(ii) Others	249.30	28.02	-	-	-	277.32
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others						-
Related party (Refer note no. 40)	14.14	4.75				18.89
Total	278.87	35.31	0.04	-	-	314.22

19 Borrowings - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Loan repayable on demand		
- From Banks (secured)	32.76	79.63
	32.76	79.63

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-2024	Year ended 31-Mar-2023
Outstanding dues of micro and small enterprises	8.16	14.70
Outstanding dues of creditors other than micro and small enterprises	450.05	280.63
Outstanding dues to related parties (Refer note no. 40)	10.97	18.89
	469.18	314.22

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

21 Other financial liabilities - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Unclaimed dividend	1.12	0.90
Payable to employees		
- to related parties (Refer note no. 40)	0.43	-
- to other employees	7.22	7.10
Other liabilities		
- to related parties (Refer note no. 40)	-	-
- to others - Liability for expenses	16.83	11.46
	(a) 25.60	19.46
Payable on purchase of capital goods	(b) 11.95	16.54
Total (a+b)	37.55	36.00

22 Other current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Advances from customers	8.85	7.44
Statutory remittances*	4.55	3.90
Deferred capital grants related to Property, plant and equipment	0.10	0.11
Other payable		
Corporate Social Responsibility (Refer note no. 47)	1.52	5.08
Security deposit	1.85	1.22
	16.87	17.75

* 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-2024	Year ended 31-Mar-2023
Provision for employee benefits:		
- Gratuity (Refer note no 36)	2.04	6.84
- Compensated absences	1.35	1.29
	3.39	8.13

24 Current tax liabilities/(assets) (net)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Provision for Current tax (net of advance tax)	(6.76)	(1.75)
	(6.76)	(1.75)

Gross movement in current tax liabilities/(assets)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Net current tax liabilities/(assets) at the beginning of the year	(1.75)	(0.91)
Tax adjustments related to earlier years	(0.03)	1.32
Income tax receipt/(payment) of earlier years	0.06	(0.41)
Provision for current tax	37.04	44.94
Advance tax paid	(42.08)	(46.69)
Current tax liabilities/(assets)	(6.76)	(1.75)

25 Revenue from operations

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Sale of products	2,118.65	2,170.93
Other operating revenue		
(i) Export incentives	8.04	6.52
(ii) Miscellaneous sales	5.79	8.90
	2,132.48	2,186.35
Sale of traded goods	0.31	30.76
	2,132.79	2,217.11

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31-Mar-2024 and 31-Mar-2023 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-2024	For the year ended 31-Mar-2023
Details of sale of products		
- Chemicals	852.83	904.48
- Pharmaceuticals	1,217.20	1,201.39
- Others	48.62	65.06
	2,118.65	2,170.93

26 Other income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Interest income (Gross)		
- From bank deposits	13.96	16.63
TDS ₹ 1.44 crore (Previous year ₹ 1.69 crore)		
- On financial assets carried at amortized cost	0.03	0.06

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Other non operating income		
Liabilities no longer required written back	0.11	0.03
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	0.33	0.22
- Gain on fair value changes of financial assets	0.02	0.01
Gain on foreign currency transaction and translation	13.08	7.06
Amortisation of capital subsidy	0.05	0.07
Miscellaneous income	2.33	1.47
	30.07	25.57

27 Cost of material consumed

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Raw materials including packaging materials consumed		
Opening Stocks	134.08	243.26
Add: Purchases	1,494.52	1,426.89
Total	1,628.60	1,670.15
Less: Closing stocks	193.55	134.08
Consumption (refer detail below)	1,435.05	1,536.07
Detail of material consumed		
Acetic Acid	358.13	338.19
Sodium Di Chromate	79.39	83.99
Specially Denatured Spirit	375.58	371.75
Dicyandiamide	64.39	109.49
Toulene	73.33	66.79
Acetic Anhydride	17.85	77.39
Aluminium Chloride	43.69	43.75
Sodium Metal	42.93	49.24
Others	379.76	395.48
	1,435.05	1,536.07

28 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Inventories at the beginning of the year		
Work-in-progress	61.85	59.70

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Finished goods	109.59	92.75
Stock in trade	0.11	-
(A)	171.55	152.45
Change in inventory during trial run		
Work-in-progress	-	1.05
Finished goods	-	(0.15)
(B)	-	0.90
Inventories at the end of the year		
Work-in-progress	44.85	61.85
Finished goods	164.95	109.59
Stock in trade	-	0.11
(C)	209.80	171.55
(A+B-C)	(38.25)	(18.20)

29 Employee benefits expense

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Salaries and Wages (including Bonus)	179.09	150.19
Contribution to provident and other funds	13.50	11.20
Staff welfare expenses	8.43	6.82
	201.02	168.21

30 Finance Cost

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Interest expense on:		
- working capital	4.14	6.51
- other borrowings	6.70	4.11
Other borrowing costs	5.26	5.78
Interest expense on Lease Liability	-	0.07
	16.10	16.47

31 Other expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Power and Fuel	149.05	131.98
Consumption of stores and spares	26.15	29.62
Repairs and maintenance		
- Plant and Machinery	14.41	8.87
- Building	4.70	3.85
- Others	2.41	0.73
Rent	1.71	0.39

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Insurance charges	6.40	5.54
Auditor's Remuneration	0.27	0.27
Rates and Taxes	0.61	0.32
Loss on Property, plant and equipment sold (net)	-	0.33
Loss on Property, plant and equipment discarded	0.04	0.26
Allowance for expected credit loss and doubtful receivables	0.24	0.02
Sundry balances written off	0.16	-
Freight outward	41.64	49.65
Other Selling and distribution expenses	9.61	12.20
Expenditure on corporate social responsibility (Refer note no. 47)	7.62	8.94
Miscellaneous expenses	38.28	22.32
	303.30	275.29

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-2024	For the year ended 31-Mar-2023
Current tax		
In respect of current period	37.04	44.94
Tax adjustments related to earlier years	(0.03)	1.32
Total (A)	37.01	46.26
Deferred tax		
In respect of current period	10.21	3.25
Total (B)	10.21	3.25
Total Income tax expense (A+B)	47.22	49.51

(b) Income tax recognised in other Comprehensive income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.43)	(0.13)
Net movement in effective portion of cash flow hedge reserve	-	0.06
Total	(0.43)	(0.07)

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Profit before tax	182.64	189.49
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	45.97	47.69
Income tax for earlier years recognised in statement of profit and loss	(0.03)	1.32
Income tax impact of expenses not considered for tax purpose	0.01	0.02
Income tax impact of Income not considered for tax purposes	(0.04)	(0.01)
Income tax impact of expenses availed on payment basis	0.03	(1.17)
Income tax impact of allowances of permanent nature	2.10	2.45
Income tax impact of depreciation	0.08	(0.10)
Income tax savings on deductions under section 80JJAA	(0.90)	(0.69)
Tax expense charged to statement of profit and loss	47.22	49.51
Effective rate of tax	25.8556%	26.1311%

(d) Movement in deferred tax balances

Particulars	in ₹ Crore			
	As at 01-Apr-2023	Recognised in statement of 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 Liability (Net)	(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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore			
	As at 01-Apr-2022	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2023
Deferred tax liabilities				
Property, Plant and Equipment	56.08	4.13		60.21
Intangible assets	-	0.11		0.11
Fair valuation gain on investments	0.01	-		0.01
Gross deferred tax liabilities (A)	56.09	4.24	-	60.33
Deferred tax assets				
Gratuity	(1.82)	0.20	(0.13)	(1.75)
Leave encashment	(0.61)	0.11		(0.50)
Lease Liability (net)	(0.06)	0.05		(0.01)
Expected credit loss	(0.35)	(0.01)		(0.36)
Cash flow hedge	(0.07)	-	0.06	(0.01)
Bonus	-	(1.34)		(1.34)
Gross deferred tax assets (B)	(2.91)	(0.99)	(0.07)	(3.97)
Net Deferred tax (Asset)/Liabilities (A+B)	53.18	3.25	(0.07)	56.36

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Total operations for the period		
Profit after tax attributable to equity shareholders (in ₹ crore)	A 135.42	139.98
Weighted average number of equity shares (number)	B 5,87,05,502	5,87,05,502
Weighted average number of equity shares in computing diluted earning per share (number)	C 5,87,05,502	5,87,05,502
Basic earnings per share (₹)	A/B 23.07	23.84
Diluted earnings per share (₹)	A/C 23.07	23.84
Face value per equity share (₹)	10.00	10.00

34 Research and Development expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Research and Development: Revenue expenses		
Raw material consumption	1.00	1.27
Salaries & wages	11.18	9.59
Depreciation	2.21	1.77
Stores & spares and other expenses	2.29	3.73
Cost of utilities	0.69	0.39
	17.37	16.75

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	1.96	4.71

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-2024	Year ended 31-Mar-2023
A Contingent liabilities		
i Claims not acknowledged as debts	0.13	0.09
ii Bank Guarantee issued in favour of others	5.39	5.26
iii Others*	0.56	-
	6.08	5.35
B Commitments		
i Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	50.11	15.68
ii Export obligations under Advance Authorisation/Duty Free Import Authorisation #	31.40	45.38
	81.51	61.06

* 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.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

During the year, the company has executed bonds for an aggregate amount of ₹ 19.73 crore (Previous Year ₹ 15.56 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.

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.

* Income tax department raised a demand for ₹ 2.27 crore related to AY 2020-21 which is further adjusted with refund for AY 2023-24 of ₹ 1.71 crore.

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-2024 and 31-March-2023.

Particulars	in ₹ Crore	
	Gratuity (Funded) 31-Mar-2024	Gratuity (Funded) 31-Mar-2023
i) Changes in the present value of the obligation		
Present value of obligation as at the beginning of the year	23.79	20.56
Interest cost	1.75	1.49
Current service cost	2.60	2.22
Benefits paid	(1.35)	(1.05)
Remeasurement - actuarial (gain) / loss	1.84	0.57
Present value of obligation A as at the end of the year	28.63	23.79
ii) Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	16.82	13.34
Actual return on plan assets	1.38	1.03
Contributions	4.30	3.50
Charges deducted	-	-
Benefits paid	(1.35)	(1.05)
Fair value of plan assets as B at the end of the year	21.15	16.82
Unfunded Status (A-B)	7.48	6.97

Particulars	in ₹ Crore	
	Gratuity (Funded) 31-Mar-2024	Gratuity (Funded) 31-Mar-2023
iii) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation as at the end of the year	28.63	23.79
Fair value of plan assets as at the end of the year	21.15	16.82
Net asset/(liability) recognised in the Balance Sheet	(7.48)	(6.97)
iv) Expense recognised in the statement of profit and loss		
Current service cost	2.60	2.22
Net interest cost	0.51	0.52
Expense recognised in the statement of profit and loss	3.11	2.74
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	1.84	0.57
Actuarial (gain)/loss for the year on plan assets	(0.14)	(0.06)
Total Actuarial (gain)/loss at the end of the year	1.70	0.51
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	0.27	(0.21)
Actuarial (Gain) / loss on arising from change in experience assumption	1.57	0.78
	1.84	0.57
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.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

viii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

Particulars	in ₹ Crore	
	Gratuity (Funded) 31-Mar-2024	Gratuity (Funded) 31-Mar-2023
Discount rate (per annum)	7.25%	7.36%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	27.10
Method used	Projected unit credit	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	
	Gratuity (Funded) 31-Mar-2024	Gratuity (Funded) 31-Mar-2023
a) Impact of change in discount rate		
Present value of obligation at the end of the period	28.63	23.79
1. Impact due to increase of 0.50%	(1.21)	(1.00)
2. Impact due to decrease of 0.50%	1.32	1.09
b) Impact of change in salary increase		
Present value of obligation at the end of the period	28.63	23.79
1. Impact due to increase of 0.50%	1.34	1.11
2. Impact due to decrease of 0.50%	(1.23)	(1.02)

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:

Year ending	in ₹ Crore	
		Gratuity (Funded) 31-Mar-2024
a) Apr-2024 to Mar-2025	0 to 1 Year	7.83
b) Apr-2025 to Mar-2026	1 to 2 Year	0.69
c) Apr-2026 to Mar-2027	2 to 3 Year	0.70

		in ₹ Crore
		Gratuity (Funded) 31-Mar-2024
d) Apr-2027 to Mar-2028	3 to 4 Year	1.97
e) Apr-2028 to Mar-2029	4 to 5 Year	0.93
f) Apr-2029 to Mar-2030	5 to 6 Year	0.65
g) Apr-2030 onwards	6 Year onwards	15.86

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:

- 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 company expects to contribute ₹ 3.39 crore to the gratuity trust during the year 2024-25.

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-2024	31-Mar-2023
Current liability (amount due within one year)	7.83	6.84
Non-current liability (amount due over one year)	20.80	16.95
Total PBO at the end of year	28.63	23.79

B Contribution to Provident Fund

The company has recognized an expense of ₹ 9.81 crore (Previous year ₹ 8.40 crore) in respect of contribution to Provident Fund.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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-2024 are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	0.14	0.97
Reclassified on account of adoption of Ind AS 116	-	-
Additions	-	-
Deletions	-	-
Depreciation	(0.14)	(0.83)
Balance at the end	-	0.14

The aggregate depreciation expense on Right of use assets (ROU) is included under depreciation and amortization expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Balance at the beginning	0.18	1.20
Additions	-	-

in ₹ Crore

Particulars	As at	
	31-Mar-2024	31-Mar-2023
Finance cost accrued during the year	-	0.07
Deletions	-	-
Payment of lease liabilities	(0.18)	(1.09)
Balance at the end	-	0.18

Payment of Lease liabilities during the current year ₹ 0.18 crore (previous year ₹ 1.09 crore)

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Less than one year	0.24	0.33
One to five years	0.02	0.01
More than five years	0.16	0.16
Total	0.42	0.50

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 :

Particulars	in ₹ Crore	
	Year ended	
	31-Mar-2024	31-Mar-2023
Rent	1.67	0.31

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-2024 (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-2024

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-2024

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
Lease liabilities Current	-					-	-
Lease liabilities non current	-					-	-
Foreign exchange forward contracts	-	-				-	-
Other financial current liabilities	37.55					37.55	37.55
Total	539.49	-	-	-	-	539.49	539.49

As at 31-March-2023

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	233.87					233.87	233.87
Current Investments			2.56			2.56	2.56
Trade receivables	505.28					505.28	505.28
Cash and cash equivalents	0.96					0.96	0.96
Other Bank Balances	19.94					19.94	19.94
Foreign exchange forward contracts					0.25	0.25	0.25
Other financial current assets	3.55					3.55	3.55
Total	763.90	-	2.56	-	17.66	784.12	784.12
Financial Liabilities:							
Short term borrowings	79.63					79.63	79.63
Trade Payables	314.22					314.22	314.22
Lease liabilities Current	0.18					0.18	0.18
Lease liabilities non current	-					-	-
Foreign exchange forward contracts							
Other financial current liabilities	36.00					36.00	36.00
Total	430.03	-	-	-	-	430.03	430.03

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

(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-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	
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	

* For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.

As at 31-March-2023

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.23		0.23		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.33		2.33		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41		17.41		Valued as per latest valuation report from outside valuer
Foreign exchange forward contracts at fair value through OCI	0.25		0.25		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	20.22	-	20.22	-	

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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.

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

	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
										in ₹ Crore
Segment Revenue										
External Sales *	864.45	953.71	1,262.54	1,258.53	5.80	4.87	-	-	2,132.79	2,217.11
Inter Segment transfer	275.79	241.14	-	-	-	-	(275.79)	(241.14)	-	-
Interest income					13.96	16.63			13.96	16.63
Other Income		-		-	16.11	8.94			16.11	8.94
Total Revenue	1,140.24	1,194.85	1,262.54	1,258.53	35.87	30.44	(275.79)	(241.14)	2,162.86	2,242.68
Segment Results	15.07	19.57	174.22	171.53					189.29	191.10

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Unallocated Income (net of unallocated Expenses)					9.45	14.86			9.45	14.86
Profit before tax and interest									198.74	205.96
Finance cost					16.10	16.47			16.10	16.47
Profit before Tax & Extraordinary items									182.64	189.49
Exceptional items									-	-
Tax expense					47.22	49.51			47.22	49.51
Profit after Tax									135.42	139.98
Other Information										
Segment Assets	558.40	442.02	1,254.54	1,104.07		-			1,812.94	1,546.09
Unallocated assets		-		-	431.03	474.52			431.03	474.52
Total Assets	558.40	442.02	1,254.54	1,104.07	431.03	474.52			2,243.97	2,020.61
Segment Liabilities	330.66	157.18	150.11	180.43		-			480.77	337.61
Unallocated Liabilities	-	-	-	-	119.11	96.82			119.11	96.82
Short term borrowings					32.76	79.63			32.76	79.63
Total Liabilities	330.66	157.18	150.11	180.43	151.87	176.45			632.64	514.06
Capital Expenditure	42.99	68.76	125.93	93.67	88.36	61.13			257.28	223.56
Depreciation and Amortisation	18.34	13.40	39.84	26.91	4.67	5.82			62.85	46.13

Detail of secondary business segment

Geographical information

	Year ended	Domestic sale		Export sale		Total
		India	Switzerland	Spain	Rest of the world	
Net revenue from sale of products	31-Mar-2024	1,539.20	60.35	61.36	471.88	2,132.79
	31-Mar-2023	1,583.51	60.19	43.57	529.84	2,217.11

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 company.
- (iii) The company does not have manufacturing facilities outside India therefore all non current assets are located in India.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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 (w.e.f. 30-May-2022) (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
		Mr. Sharad Tyagi	Independent Director
		Mr. Vikas Vij	(w.e.f. 03-Apr-2023)
iii	Chief Executive Officer	Mr. Vikas Vij	(w.e.f. 03-Apr-2023)
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 Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchandiles Private Limited
	Mayadevi Polycot Limited
	NCVI Enterprises Limited
	Varinder Gupta (HUF)
iv. Relative of Key Management Personnel:	Mr. Abhiraj Gupta General Manager (upto 02-Apr-2023)
v. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

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.

Sr. No.	Particulars	in ₹ Crore													
		Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
1	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Sale of Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchase of goods and services:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NCVI Enterprises Limited	-	-	37.47	35.13	-	-	-	-	-	-	-	-	37.47	35.13
	Mayadevi Polycot Limited	-	-	70.56	61.72	-	-	-	-	-	-	-	-	70.56	61.72
4	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Purchase of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

in ₹ Crore															
Sr. No.	Particulars	Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
		6	* Managerial remuneration (including incentives)	-	-	-	-	21.54	16.86	-	-	-	0.73	-	-
7	Sitting fees to non-executive directors of the group	-	-	-	-	-	-	0.35	0.29	-	-	-	-	0.35	0.29
8	Rent received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
9	Rent paid	-	-	0.31	0.30	1.18	0.54	-	-	-	0.54	-	-	1.49	1.38
10	Equity Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IOL Life Sciences Limited	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
	IOL Speciality Chemicals Limited	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
11	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	4.30	3.50	4.30	3.50
12	Contribution towards CSR exp	9.37	2.03	-	-	-	-	-	-	-	-	-	-	9.37	2.03

C Details of balances outstanding as at the end of the year

in ₹ Crore															
Sr. No.	Particulars	Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
			Amount receivable on the last day the year												
1	Security deposit receivable	-	-	-	-	0.90	0.45	-	-	-	0.45	-	-	0.90	0.90
2	Trade Receivable against sale of goods:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	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
4	Balance Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Advances against purchases of goods:	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

in ₹ Crore															
Sr. No.	Particulars	Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
	Amount payable on the last day of the year														
1	Trade payables against purchase of goods:														
	NCVI Enterprises Limited	-	-	3.02	9.93	-	-	-	-	-	-	-	-	3.02	9.93
	Mayadevi Polycot Limited	-	-	7.95	8.96	-	-	-	-	-	-	-	-	7.95	8.96
2	* Managerial remuneration	-	-	-	-	0.43	-	-	-	-	-	-	-	0.43	-
3	Sitting fees to non-executive directors of the group	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Rent Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(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.

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.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

(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:

	As at 31-Mar-2024		As at 31-Mar-2023	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	1,14,23,412	95.15	1,27,34,227	104.68
- In EURO	10,40,999	9.39	7,33,800	6.57
Trade Payables				
- In USD	2,44,79,007	203.61	1,02,07,454	83.84
- In EURO	8,250	0.07	-	-
Net exposure				
- In USD	(1,30,55,595)	(108.46)	25,26,773	20.84
- In EURO	10,32,749	9.32	7,33,800	6.57

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

	As at 31-Mar-2024		As at 31-Mar-2023	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	45,71,424	38.09	97,99,227	80.29
- In EURO	10,40,999	9.39	7,33,800	6.57
Trade Payables				
- In USD	14,01,717	11.68	82,42,417	67.71
- In EURO	8,250	0.07	-	-
Net exposure				
- In USD	31,69,707	26.41	15,56,811	12.58
- In EURO	10,32,749	9.32	7,33,800	6.57

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:

Particulars	in ₹ Crore			
	31-Mar-2024		31-Mar-2023	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	0.53	(0.53)	0.25	(0.25)
2% Strengthening / weakening of EURO against INR	0.19	(0.19)	0.13	(0.13)

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Foreign currency forward contracts held by the company as on reporting date:

Particulars	As at	As at
	31-Mar-2024	31-Mar-2023
In USD	2,99,29,279	49,00,038
in ₹ Crore	248.99	40.52

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-2024 and previous year ended 31-March-2023, 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:

Particulars	Financial Year	
	2023-24	2022-23
Opening balance of cash flow hedge reserve	(0.02)	(0.20)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(0.64)	(0.08)
Amount reclassified to profit or loss	0.63	0.32
Tax effect	-	(0.06)
Closing balance of cash flow hedge reserve	(0.03)	(0.02)

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	USD	in ₹ Crore	USD	in ₹ Crore
Not later than one month	1,26,23,566	105.10	10,35,458	8.48
Later than one month and not later than three months	1,63,05,712	135.54	38,64,580	32.04
Later than three months and not later than one year	10,00,000	8.35	-	-
	2,99,29,279	248.99	49,00,038	40.52

(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:

Variable rate instruments	Carrying amount	
	Financial Year	
	2023-24	2022-23
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	32.76	79.63

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:

Particulars	Financial Year	
	2023-24	2022-23
Increase/ (decrease) in 100 basis point	0.33	0.80

(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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

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:

Particulars	in ₹ Crore	
	Financial Year	
	2023-24	2022-23
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short term borrowings	32.76	79.63
Less than 1 year	32.76	79.63
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	469.18	314.22
Less than 1 year	469.18	314.22
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	37.55	36.00
Less than 1 year	37.55	36.00
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

(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	
	2023-24	2022-23
(a) Revenue from top five customers		
- % of total sales of top 1 customer	3.72%	4.22%
- % of total sales of top 5 customers	14.36%	15.68%

Write off policy

The financials 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	
	2023-24	2022-23
Borrowings including current maturities and interest accrued but not due	32.76	79.63
Less: Cash & cash equivalent and other bank balances	188.06	250.39
Net debt (A)	(155.30)	(170.76)
Total equity (B)	1,611.33	1,506.55
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-2024 and 31-Mar-2023.

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Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-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-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	-

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2022 coming under the financing activities of Cash Flow Statement	42.75	-
Changes during the year		
a) Changes from financing cash flow	36.88	-

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-2023 coming under the financing activities of Cash Flow Statement	79.63	-

45 Auditor's Remunerations

Particulars	in ₹ Crore	
	For the year ended	
	31-Mar-2024	31-Mar-2023
Statutory Audit Fee	0.14	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-2024	As at 31-Mar-2023
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	14.11	18.01
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	0.15	0.03
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	-	-

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Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
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	0.15	0.03
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-2024	31-Mar-2023
Amount required to be spent on CSR by the Company during the year	6.65	8.94
Amount of expenditure incurred	7.89	3.90
Amount contributed to IOL-Foundation as a part on ongoing projects as per Company's CSR Policy	-	-
Shortfall at the end of the year[1] (unspent amount allocated to ongoing project)	-	5.04
Total of previous years shortfall	1.63	0.72

Particulars	in ₹ Crore	
	For the year ended	
	31-Mar-2024	31-Mar-2023
Reasons of shortfall		The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2022-23
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]	9.37	2.03

- [1] The shortfall amount is on account of funds that are allocated to the ongoing projects initiated during the current/previous year and being unspent as at 31-Mar-2024 and previous year as at 31-Mar-2023 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.
- [2] Represents contribution to IOL-Foundation as a part on ongoing projects as per Company's CSR Policy.
- [3] The excess amount of ₹ 1.24 crore spent during the year 2023-24 by the Company can be set off against the CSR expenditure of the succeeding financial years.

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

- 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-2024 for holding any benami property.
- 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-2024, 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-2024 and 31-Mar-2023:

Ratios	Numerator	Denominator	Current year	Previous year	Change	Note
Current ratio (in times)	Current assets	Current liabilities	2.00	2.02	-1%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Shareholder's Equity	0.02	0.05	-60%	[1]
Debt service coverage ratio (in times)	Earnings available for debt service	Interest and lease payments + Principal repayments of long term borrowings	18.97	16.81	13%	
Return on Equity ratio (in %)	Profit after Tax	Average Total Equity	8.69%	9.66%	-10%	
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	4.57	4.99	-9%	
Trade receivables turnover ratio (in times)	Net Sale (Revenue from Operation - export incentive)	Average receivables	4.35	4.53	-4%	
Trade payables turnover ratio (in times)	Purchases	Average payables	4.24	4.46	-5%	
Net capital turnover ratio (in times)	Sales revenue	Net working capital (Current Asset - Current Liability)	3.81	4.79	-20%	[2]
Net profit ratio (in %)	Profit after Tax	Net Sale (Revenue from Operation - export incentive)	6.35%	6.31%	1%	
Return on Capital employed (in %)	EBIT (PBT before exceptional items + Finance cost)	Capital employed (Tangible Net Worth+Total Debt+ Deferred Tax Liability)	11.40%	12.25%	-7%	
Return on investment (in %)	Income generated from invested funds	Average invested funds	5.57%	5.18%	8%	

Notes:

[1] Impact of increase in Shareholders Equity and decrease in borrowings

[2] Impact of decline in Sales revenue and Increase in net working capital

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-March-2024

- 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** The Companies (Indian Accounting Standards) second amendment rules 2018 has amended IND-AS 20 Accounting for Government Grants and Disclosure of Government Grant Assistance”, which gives the option of presentation of amount of Government Grants related to asset, including non-monetary grants at fair value in the balance sheet either by setting up the amount of grant as deferred income or deducting the amount of grant in arriving at the carrying amount of the assets. The Company made the accounting policy choice of presentation of amount of Government Grant related to asset in the balance sheet by setting up the amount of grant as deferred income. There is no impact on the profit before tax/after tax for the year ended 31-Mar-2024 and 31-Mar-2023.
- 52** The Central Government has notified Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme Guidelines and Rates for inclusion of additional export items, for exports made from 15.12.2022 and shall be applicable till 30.09.2023, vide Notification dated December 7, 2022. The RoDTEP scheme is further extended for exports made from 01.10.2023 and shall be applicable till 30.06.2024, vide notification dated September 26, 2023. Accordingly, the Company had accrued the benefits on eligible export sales under the aforesaid scheme amounting to ₹ 3.12 Crore during the current year ended 31-Mar-2024 and ₹ 1.20 crore for the period from 15-Dec-2022 to 31-Mar-2023.
- 53** During the current year, on account of implementation of SAP-S4 HANA, the Company has adopted moving weighted average method for valuation of raw materials inventory from FIFO method. There is no material impact due to above said change in valuation method.
- 54** Figures in bracket indicate deductions.
- 55** 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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Vikas Vij
Chief Executive Officer

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, 2024, 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, 2024 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 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 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 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.</p> <p>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.</p> <p>On sample basis, we performed test of details of sales recorded close to the year-end through following procedures:</p> <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.

S.no. Key Audit Matter	Auditors' Response
<p>2. Property, Plant and Equipment:</p> <p>Refer note 3 of the Consolidated Financial Statements.</p> <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>	<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. 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 Company 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 2024 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, 2024 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 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, except for the instances mentioned below, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 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.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 Company, 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 14, 2024

Membership No.:506955
UDIN: 24506955BKNTD4722

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, 2024 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 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 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 company'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, 2024, 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 14, 2024

Membership No.: 506955
 UDIN: 24506955BKCNTD4722

Consolidated Balance Sheet

as at 31-March-2024

Particulars	Note No.	in ₹ Crore	
		As at 31-Mar-2024	As at 31-Mar-2023
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	921.56	751.02
(b) Right of use assets	4	-	0.14
(c) Capital work-in-progress	3.2	99.83	81.40
(d) Other Intangible assets	3.3	11.57	0.65
(e) Intangible assets under development	3.4	1.04	8.24
(f) Financial assets			
(i) Investments	5.1	17.41	17.41
(ii) Other financial assets	6	48.87	233.87
(g) Other non-current assets	7	24.35	9.01
Total non-current assets		1,124.63	1,101.74
2 Current assets			
(a) Inventories	8	424.84	325.52
(b) Financial assets			
(i) Investments	5.2	2.88	2.56
(ii) Trade receivables	9	471.23	505.28
(iii) Cash and cash equivalents	10	7.69	1.39
(iv) Bank balances other than (iii) above	11	135.20	20.44
(v) Other financial assets	12	7.11	11.47
(c) Current tax assets (net)	24	6.76	1.75
(d) Other current assets	13	64.06	51.98
Total current assets		1,119.77	920.39
TOTAL ASSETS		2,244.40	2,022.13
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	58.71	58.71
(b) Other equity	15	1,552.80	1,449.01
Total equity		1,611.51	1,507.72
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ia) Lease liabilities	16	-	-
(b) Provisions	17	6.71	1.65
(c) Deferred tax liabilities (net)	33	66.14	56.36
(d) Other non-current liabilities	18	0.04	0.14
Total non-current liabilities		72.89	58.15
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	32.76	79.63
(ia) Lease liabilities	16	-	0.18
(ii) Trade payables	20	469.18	314.22
(iii) Other financial liabilities	21	37.79	36.34
(b) Other current liabilities	22	16.88	17.76
(c) Provisions	23	3.39	8.13
Total current liabilities		560.00	456.26
TOTAL EQUITY AND LIABILITIES		2,244.40	2,022.13

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Consolidated Statement of Profit and Loss

for the year ended 31-March-2024

in ₹ Crore

Particulars	Note No.	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Income:			
I Revenue from operations	25	2,132.79	2,217.11
II Other income	26	30.07	25.61
III Total income (I+II)		2,162.86	2,242.72
IV Expenses:			
Cost of materials consumed	27	1,435.05	1,536.07
Purchase of stock-in-trade		0.15	29.22
Changes in inventories of finished goods, work in progress and stock in trade	28	(38.25)	(18.20)
Employee benefits expense	29	201.02	168.21
Finance cost	30	16.10	16.47
Depreciation and amortization expense	3	62.91	46.16
Other expenses	31	304.23	276.14
Total expenses (IV)		1,981.21	2,054.07
V Profit before exceptional items and tax (III-IV)		181.65	188.65
VI Exceptional items		-	-
VII Profit before tax (V-VI)		181.65	188.65
VIII Tax expense:			
Current tax		37.01	46.26
Deferred tax		10.21	3.25
Total tax expense (VIII)	32	47.22	49.51
IX Profit for the period (VII-VIII)		134.43	139.14
X Other Comprehensive Income / (loss)			
A Items that will not be reclassified to profit or loss			
i) Remeasurement gain/(loss) of defined benefit obligation		(1.71)	(0.51)
ii) Income tax relating to items that will not be reclassified to profit or loss	32	0.43	0.13
B Items that will be reclassified to profit or loss			
i) Net movement in effective portion of cash flow hedge reserve		(0.01)	0.24
ii) Income tax relating to items that will be reclassified to profit or loss	32	-	(0.06)
Total other comprehensive income/(loss) for the year, net of tax (X)		(1.29)	(0.20)
XI Total Comprehensive Income for the period (IX+X)		133.14	138.94
XII Earnings per equity share of ₹10/- each			
- Basic & Diluted (in ₹/share)	33	22.90	23.70
Weighted average number of equity shares used in computing earnings per equity share			
- Basic & Diluted		5,87,05,502	5,87,05,502

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

Sd/-

Aditya Kumar

Partner

M.No. 506955

Place : Ludhiana

Date : 14-May-2024

Sd/-

Abhay Raj Singh

Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Vikas Gupta

Joint Managing Director

DIN-07198109

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Sd/-

Vikas Vij

Chief Executive Officer

Consolidated Statement of Changes in Equity

for the year ended 31-March-2024

A. Equity Share capital

(1) Current reporting period from 01-Apr-2023 to 31-Mar-2024

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-2022 to 31-Mar-2023

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-2023 to 31-Mar-2024

Consolidated Statement of changes in Other Equity

In ₹ crore

Particulars	Other equity					Total
	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	1,219.40	(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 current period	10.76	225.72	1,324.48	(8.13)	(0.03)	1,552.80

Consolidated Statement of Changes in Equity

for the year ended 31-March-2024

(2) Previous reporting period from 01-Apr-2022 to 31-Mar-2023

Consolidated Statement of Changes in Other Equity

Particulars	Other equity					In ₹ crore
	Reserves and Surplus				Other comprehensive income	Total
	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	1,103.76	(6.47)	(0.20)	1,333.57
Profit for the year transferred from statement of profit and loss			139.14			139.14
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)				(0.38)		(0.38)
Net movement in effective portion of cash flow hedge reserve (net of income tax)					0.18	0.18
Total Comprehensive Income for the period	-	-	139.14	(0.38)	0.18	138.94
Dividend paid on equity shares			(23.50)			(23.50)
Balance as at the end of the previous period	10.76	225.72	1,219.40	(6.85)	(0.02)	1,449.01

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 : 14-May-2024

Sd/-
Abhay Raj Singh
Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Consolidated Cash Flow Statement

for the year ended 31-March-2024

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Cash flow from operating activities		
Profit before tax	181.65	188.65
Adjustments for:		
Depreciation and amortisation expense	62.91	46.16
Net (Gain)/Loss on current investment	(0.01)	-
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(4.77)	(1.97)
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.02)	(0.01)
Subsidy Income amortized	(0.05)	(0.07)
Interest income on financial assets carried at amortized cost net of rent amortized during the period	(0.03)	(0.06)
Sundry balances written off	0.16	(0.03)
Liabilities no longer required written back	(0.11)	-
Net (Gain)/Loss on Property, plant and equipment sold	(0.14)	0.33
Loss on Property, plant and equipment discarded	0.04	0.26
Interest expense	16.10	16.47
Interest income	(13.96)	(16.67)
	60.12	44.41
Operating profit before working capital changes	241.77	233.06
Changes in working capital:		
Increase/(Decrease) in trade payables and other liabilities	161.99	(104.99)
Decrease/(Increase) in trade and other receivables	27.66	(43.07)
Decrease/(Increase) in inventories	(99.32)	84.37
	90.33	(63.69)
Cash generated from operations	332.10	169.37
Income tax paid (net)	(42.02)	(47.10)
Net cash flow from/(used in) operating activities (A)	290.08	122.27
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets and Capital work in progress	(274.17)	(211.82)
Proceeds from sale of property, plant and equipment	1.85	2.22
Proceeds from sale of investments	0.24	-
Purchase of investment	(0.54)	(17.61)
Interest received	13.48	17.73
Bank balances not considered as cash and cash equivalents:		
Decrease in deposit with banks, having original maturity more than three months	67.77	97.84
Increase in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	0.09	(8.36)
Net cash flow from/(used in) investing activities (B)	(191.28)	(120.00)

Consolidated Cash Flow Statement

for the year ended 31-March-2024

in ₹ Crore

Particulars	For the year ended 31-Mar-2024		For the year ended 31-Mar-2023
Cash flow from financing activities			
Proceeds/(Repayment) of current borrowings	(46.87)		36.88
Interest paid	(16.10)		(16.40)
Lease rent payments	(0.18)		(1.09)
Dividend paid on Equity shares	(29.35)		(23.50)
Net cash flow from/(used in) financing activities (C)		(92.50)	(4.11)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		6.30	(1.84)
Cash and cash equivalents at the beginning of the period		1.39	3.23
Cash and cash equivalents at the end of the period *		7.69	1.39
* Comprises			
Balances with banks in current account		6.81	0.86
Cash on hand		0.88	0.53
		7.69	1.39

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 : 14-May-2024

Sd/-

Abhay Raj Singh

Sr. VP & Company Secretary

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Vikas Gupta

Joint Managing Director

DIN-07198109

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Sd/-

Vikas Vij

Chief Executive Officer

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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 14th May, 2024.

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 statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Held By	% of Holding and Voting Power either Directly or indirectly through Subsidiary as at	
				31.03.2024	31.03.2023
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%
IOL Global Limited	Overseas Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	-	100%

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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 consolidated financial Statement have been prepared under the historical cost Convention on accrual basis except for certain financial instruments which are measured at Fair value.

Accounting Polices have been consistently applied except where a newly issued Accounted standard is initially adopted on revision to an existing accounting standard requires a change in the accounting Policy hitherto in use.

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.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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. 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.

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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.

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.

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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 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.

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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.

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/

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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 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

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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 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-2022	56.07	100.09	589.80	3.02	7.98	2.62	-	759.58
Additions	14.37	36.80	173.26	0.51	12.06	1.54	0.53	239.07
Disposals / adjustment	-	-	(3.29)	(0.19)	(1.70)	(0.81)	-	(5.99)
Gross carrying value as at 31-Mar-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
Accumulated depreciation as at 01-Apr-2022	-	16.06	178.85	1.09	3.11	0.98	-	200.09
Depreciation expense for the period	-	4.25	38.32	0.30	1.76	0.63	0.03	45.29
Elimination on Disposals / adjustment	-	-	(1.79)	(0.17)	(1.15)	(0.63)	-	(3.74)
Accumulated depreciation as at 31-Mar-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
Net carrying value as at 01-Apr-2022	56.07	84.03	410.95	1.93	4.87	1.64	-	559.49
Net carrying value as at 31-Mar-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

Note 3.2 : Capital work in progress

					in ₹ Crore
Particulars	Opening Balance	Additions	Capitalized	Closing Balance	
Current year	81.40	158.94	140.51	99.83	
Previous year	102.03	168.09	188.72	81.40	

Note 3.3 : Intangible assets

					in ₹ Crore
Particulars	Computer Softwares	Technical Knowhow	Patents	Total	
Gross carrying value as at 01-Apr-2022	0.89	0.55	-	1.44	
Additions	0.48	-	0.10	0.58	
Disposals/adjustments	(0.41)	-	-	(0.41)	
Gross carrying value as at 31-Mar-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	
Accumulated amount of amortization as at 01-Apr-2022	0.71	0.55	-	1.26	
Amortization expense for the period	0.11	-	-	0.11	
Disposals/adjustments	(0.41)	-	-	(0.41)	
Accumulated amount of amortization as at 31-Mar-2023	0.41	0.55	-	0.96	
Amortization expense for the period	0.99	-	-	0.99	
Disposals/adjustments	-	-	-	-	
Accumulated amount of amortization as at 31-Mar-2024	1.40	0.55	-	1.95	
Net carrying value as at 01-Apr-2022	0.18	-	-	0.18	
Net carrying value as at 31-Mar-2023	0.55	-	0.10	0.65	
Net carrying value as at 31-Mar-2024	11.47	-	0.10	11.57	

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Note 3.4 : Intangible assets under development

Particulars	in ₹ Crore			
	Opening Balance	Additions	Capitalized	Closing Balance
Current year	8.24	3.65	10.85	1.04
Previous year	3.17	5.07	-	8.24

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
* Depreciation/Amortization for the period	62.84	45.40
Less: Amount transferred from deferred revenue	(0.07)	(0.07)
Add: Depreciation on Right of use Assets (Refer note no. 37)	0.14	0.83
Depreciation/Amortization charged to statement of profit or loss	62.91	46.16

Notes:

No borrowing cost has been 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 ₹ 1.65 crores (Previous year ₹ 5.19 crores)

3.3a Capital work in progress (CWIP) ageing schedule as on 31-Mar-2024

	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-March-2024

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-2023

	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	81.28	0.12	-	-	81.40
Projects temporarily suspended	-	-	-	-	-
Total	81.28	0.12	-	-	81.40

Capital work in progress (CWIP) completion schedule as on 31-March-2023

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Growth Projects	44.11	-	-	-	44.11
Environment, safety and compliance	-	-	-	-	-
Total	44.11	-	-	-	44.11

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

3.4a Intangible assets under development ageing schedule as on 31-Mar-2024

	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

in ₹ Crore

Intangible assets under development completion schedule as on 31-March-2024

Projects	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Software commissioning	-	-	-	-	-
Total	-	-	-	-	-

in ₹ Crore

Intangible assets under development ageing schedule as on 31-March-2023

	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	8.24	-	-	-	8.24
Projects temporarily suspended	-	-	-	-	-
Total	8.24	-	-	-	8.24

in ₹ Crore

Intangible assets under development completion schedule as on 31-March-2023

	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Software commissioning	8.24	-	-	-	8.24
Total	8.24	-	-	-	8.24

in ₹ Crore

4 Right of use assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Right of use assets (Refer note no 37)	0.14	0.97
Deletions of rights of use assets	-	-
Less: Depreciation on right of use asset	(0.14)	(0.83)
	-	0.14

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
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	-	-

5.1 Investments (non-current)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
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

5.2 Investments (current)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds		

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
88491.150 (88491.150 as at 31-Mar-2022) units of ₹10/- each of PNB Principal Balanced Advantage Fund- Regular plan growth	-	0.23
228117.384 (Nil as at 31-Mar-2023) units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth	0.29	-
Other investments		
Investment in Master Portfolio Services Limited MPSP Irag Absolute Return Strategy	2.59	2.33
Total	2.88	2.56
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	2.88	2.56
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Security deposit (to related party) (Refer note no 40)	-	0.87
Interest receivable	0.53	2.26
Fixed deposits account with remaining maturity of more than twelve months	29.10	186.66
Balances with banks to the extent held as margin money against borrowings and other commitments		
Fixed deposits account with remaining maturity of more than twelve months	19.24	44.08
	48.87	233.87

7 Other Non current assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good)		
Capital advances	15.12	2.83
Advances other than capital advances		
- Security deposit	3.72	1.04
- Lease hold land prepayments	0.14	0.15
- Prepaid expenses	0.59	0.21

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Balance and deposits with government department or others *	4.78	4.78
	24.35	9.01

* 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-2024	As at 31-Mar-2023
Raw materials and components	193.55	134.08
Work-in-progress	44.85	61.85
Finished Goods	164.95	109.59
Stores and Spares	21.49	19.89
Stock in trade	-	0.11
	424.84	325.52
Included above (Goods in transit and at port):		
Raw materials and components	120.82	60.41
Finished Goods	48.35	49.93
	169.17	110.34

* Valued at cost or net realisable value, whichever is lower

Inventories includes ₹ 47.87 crore as at 31-Mar-2024 and ₹ 23.40 crore as at 31-Mar-2023 valued at net realisable value.

Value of Inventories above is stated after provisions of ₹ 5.19 crore as at 31-Mar-2024 and ₹ 4.63 crore as at 31-Mar-2023 for write-downs to net realisable value

Cost of inventory recognised as expense during the current period ₹ 1600.33 crore (Previous year ₹ 1685.89 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-2024	As at 31-Mar-2023
(Unsecured considered good)		
Trade receivables considered good - Unsecured *	471.98	506.03
Less: Allowances for expected credit loss and doubtful receivables	(0.75)	(0.75)
Trade receivables- credit impaired	0.90	0.66
Less: Allowances for credit impaired	(0.90)	(0.66)
	471.23	505.28

* Net of bill discounted from banks ₹ 13.11 Crore (Previous year ₹ 18.23 Crore)

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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).

Trade receivables ageing schedule as on 31-Mar-2024

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 month	6 months to 1 year	1 - 2 years	2 - 3 year	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 & doubtful receivables and credit impaired							(1.65)
Total Trade receivables							471.23

Trade receivables ageing schedule as on 31-Mar-2023

Particulars	Not due	Outstanding from the due date of payment					Total
		Less than 6 month	6 months to 1 year	1 - 2 years	2 - 3 year	More than 3 years	
(i) Undisputed Trade receivables - considered good	372.34	124.12	0.28	9.26	0.03	-	506.03
(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				0.04	0.55	0.07	0.66
Total	372.34	124.12	0.28	9.30	0.58	0.07	506.69
Less: Allowances for expected credit loss and doubtful receivables and credit impaired							(1.41)
Total Trade receivables							505.28

The following is the detail of allowance for lifetime expected credit loss:

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the period	1.41	1.39
- Impairment loss recognized	-	-
- Expected credit loss	0.24	0.02
- Balance at the end of the period	1.65	1.41

10 Cash and cash equivalents

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Balances with banks		
- In current accounts	6.81	0.86
Cash on hand	0.88	0.53
	7.69	1.39

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

11 Other Bank Balances

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	104.48	14.69
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	-	3.49
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	27.71	1.01
Balances with banks in earmarked accounts		
Balances with banks in earmarked for CSR expenditure	1.89	0.35
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.12	0.90
	135.20	20.44

12 Other Financial Assets - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good)		
Security deposit (to related party) (Refer note no 40)	0.90	-
Interest receivable	3.12	0.91
Export incentives/ other receivables from Government Authorities	1.51	9.58
Loans and advances to employees	0.98	0.73
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	0.60	0.25
	7.11	11.47

13 Other Current Assets

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(Unsecured considered good unless otherwise stated)		
Advances other than capital advances		

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Advances against supply of goods and services		
- to related party (Refer note no 40)	-	-
- to others	8.31	9.10
Prepaid expenses	13.42	8.20
Balance and deposits with government department or others	35.58	23.36
Security deposit	0.49	0.40
Lease hold land prepayments	0.01	0.01
Other Receivables	6.25	10.91
	64.06	51.98

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-2024		As at 31-Mar-2023	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 10/- each (par value)	8,00,00,000	80.00	8,00,00,000	80.00
Preference shares ₹ 10/- each (par value)	-	-	-	-
Total	8,00,00,000	80.00	8,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10/- each (par value)	5,87,05,502	58.71	5,87,05,502	58.71
Total	5,87,05,502	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	Equity share capital			
	As at 31-Mar-2024		As at 31-Mar-2023	
	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

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Particulars	Equity share capital			
	As at 31-Mar-2024		As at 31-Mar-2023	
	Number	in ₹ Crore	Number	in ₹ Crore
Shares and share capital issued during the period	-	-	-	-
Shares and share capital outstanding at the end of the period	5,87,05,502	58.71	5,87,05,502	58.71

b. Rights, preferences and restrictions attached to equity shares

The Parent company presently has one class of equity shares having a par value of ₹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

c. The details of equity shareholders holding more than 5% of the aggregate equity shares

Particulars	Equity share capital			
	31-Mar-2024		31-Mar-2023	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	1,26,47,402	21.54%	1,26,47,402	21.54%
NM Merchantiles Private Limited	50,75,571	8.65%	50,75,571	8.65%
Vasudeva Commercials Limited	46,63,859	7.94%	46,63,859	7.94%
NCG Enterprises Limited	-	-	32,84,393	5.59%
NCVI Enterprises Limited	93,70,139	15.96%	28,12,032	4.79%

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

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2024			Shareholding of Promoter and Promoter Group as on 31-Mar-2023		
		No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
	Promoter						
1	Varinder Gupta	11,95,865	2.037%	-	11,95,865	2.037%	-
	Promoter Group						
1	Varinder Gupta HUF	1,100	0.002%	-	1,100	0.002%	-
2	Mayadevi Polycot Limited	1,26,47,402	21.544%	-	1,26,47,402	21.544%	4.50%
3	NM Merchantiles Private Limited	50,75,571	8.646%	-	50,75,571	8.646%	-
4	NCG Enterprises Limited *	-	-	(5.595)%	32,84,393	5.595%	-
5	Bhudeva Lifesciences Limited *	-	-	(4.895)%	28,73,714	4.895%	-

amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The parent company has paid interim dividend of 50% (₹ 5 per equity share of ₹ 10/- each) during the year ended 31-Mar-2024 and 40% (₹ 4 per equity share of ₹ 10/- each) during the year ended 31-Mar-2023

The amount of per share dividend recognized as distribution to equity shareholders is as follows:

Particulars	Year ended 31-Mar-2024	Year ended 31-Mar-2023
Interim dividend	5.00	4.00
Final Dividend		

The parent Company has incurred a net cash outflow of ₹ 29.35 crore during the year ended 31-Mar-2024 (Previous year ₹ 23.50 crore) on account of the interim dividend.

Rights attached to preference shares

The parent company has not issued preference shares during the current and previous year.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2024			Shareholding of Promoter and Promoter Group as on 31-Mar-2023		
		No. of Shares	% of total shares	% Change during the period	No. of Shares	% of total shares	% Change during the period
6	NCVI Enterprises Limited	93,70,139	15.961%	11.171%	28,12,032	4.790%	-
7	True Value Traders Limited *	-	-	(0.681)%	4,00,000	0.681%	-
		2,70,94,212	46.153%	-	2,70,94,212	46.153%	4.50%
	Total Shares held by promoter and Promoter Group at the end of the period	2,82,90,077	48.190%	-	2,82,90,077	48.190%	-

* True Value Traders Limited, NCG Enterprises Limited and Bhudeva Lifesciences Limited have got merged with NCVI Enterprises Limited during the year ended 31-Mar-2024. There is no change in the overall promoters holding and the shares held by the above said 3 companies got transferred to M/s NCVI Enterprises Limited.

15 Other Equity

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
(i) Reserves and surplus		
a. Capital reserve (Balance at the beginning and end of the year)	10.76	10.76
b. Securities premium (Balance at the beginning and end of the year)	225.72	225.72
c. Retained earnings		
Opening balance	1,219.40	1,103.76
Add: Profit for the year	134.43	139.14
Less: Interim/final Dividend	(29.35)	(23.50)
Closing balance	1,324.48	1,219.40
d. Remeasurements of defined benefit obligation (Refer note no 36)		
Opening balance	(6.85)	(6.47)
Add: Other comprehensive income/(expense) net of tax impact	(1.28)	(0.38)
Closing balance	(8.13)	(6.85)
(ii) Net movement in effective portion of cash flow hedge reserve (Refer note no 41 (ia))		
Opening balance	(0.02)	(0.20)
Add: Other comprehensive income/(expense) net of tax impact	(0.01)	0.18
Closing balance	(0.03)	(0.02)
Total	1,552.80	1,449.01

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-2024	Year ended 31-Mar-2023
Lease liabilities (Refer note no 37)	0.18	1.20
Deletions of lease liabilities	-	-
Interest expense on lease liabilities#	-	0.07
Payment of lease liabilities	(0.18)	(1.09)
	-	0.18
The break-up of current and non-current lease liabilities is as follows:		
Current Lease liabilities	-	0.18
Non Current Lease liabilities	-	-

less than ₹ 50000

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

17 Provisions - Non current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Provision for employee benefits:		
- Gratuity (Refer note no 36)	5.44	0.13
- Compensated absences	1.27	1.52
	6.71	1.65

18 Other non current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Deferred capital grants related to Property, plant and equipment	0.04	0.14
	0.04	0.14

19 Borrowings - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Loan repayable on demand		
- From Banks (secured)	32.76	79.63
	32.76	79.63

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.

20 Trade Payable

Particulars	in ₹ Crore	
	As at 31-Mar-2024	Year ended 31-Mar-2023
Outstanding dues of creditors to others	458.21	295.33
Outstanding dues to related parties (Refer note no 40)	10.97	18.89
	469.18	314.22

Trade payables ageing schedule as on 31-Mar-2024

Particulars	Outstanding from the due date of payment					Total
	Not due	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

Trade payables ageing schedule as on 31-Mar-2023

Particulars	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) (a) Others	264.73	30.56	0.04	-	-	295.33
(i) (b) Related party (Refer note no 40)	14.14	4.75	-	-	-	18.89
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	278.87	35.31	0.04	-	-	314.22

21 Other financial liabilities - Current

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Unclaimed dividend	1.12	0.90
Payable to employees		
- to related parties (Refer note no 40)	0.43	-
- to other employees	7.22	7.10

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Other liabilities		
- to related parties (Refer note no 40)	-	-
- to others - Liability for expenses	17.07	11.80
	(a) 25.84	19.80
Payable on purchase of capital goods	(b) 11.95	16.54
Total	(a+b) 37.79	36.34

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

22 Other current liabilities

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Advances from customers	8.85	7.44
Statutory remittances*	4.56	3.91
Deferred capital grants related to Property, plant and equipment	0.10	0.11
Other payable	1.52	5.08
Security deposit	1.85	1.22
	16.88	17.76

* 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-2024	As at 31-Mar-2023
Provision for employee benefits:		
- Gratuity (Refer note no 36)	2.04	6.84
- Compensated absences	1.35	1.29
	3.39	8.13

24 Current tax liabilities/(assets) (net)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Provision for Current tax (net of advance tax)	(6.76)	(1.75)
	(6.76)	(1.75)

Gross movement in current tax liabilities/(assets)

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
Net current tax liabilities/(assets) at the beginning of the year	(1.75)	(0.91)
Tax adjustments related to earlier years	(0.03)	1.32
Income tax payment of earlier years	0.06	(0.41)
Provision for current tax	37.04	44.94
Advance tax paid	(42.08)	(46.69)
Current tax liabilities/(assets)	(6.76)	(1.75)

25 Revenue from operations

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Sale of products	2,118.65	2,170.93
Other operating revenue		
(i) Export incentives	8.04	6.52
(ii) Miscellaneous sales	5.79	8.90
	2,132.48	2,186.35
Sale of traded goods	0.31	30.76
	2,132.79	2,217.11

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31-Mar-2024 and 31-Mar-2023 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-2024	For the year ended 31-Mar-2023
Details of sale of products		
- Chemicals	852.83	904.48
- Pharmaceuticals	1,217.20	1,201.39
- Others (By-products)	48.62	65.06
	2,118.65	2,170.93

26 Other income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Interest income (Gross)		
- From bank deposits	13.96	16.67
TDS ₹ 1.44 crore (Previous year ₹ 1.69 crore)		
- On financial assets carried at amortized cost	0.03	0.06
Other non operating income		
Liabilities no longer required written back	0.11	0.03
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	0.33	0.22
- Gain on fair value changes of financial assets	0.02	0.01
Net gain on foreign currency transaction and translation	13.08	7.06
Amortisation of capital subsidy	0.05	0.07
Miscellaneous income	2.33	1.47
	30.07	25.61

27 Cost of material consumed

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Raw materials including packaging materials consumed		
Opening Stocks	134.08	243.26
Add: Purchases	1,494.52	1,426.89
Total	1,628.60	1,670.15

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Less: Closing stocks	193.55	134.08
Consumption (refer detail below)	1,435.05	1,536.07
Detail of material consumed		
Acetic Acid	358.13	338.19
Sodium Di Chromate	79.39	83.99
Specially Denatured Spirit	375.58	371.75
Dicyandiamide	64.39	109.49
Toulene	73.33	66.79
Acetic Anhydride	17.85	77.39
Aluminium Chloride	43.69	43.75
Sodium Metal	42.93	49.24
Others	379.76	395.48
	1,435.05	1,536.07

28 Changes in inventories of finished goods, work-in-progress and Stock in trade

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Inventories at the beginning of the year		
Work-in-progress	61.85	59.70
Finished goods	109.59	92.75
Stock in trade	0.11	-
(A)	171.55	152.45
Change in inventory during trial run		
Work-in-progress	-	1.05
Finished goods	-	(0.15)
(B)	-	0.90
Inventories at the end of the year		
Work-in-progress	44.85	61.85
Finished goods	164.95	109.59
Stock in trade	-	0.11
(C)	209.80	171.55
(A+B-C)	(38.25)	(18.20)

29 Employee benefits expense

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Salaries and Wages (including Bonus)	179.09	150.19
Contribution to provident and other funds	13.50	11.20
Staff welfare expenses	8.43	6.82
	201.02	168.21

30 Finance Cost

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Interest expense on:		
- Term loans and working capital	4.14	6.51
- other borrowings	6.70	4.11
Other borrowing costs	5.26	5.78
Interest expense on Lease Liability	-	0.07
	16.10	16.47

31 Other expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Power and Fuel	149.05	131.98
Consumption of stores and spares	26.15	29.62
Repairs and maintenance		
- Plant and Machinery	14.41	8.87
- Building	4.70	3.85
- Others	2.41	0.73
Rent	1.71	0.39
Insurance charges	6.40	5.54
Auditor's Remuneration	0.29	0.29
Rates and Taxes	0.61	0.32
Loss on Property, plant and equipment sold (net)	-	0.33
Loss on Property, plant and equipment discarded	0.04	0.26
Allowance for expected credit loss and doubtful receivables	0.24	0.02
Sundry balances written off	0.16	-
Freight outward	41.64	49.65
Other Selling and distribution expenses	9.61	12.20
Miscellaneous expenses	46.81	32.09
	304.23	276.14

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-2024	For the year ended 31-Mar-2023
Current tax		
In respect of current period	37.04	44.94
Tax adjustments related to earlier years	(0.03)	1.32
Total (A)	37.01	46.26
Deferred tax		
In respect of current period	10.21	3.25
Total (B)	10.21	3.25
Total Income tax expense (A+B)	47.22	49.51

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

(b) Income tax recognised in other Comprehensive income

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.43)	(0.13)
Net movement in effective portion of cash flow hedge reserve	-	0.06
Total	(0.43)	(0.07)

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Profit before tax	181.65	188.65
Income tax expense at tax rates applicable to individual entities	45.97	47.69
Income tax for earlier years recognised in statement of profit and loss	(0.03)	1.32
Income tax impact of expenses not considered for tax purpose	0.01	0.02
Income tax impact of Income not considered for tax purposes	(0.04)	(0.01)
Income tax impact of expenses availed on payment basis	0.03	(1.17)
Income tax impact of allowances of permanent nature	2.10	2.45
Income tax impact of unabsorbed depreciation	0.08	(0.10)
Income tax savings on deductions under section 80JJAA	(0.90)	(0.69)
Tax expense charged to statement of profit and loss	47.22	49.51
Effective rate of tax	25.9968%	26.2463%

(d) Movement in deferred tax balances

Particulars	in ₹ Crore			
	As at 01-Apr-2023	Recognised in statement of 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 liability (net)	(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

Particulars	in ₹ Crore			
	As at 01-Apr-2022	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2023
Deferred tax liabilities				
Property, Plant and Equipment	56.08	4.13	-	60.21
Intangible assets	-	0.11	-	0.11
Fair valuation gain on investments	0.01	-	-	0.01
Gross deferred tax liabilities (A)	56.09	4.24	-	60.33
Deferred tax assets				
Gratuity	(1.82)	0.20	(0.13)	(1.75)
Leave encashment	(0.61)	0.11	-	(0.50)
Lease Liability (net)	(0.06)	0.05	-	(0.01)
Expected credit loss	(0.35)	(0.01)	-	(0.36)
Cash flow hedge	(0.07)	-	0.06	(0.01)
Bonus	-	(1.34)	-	(1.34)
Gross deferred tax assets (B)	(2.91)	(0.99)	(0.07)	(3.97)
Net Deferred tax (Asset)/Liabilities (A+B)	53.18	3.25	(0.07)	56.36

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Total operations for the period		
Profit after tax attributable to equity shareholders (in ₹ Crore)	A 134.43	139.14
Weighted average number of equity shares (number)	B 5,87,05,502	5,87,05,502
Weighted average number of equity shares in computing diluted earning per share (number)	C 5,87,05,502	5,87,05,502
Basic earnings per share (₹)	A/B 22.90	23.70
Diluted earnings per share (₹)	A/C 22.90	23.70
Face value per equity share (₹)	10.00	10.00

34 Research and Development expenses

Particulars	in ₹ Crore	
	For the year ended 31-Mar-2024	For the year ended 31-Mar-2023
Research and Development: Revenue expenses		
Raw material consumption	1.00	1.27
Salaries & wages	11.18	9.59
Depreciation	2.21	1.77
Stores and spares	2.29	3.73
Cost of utilities	0.69	0.39
	17.37	16.75
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	1.96	4.71

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-2024	As at 31-Mar-2023
A Contingent liabilities		
i Claims not acknowledged as debts	0.13	0.09
ii Bank Guarantee issued in favour of others	5.39	5.26
iii Others*	0.56	-
	6.08	5.35

Particulars	in ₹ Crore	
	As at 31-Mar-2024	As at 31-Mar-2023
B Commitments		
i Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	50.11	15.68
ii Export obligations under Advance Authorisation/Duty Free Import Authorisation #	31.40	45.38
	81.51	61.06

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 ₹ 19.73 crore (Previous Year ₹ 15.56 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.

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.

*Income tax department raised a demand for ₹ 2.27 crore related to AY 2020-21 to parent company which is further adjusted with refund for AY 2023-24 of ₹ 1.71 crore.

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 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-2024	31-Mar-2023
i) Changes in the present value of the obligation		
Present value of obligation as at the beginning of the year	23.79	20.56
Interest cost	1.75	1.49
Current service cost	2.60	2.22

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Particulars	Gratuity (Funded)	
	31-Mar-2024	31-Mar-2023
Benefits paid	(1.35)	(1.05)
Remeasurement - actuarial (gain) / loss	1.84	0.57
Present value of obligation as at the end of the year	28.63	23.79
ii) Changes in the fair value of plan assets		
Fair value of plan assets as at the beginning of the year	16.82	13.34
Actual return on plan assets	1.38	1.03
Contributions	4.30	3.50
Charges deducted	-	-
Benefits paid	(1.35)	(1.05)
Fair value of plan assets as at the end of the year	21.15	16.82
Unfunded Status (A-B)	7.48	6.97
iii) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation as at the end of the year	28.63	23.79
Fair value of plan assets as at the end of the year	21.15	16.82
Net asset/(liability) recognised in the Balance Sheet	(7.48)	(6.97)
iv) Expense recognised in the statement of profit and loss		
Current service cost	2.60	2.22
Net interest cost	0.51	0.52
Expense recognised in the statement of profit and loss	3.11	2.74
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)	1.84	0.57
Actuarial (gain)/loss for the year on plan assets	(0.14)	(0.06)
Total Actuarial (gain)/loss at the end of the year	1.70	0.51
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	0.27	(0.21)
Actuarial (Gain) / loss on arising from change in experience assumption	1.57	0.78
	1.84	0.57

Particulars	Gratuity (Funded)	
	31-Mar-2024	31-Mar-2023
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 Group. 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-2024	31-Mar-2023
Discount rate (per annum)	7.25%	7.36%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	27.10
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-2024	31-Mar-2023
a) Impact of change in discount rate		
Present value of obligation at the end of the period	28.63	23.79
1. Impact due to increase of 0.50%	(1.21)	(1.00)
2. Impact due to decrease of 0.50%	1.32	1.09
b) Impact of change in salary increase		
Present value of obligation at the end of the period	28.63	23.79
1. Impact due to increase of 0.50%	1.34	1.11
2. Impact due to decrease of 0.50%	(1.23)	(1.02)

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

xi) Maturity profile of defined benefit obligation:

Year ending	in ₹ Crore	
	Gratuity (Funded)	
	31-Mar-2024	
a) Apr-2024 to Mar-2025	7.83	
b) Apr-2025 to Mar-2026	0.69	
c) Apr-2026 to Mar-2027	0.70	
d) Apr-2027 to Mar-2028	1.97	
e) Apr-2028 to Mar-2029	0.93	
f) Apr-2029 to Mar-2030	0.65	
g) Apr-2030 onwards	15.86	

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 ₹ 3.39 crore to the gratuity trust during the year 2024-25.

xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current

	in ₹ Crore	
	Gratuity (Funded)	
	31-Mar-2024	31-Mar-2023
Current liability (amount due within one year)	7.83	6.84
Non-current liability (amount due over one year)	20.80	16.95
Total PBO at the end of year	28.63	23.79

B Contribution to Provident Fund

The Group has recognized an expense of ₹ 9.81 crore (Previous year ₹ 8.40 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 :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	0.14	0.97
Additions	-	-
Deletions	-	-
Depreciation	(0.14)	(0.83)
Balance at the end	-	0.14

The aggregate depreciation expense on Right of use assets (ROU) is included under depreciation and amortization expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Balance at the beginning	0.18	1.20
Additions	-	-
Finance cost accrued during the year	-	0.07
Deletions	-	-
Payment of lease liabilities	(0.18)	(1.09)
Balance at the end	-	0.18

Payment of Lease liabilities during the current year ₹ 0.18 crore (previous year ₹ 1.09 crore)

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

Particulars	in ₹ Crore	
	As at	
	31-Mar-2024	31-Mar-2023
Less than one year	0.24	0.33
One to five years	0.02	0.01
More than five years	0.16	0.16
Total	0.42	0.50

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.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Rental expense recorded under other expenses :

in ₹ Crore

Particulars	Year ended	
	31-Mar-2024	31-Mar-2023
Rent	1.67	0.31

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-2024 (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-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
Lease liabilities Current	-					-	-
Other financial current liabilities	37.79					37.79	37.79
Total	539.73	-	-	-	-	539.73	539.73

As at 31-March-2023

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	233.87					233.87	233.87
Current Investments			2.56			2.56	2.56
Trade receivables	505.28					505.28	505.28
Cash and cash equivalents	1.39					1.39	1.39

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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		
Other Bank Balances	20.44					20.44	20.44
Foreign exchange forward contracts					0.25	0.25	0.25
Other financial current assets	11.22					11.22	11.22
Total	772.20	-	2.56	-	17.66	792.42	792.42
Financial Liabilities:							
Short term borrowings	79.63					79.63	79.63
Trade Payables	314.22					314.22	314.22
Lease liabilities Current	0.18					0.18	0.18
Lease liabilities non current	-					-	-
Other financial current liabilities	36.34		-			36.34	36.34
Total	430.37	-	-	-	-	430.37	430.37

(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-2024

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	
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	

* For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

As at 31-March-2023

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using		
		Level 1	Level 2	Level 3
Financial assets				
Current investments in Mutual funds at fair value through profit & loss	0.23		0.23	Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.33		2.33	Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41		17.41	Valued as per latest valuation report from outside valuer
Foreign exchange forward contracts at fair value through OCI	0.25		0.25	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	20.22	-	20.22	-

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.

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 Consolidated Financial Statements as at and for the year ended 31-March-2024

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 *	864.45	953.71	1,262.54	1,258.53	5.80	4.87			2,132.79	2,217.11
Inter Segment transfer	275.79	241.14	-	-	-	-	(275.79)	(241.14)	-	-
Interest income	-	-	-	-	13.96	16.67			13.96	16.67
Other Income	-	-	-	-	16.11	8.94			16.11	8.94
Total Revenue	1,140.24	1,194.85	1,262.54	1,258.53	35.87	30.48	(275.79)	(241.14)	2,162.86	2,242.72
Segment Results	15.07	19.57	174.22	171.53					189.29	191.10
Unallocated Income (net of unallocated Expenses)					8.46	14.02			14.02	24.89
Profit before tax and interest									197.75	205.12
Finance cost					16.10	16.47			16.10	16.47
Profit before Tax & Extraordinary items									181.65	188.65
Exceptional items									-	-
Tax expense					47.22	49.51			47.22	49.51
Profit after Tax									134.43	139.14
Other Information										
Segment Assets	558.40	442.02	1,254.54	1,104.07	-	-			1,812.94	1,546.09
Unallocated assets	-	-	-	-	431.46	476.04			431.46	476.04
Total Assets	558.40	442.02	1,254.54	1,104.07	431.46	476.04			2,244.40	2,022.13
Segment Liabilities	330.66	157.18	150.11	180.43	-	-			480.77	337.61
Unallocated Liabilities	-	-	-	-	119.36	97.17			119.36	97.17
Short term borrowings					32.76	79.63			32.76	79.63
Total Liabilities	330.66	157.18	150.11	180.43	152.12	176.80			632.89	514.41
Capital Expenditure	42.99	68.76	125.93	93.67	88.36	61.66			257.28	224.09
Depreciation and Amortisation	18.34	13.40	39.84	26.91	4.73	5.85			62.91	46.16

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

Detail of secondary business segment

Geographical information

Particulars	Year ended	Domestic sale				Export sale		Total
		India	Switzerland	Spain	Rest of the world			
Net revenue from sale of products	31-Mar-2024	1,539.20	60.35	61.36	471.88	2,132.79		
	31-Mar-2023	1,583.51	60.19	43.57	529.84	2,217.11		

in ₹ Crore

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

- 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.
- There is no customer contributing more than 10% of the total revenue of the Group.
- 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 exits 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 (w.e.f. 30-May-2022) (upto 03-Apr-2023)
ii	Non executive directors	Mr. Kushal Kumar Rana	Director Works
		Mr. Rajender Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director
iii	Chief Executive Officer	Mr. Sharad Tyagi	Independent Director
iv	Chief Financial Officer	Mr. Vikas Vij	(w.e.f. 03-Apr-2023)
v	Sr. Vice President and Company Secretary	Mr. Pardeep Kumar Khanna	
		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 Merchantiles Private Limited Mayadevi Polycot Limited NCVI Enterprises Limited Varinder Gupta (HUF)
iii. Relative of Key Management Personnel:	Mr. Abhiraj Gupta General Manager (upto 02-Apr-2023)
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-2024

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 Personnel (KMP)		Non executive directors		Relatives of KMP		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
		1	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-
2	Sale of Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchase of goods and services:														
	NCVI Enterprises Limited	-	-	37.47	35.13	-	-	-	-	-	-	-	-	37.47	35.13
	Mayadevi Polycot Limited	-	-	70.56	61.72	-	-	-	-	-	-	-	-	70.56	61.72
4	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Purchase of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	* Managerial remuneration (including incentives)	-	-	-	-	21.54	16.86	-	-	-	0.73	-	-	21.54	17.59
7	Sitting fees to non-executive directors of the group	-	-	-	-	-	-	0.35	0.29	-	-	-	-	0.35	0.29
8	Rent received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	0.02	0.02
9	Rent paid	-	-	0.31	0.30	1.18	0.54	-	-	-	0.54	-	-	1.49	1.38
10	Equity Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	4.30	3.50	4.30	3.50

C Details of balances outstanding as at the end of the year

in ₹ Crore

Sr. No.	Particulars	Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
	Amount receivable on the last day the year														
1	Security deposit receivable	-	-	-	-	0.90	0.45	-	-	-	0.45	-	-	0.90	0.90
2	Trade Receivable against sale of goods:														
3	Investment Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Balance Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Advances against purchases of goods:														

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

in ₹ Crore

Sr. No.	Particulars	Subsidiaries		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-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023	Year ended 31-Mar-2024	Year ended 31-Mar-2023
	Amount payable on the last day of the year														
1	Trade payables against purchase of goods:														
	NCVI Enterprises Limited	-	-	3.02	9.93	-	-	-	-	-	-	-	-	3.02	9.93
	Mayadevi Polycot Limited	-	-	7.95	8.96	-	-	-	-	-	-	-	-	7.95	8.96
2	* Managerial remuneration	-	-	-	-	0.43	-	-	-	-	-	-	-	0.43	-
3	Sitting fees to non-executive directors of the group	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Rent Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(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.

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.

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Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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:

	As at 31-Mar-2024		As at 31-Mar-2023	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	1,14,23,412	95.15	1,27,34,227	104.68
- In EURO	10,40,999	9.39	7,33,800	6.57
Trade Payables				
- In USD	2,44,79,007	203.61	1,02,07,454	83.84
- In EURO	8,250	0.07	-	-
Net exposure				
- In USD	(1,30,55,595)	(108.46)	25,26,773	20.84
- In EURO	10,32,749	9.32	7,33,800	6.57

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

	As at 31-Mar-2024		As at 31-Mar-2023	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	45,71,424	38.09	97,99,227	80.29
- In EURO	10,40,999	9.39	7,33,300	6.57
Trade Payables				
- In USD	14,01,717	11.68	82,42,417	67.71
- In EURO	8,250	0.07	-	-
Net exposure				
- In USD	31,69,707	26.41	15,56,811	12.58
- In EURO	10,32,749	9.32	7,33,800	6.57

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	in ₹ Crore			
	31-Mar-2024		31-Mar-2023	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	0.53	(0.53)	0.25	(0.25)
2% Strengthening / weakening of EURO against INR	0.19	(0.19)	0.13	(0.13)

Foreign currency forward contracts held by the Group as on reporting date:

Particulars	As at 31-Mar-2024	As at 31-Mar-2023
In USD	2,99,29,279	49,00,038
in ₹ crore	248.99	40.52

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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-2023 and previous year ended 31-Mar-2022, 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	
	2023-24	2022-23
Opening balance of cash flow hedge reserve	(0.02)	(0.20)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(0.64)	(0.08)
Amount reclassified to profit or loss	0.63	0.32
Tax effect	-	(0.06)
Closing balance of cash flow hedge reserve	(0.03)	(0.02)

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31-Mar-2024		As at 31-Mar-2023	
	USD	in ₹ Crore	USD	in ₹ Crore
	Not later than one month	1,26,23,566	105.10	10,35,458
Later than one month and not later than three months	1,63,05,712	135.54	38,64,580	32.04
Later than three months and not later than one year	10,00,000	8.35	-	-
	2,99,29,279	248.99	49,00,038	40.52

(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	in ₹ Crore	
	Carrying amount	
	Financial Year	
	2023-24	2022-23
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	32.76	79.63

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:

Particulars	in ₹ Crore	
	Financial Year	
	2023-24	2022-23
Increase/ (decrease) in 100 basis point	0.33	0.80

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(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 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	in ₹ Crore	
	Financial Year	
	2023-24	2022-23
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short term borrowings	32.76	79.63
Less than 1 year	32.76	79.63
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	469.18	314.22
Less than 1 year	469.18	314.22
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	37.79	36.34
Less than 1 year	37.79	36.34
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

(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	
	2023-24	2022-23
(a) Revenue from top five customers		
- % of total sales of top 1 customer	3.72%	4.22%
- % of total sales of top 5 customers	14.36%	15.68%

Write off policy

The financials 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	in ₹ Crore	
	2023-24	2022-23
Borrowings including current maturities and interest accrued but not due	32.76	79.63
Less: Cash & cash equivalent and other bank balances	188.22	251.32
Net debt (A)	(155.46)	(171.69)
Total equity (B)	1,611.51	1,507.72
Gearing ratio (A/B)	N.A.	N.A.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

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-2024 and 31-Mar-2023.

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-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	-

Particulars	in ₹ Crore	
	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2022 coming under the financing activities of Cash Flow Statement	42.75	-
Changes during the year		
a) Changes from financing cash flow	36.88	-
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-2023 coming under the financing activities of Cash Flow Statement	79.63	-

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-2024 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-2024, 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.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2024

- 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.

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.	99.978%	2,243.92	107.71%	144.80	100.00%	(1.29)	102.06%	143.51
Indian Subsidiaries								
IOL-Foundation	0.015%	0.33	-7.69%	(10.34)	-	-	-2.04%	(10.34)
IOL Life Sciences Ltd	0.003%	0.08	-0.01%	(0.01)	-	-	-0.01%	(0.01)
IOL Speciality Chemicals Ltd	0.003%	0.07	-0.01%	(0.01)	-	-	-0.01%	(0.01)
Total	100.00%	2,244.40	100.00%	134.43	100.00%	(1.29)	100.00%	133.14

47 The Companies (Indian Accounting Standards) second amendment rules 2018 has amended IND-AS 20 Accounting for Government Grants and Disclosure of Government Grant Assistance", which gives the option of presentation of amount of Government Grants related to asset, including non-monetary grants at fair value in the balance sheet either by setting up the amount of grant as deferred income or deducting the amount of grant in arriving at the carrying amount of the assets. The Group made the accounting policy choice of presentation of amount of Government Grant related to asset in the balance sheet by setting up the amount of grant as deferred income. There is no impact on the profit before tax/after tax for the year ended 31-Mar-2024 and 31-Mar-2023.

48 The Central Government has notified Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme Guidelines and Rates for inclusion of additional export items, for exports made from 15.12.2022 and shall be applicable till 30.09.2023, vide Notification dated December 7, 2022. The RoDTEP scheme is further extended for exports made from 01.10.2023 and shall be applicable till 30.06.2024, vide notification dated September 26, 2023. Accordingly, the Company had accrued the benefits on eligible export sales under the aforesaid scheme amounting to ₹ 3.12 Crore during the current year ended 31-Mar-2024 and ₹ 1.20 crore for the period from 15-Dec-2022 to 31-Mar-2023.

49 During the current period, on account of implementation of SAP-S4 HANA, the Company has adopted moving weighted average method for valuation of raw materials inventory from FIFO method. There is no material impact due to above said change in valuation method.

50 Figures in bracket indicate deductions.

51 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 : 14-May-2024

For and on behalf of the Board of Directors

Sd/-

Varinder Gupta

Managing Director

DIN-00044068

Sd/-

Vikas Gupta

Joint Managing Director

DIN-07198109

Sd/-

Abhay Raj Singh

Sr. VP & Company Secretary

Sd/-

Pardeep Kumar Khanna

Chief Financial Officer

Sd/-

Vikas Vij

Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 37th Annual General Meeting of members of **IOL Chemicals and Pharmaceuticals Limited** (the "Company") will be held on **Friday, the 23rd day of August 2024 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 2024 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 2024 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. Vikas Gupta (DIN: 07198109), who retires by rotation and being eligible, offers himself for re-appointment; and in this regard, to consider and if thought fit, to 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. Vikas Gupta (DIN: 07198109), 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 Kushal Kumar Rana as Director (Works) of the Company.**

To consider and if thought fit, to 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 subject to the approval of any concerned authority, if required, the approval of Members be and is hereby accorded for re-appointment of Mr Kushal Kumar Rana (DIN: 09189020) as a Whole-time Director, designated as "Director (Works)" of the Company, for a period of 5 years with effect from 4th June 2024 to 3rd June 2029, upon terms and conditions as set out in the explanatory statement including following remuneration:

Basic Salary	: ₹ 5,83,200/- per month.
Perquisites and allowances	:Not exceeding 150% of the Basic Salary
Variable	:Not exceeding 20% of Gross salary

RESOLVED FURTHER THAT Mr Kushal Kumar Rana 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 under any scheme, privileges, amended salary structure as are granted to the senior executives of the Company, in accordance with the Company's practice and rules and regulations in force from time to time.

RESOLVED FURTHER THAT the Board of Directors or Nomination & Remuneration Committee or any other Committee of the Board be and is are hereby, shall be authorized to alter and/ or vary the terms and conditions, change of designation and increase his aforesaid remuneration to the extent it may deem appropriate, effective from financial year 2025-26 and thereafter for each subsequent financial year by a maximum of fifty 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 in the event of loss or inadequacy of profits in any financial year during the tenure of Mr Kushal Kumar Rana as Director (Works) of the Company, the Company, in respect of such financial year(s) in which such inadequacy or loss arises or for a period of 3 years, whichever is lower, will continue to pay to Mr Kushal Kumar Rana, 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 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".

- To approve increase in overall borrowing limits of the Company**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company and in supersession of all the earlier resolutions, the consent of the members of the Company be and is hereby accorded to the Board of Director(s) (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute, to exercise its powers, including the powers conferred by this Resolution), to borrow any sum or sums of monies, from time to time, in any form, upon such terms and conditions as to interest, repayment, or otherwise and with or without security, as

the Board may think fit, for the purposes of the Company's business, notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed at any time the aggregate of the paid-up share capital, its free reserves and securities premium, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company, its free reserves and securities premium shall not, at any point in time, exceed ₹ 1,000 Crore/- (Rupees One Thousand Crore Only).

"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 approve creation of charges on the immovable/movable assets of the Company.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and the rules made there under and pursuant to the Memorandum of Association and Articles of Association of the Company and in supersession of all the earlier resolutions, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute, to exercise its powers, including the powers conferred by this Resolution) to mortgage, pledge, charge, hypothecate and/ or create security interest of every nature and kind whatsoever as may be necessary on such of the moveable or immoveable assets and properties of the Company wherever situated, both present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company, in such manner as the Board may direct, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusteeship companies, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and trustees for the holders of debentures / bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure the due payment of the principal together with interest, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company or any third party in respect of borrowings availed of from such Lending Agencies within the overall ceiling of ₹ 1,000 Crore (Rupees One Thousand Crore Only), in excess of the aggregate of the paid-up capital, free reserves and securities premium of the Company, as approved by the members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalize the terms and conditions, execute the necessary documents, deeds, agreements, and such other instruments as may be required, and do all such acts, deeds, matters, and things as may be deemed necessary, proper, or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors or to any Director(s) or Officer(s) of the Company as it may consider appropriate in order to give effect to this resolution."

6. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March 2025

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 2025, amounting to ₹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 Pharmaceutical Limited

Sd/-

Abhay Raj Singh

Sr Vice President & Company Secretary

Place: Ludhiana

Date: 14th May 2024

Registered Office:

Village & Post Office – Handiaya,

Fatehgarh Channa Road,

Barnala - 148107, Punjab, India

CIN: L24116PB1986PLC007030

Tel No: +91 161 2225531 - 35

Email: investor@iolcp.com

Website: www.iolcp.com

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 and 09/2023 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 and 25th September 2023 respectively, ("**MCA Circulars**") allowing, inter alia, conducting of AGMs through Video Conferencing/Other Audio-Visual Means ("VC / OAVM") facility on or before 30th September, 2024, 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; and Circular No. SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated 5th January, 2023 ("**SEBI Circulars**") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") due to the COVID-19 pandemic. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 37th 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 37th AGM and the Annual Report for the FY 2023-24 including therein the Audited Financial Statements for FY 2023-24, 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 37th AGM and the Annual Report for the FY 2023-24 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 **17th August 2024 to 23rd August 2024** (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 are requested to intimate the RTA of the Company viz., Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi – 110055, changes, if any, in their names, registered address along with pin code number, email address, telephone/mobile number, Permanent Account Number ("PAN"), mandates, nominations, power of attorneys, bank details such as name of the bank, branch

- details, bank account number, MICR code, IFSC code, etc. alongwith relevant evidences.
- 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) SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their depository participants. Members holding shares in physical form are requested to submit their PAN details to the Company's RTA.
 - 14) 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.
 - 15) 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>.
- 16) 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.
 - 17) 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.
 - 18) 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
 - 19) 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.**
 - 20) **General instructions for accessing and participating in the 37th 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

21) **The instructions for shareholders for remote e-voting and joining virtual meetings are as under:**

- (i) The voting period begins on **20th August 2024 at 9:00 AM** and ends on **22nd August 2024 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 16th August 2024**, 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 shareLs 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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi 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 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 & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting 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) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding shares in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 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.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 21 099 11
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 toll free no.: 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) <ul style="list-style-type: none"> • 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
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company's records in order to login. <ul style="list-style-type: none"> • 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- 22) **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.
 - (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 37th 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 37th 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.

23) 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.

24) 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 21 099 11.

25) 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 21 099 11.

26) All the documents referred to in the accompanying Notice of the 37th 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.

27) 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.

28) 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 Kushal Kumar Rana was appointed as Wholetime Director having a designation of Director (Works) of the Company for a period of three years w.e.f. 4th June 2021 approved by the shareholders in the Annual General Meeting held on 18th September 2021.

Mr. Kushal Kumar has a strong technical background, having a bachelor's in chemistry, physics, math and a master's in chemistry. He has rich experience of over 32 years in the pharmaceutical industry. His expertise lies in looking after quality assurance, quality (QA & QC), and regulatory and statutory compliances.

Considering the rich and long business experience of Mr Kushal Kumar Rana, the Board of Directors, on 14th May 2024, based on recommendations of Nomination and Remuneration Committee and subject to the approval of the shareholders, re-appointed him as Wholetime Director having a designation of Director (Works) of the Company for another term of five years with effect from 4th June 2024 to 3rd June 2029 at remuneration as provided in the resolution no 3 of this notice.

Further, Mr. Kushal Kumar Rana 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. Kushal Kumar Rana 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 Kushal Kumar Rana as Director (Works) are as follows:

- a) Nature of Job: Under the supervision of the Board of Directors or Managing Director of the Company. Mr Kushal Kumar Rana shall be responsible for all manufacturing related aspects and ensure operating efficiency of the Company. He shall also be responsible for planning, production day to day tasks within all departments at the manufacturing site.
- b) Remuneration: As per resolution set out at item No 3 of this Notice.
- 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 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 Kushal Kumar Rana as Director (Works), 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) Notice Period: Either party shall be entitled to terminate the employment by serving 3 months' notice in writing or any other period as may be decided by the Board. An amount, calculated based on fixed remuneration, in lieu of notice period of 3 months will be made by party who serves the notice to the other party in the event such notice period is shorter than a 3 months period. There shall be no severance fees.

This explanatory statement together with the accompanying Notice is and should be treated as an abstract of the terms of re-appointment of Mr Kushal Kumar Rana as Director (Works) 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 Kushal Kumar Rana as Director (Works) of the Company:

I. General Information:

- 1. Nature of Industry: Pharmaceuticals (API's) and Chemical Industry.
- 2. Date of commencement of Commercial Production: The Company started its commercial production in the year 1991.
- 3. In case of new companies, expected date of commencement of activities as per object approved by financial institutions appearing in the prospectus: N. A.
- 4. Financial Performance based on given indicators:

Particulars	₹ in Crore	
	FY 2023-24	FY 2022-23
Revenue from operations	2132.79	2217.11
Profit before tax	182.64	189.49
Profit after tax	135.42	139.98

- 5. Foreign Investments or Collaborations, if any: NIL

II. Information about the appointee:

1. Background details:

Mr. Kushal Kumar has a strong technical background, having a bachelor's in chemistry, physics, math and a

master's in chemistry. He has rich experience of over 32 years in the pharmaceutical industry. His expertise lies in looking after quality assurance, quality (QA & QC), and regulatory and statutory compliances.

2. Past remuneration:

The remuneration paid for financial year 2023-24 was as follow:

₹ in Lakh			
Salary	Other perquisites & allowances and Bonus	Contribution to Provident & other Funds	Total
64.80	98.08	7.78	170.66

3. Recognition or awards: Nil

4. Job Profile and his suitability:

Under the supervision of the Board of Directors or Managing Director of the Company. Mr Kushal Kumar Rana shall be responsible for all manufacturing related aspects and ensure operating efficiency of the Company. He shall also be responsible for planning, production day to day tasks within all departments at the manufacturing site.

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 Kushal Kumar Rana does not have any pecuniary relationship directly or indirectly with the Company and also not related with the managerial personnel of the Company.

III. Other information:

- 1. Reasons of loss or inadequate profits: N.A.
- 2. Steps taken or proposed to be taken for improvement: N.A.
- 3. Expected increase in productivity and profits in measurable terms: N.A.

IV Disclosures:

Mr Kushal Kumar Rana satisfy 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 Kushal Kumar Rana 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.

Except for Mr Kushal Kumar Rana, being the appointee, 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. 3 of the notice.

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 Kushal Kumar Rana.

Item No. 4 & 5

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company requires the consent of the members by way of Special Resolution to borrow monies in excess of the aggregate of its paid-up share capital of the Company, its free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business. Therefore, in order to carry out Company's business requirements, its growth plans and to meet the working Capital need, the Board at their meeting held on 14th May 2024 approved a resolution seeking the shareholders consent to increase the existing borrowing limit from ₹ 700 Crores to ₹ 1000 Crores, in excess of the aggregate of its paid-up share capital of the Company, its free reserves and securities premium, as required u/s 180(1)(c) of the Companies Act, 2013 and rules made there under.

Further, according to the provisions of Section 180(1)(a) of the Companies Act, 2013 the Board shall only with the consent of the members by way of Special Resolution in a General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The hypothecation / mortgage / creation of charge by the Company of its properties as and when undertaken, may be considered the disposal of all or any part of the Company's undertakings, for the borrowings and would attract the provisions of the said Section 180(1)(a) of the Companies Act, 2013.

As the Board is seeking shareholders' consent to increase the borrowing limits under Section 180(1)(c) of the Companies Act 2013, as mentioned in the resolution set out in the item No 4 of the notice, the consent of the shareholders under Section 180(1)(a) of the Companies Act, 2013 shall be necessary to create any charge on any assets or properties of the Company, against the loans borrowed from Lending Agencies.

Therefore, the Board on 14th May 2024 approved a resolution seeking the shareholders consent to mortgage, create charges and or/hypothecate the Company's properties as and when necessary to secure any loans, guarantee assistance, and/or any issue of debentures / Bonds from time to time, within the overall ceiling as mentioned in the resolutions as set out in item no 4 & 5 of the notice.

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 & 5 of the notice.

The Board recommends the Special Resolutions as set out at Item No. 4 & 5 of the Notice for approval by the members to increase in overall borrowing limits of the Company and for creation of charges on the immovable/movable assets of the Company.

Item No. 6

On the recommendation of the Audit Committee, the Board in its meeting held on 14th May 2024, 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 2025 at a remuneration of ₹ 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 2024-25 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. 6 of the Notice for approval by the members to ratify the remuneration of the Cost Auditor for the financial year ending 31st March 2025

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 Kushal Kumar Rana
DIN	07198109	09189020
Date of Birth	13 th February 1992	15 th September 1969
Date of Appointment	29 th May 2015	4 th June 2021
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 10 years, he has been critical to the organization's operation.	Mr. Kushal Kumar Rana having 32 years of experience in the pharmaceutical industry. He has joined the organization in year 2005 in the capacity of Sr. Manager, Production in API Division. Before elevating to the Board he was working in the Company as President - Quality Assurance and responsible for quality assurance & control and regulatory affairs. He holds Master's degree in Chemistry from Vinayaka Mission University and Strategic Leadership development program (SLDP) from IIM Bangalore
Terms and conditions of Appointment	To retire by rotation	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.
Expertise in specific functional area	Business management, strategy, planning general management etc.	Commercial activities of the Chemicals and Pharmaceuticals Products
Total experience	11 years	33 years
Present profession	Joint Managing Director	Director (Works)
Qualification	BSc. (Hons.) in Business Management from Kings College, London	M. Sc. (Chemistry) From Vinayaka Mission University
Directorships in other public companies (excluding private, foreign and section 8 companies)	1. Mayadevi Polycot Limited 2. IOL Life Sciences Limited 3. IOL Speciality Chemicals Limited	Nil
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	6
Relationships between directors inter-se	Mr Vikas Gupta is son of Mr Varinder Gupta, Managing Director and brother of Mr Abhiraj Gupta, Executive Director	Not related to any other director

By Order of the Board
for IOL Chemicals and Pharmaceutical Limited

Sd/-

Abhay Raj Singh

Sr Vice President & Company Secretary

Place: Ludhiana

Date: 14th May 2024

Registered Office:

Village & Post Office – Handiaya,

Fatehgarh Channa Road,

Barnala - 148107, Punjab, India

CIN: L24116PB1986PLC007030

Tel No: +91 161 2225531 - 35

Email: investor@iolcp.com

Website: www.iolcp.com

GRI content index

Statement of use	IOL has reported in accordance with the GRI Standards for the period between 1 st April 2023 - 31 st March 2024
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 2: General Disclosures 2021	2-1 Organizational details	About Us BRSR (Section A: General Disclosures Q-5)	4, 5, 137
	2-2 Entities included in the organization's sustainability reporting	About the report BRSR (Section A: General Disclosures Q-13)	3,137
	2-3 Reporting period, frequency and contact point	About the report BRSR (Section A: General Disclosures Q-6,7,9,12)	3,137
	2-4 Restatements of information	NA	NA
	2-5 External assurance	IR (About the report), BRSR - (Section A: General Disclosures)	3,14,137
	2-6 Activities, value chain and other business relationships	IR (About the report) BRSR (Section A: General Disclosures Q-16,17,18,19)	8, 9, 137, 126
	2-7 Employees	IR (Strengths, Value creation model, Human Capital) BRSR (Section A: General Disclosures Q-20)	11, 22, 64-73, 126
	2-8 Workers who are not employees	NA	NA
	2-9 Governance structure and composition	IR (Governance Framework, Board of Directors) BRSR - (Section B Q-9)	30-35, 137
	2-10 Nomination and selection of the highest governance body	IR (Governance Framework, Board of Directors)	30-35
	2-11 Chair of the highest governance body	IR (Governance Framework, Board of Directors)	30-35
	2-12 Role of the highest governance body in overseeing the management of impacts	IR (Governance Framework)	30-31
	2-13 Delegation of responsibility for managing impacts	BRSR (Section B Q-8), BRSR (Principle-5 EI Q-4)	137, 140
	2-15 Conflicts of interest	IR (Governance Framework)	30-31
	2-16 Communication of critical concerns	IR (Governance Framework)	30-33
	2-17 Collective knowledge of the highest governance body	IR (Board of Directors)	34-35
	2-22 Statement on sustainable development strategy	IR (sustainability journey) BRSR (Section B Q-7)	24-25, 137
	2-23 Policy commitments	IR (sustainability journey) BRSR (Section B Q-1,3)	24-26, 137
	2-24 Embedding policy commitments	IR (sustainability journey) BRSR (Section B Q-2) (Principle-1 LI Q-1)	24-27, 137, 141

GRI STANDARD	DISCLOSURE	LOCATION	
		Sections	Page no.
	2-27 Compliance with laws and regulations	IR (sustainability journey) BRSR (Principle-1 EI Q-3)	24-25, 135
	2-28 Membership associations	IR (About Us) BRSR (Principle-7 EI Q-1)	4, 5, 148
	2-29 Approach to stakeholder engagement	IR (stakeholder engagement) BRSR (Principle-4 EI Q-1)	18-19, 142
	2-30 Collective bargaining agreements	NA	NA
GRI 3: Material Topics 2021	3-1 Process to determine material topics	IR (Materiality assessment) BRSR (Section A Q-26)	20-21, 128
	3-2 List of material topics	IR (Materiality assessment) BRSR (Section A Q-26)	20-21, 128
	3-3 Management of material topics	BRSR (Section A Q-26)	128
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	BRSR (Section A Q-24)	127
	201-2 Financial implications and other risks and opportunities due to climate change	BRSR (Section-A Q-26)	128
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	BRSR (Principle-5 EI Q-1)	142
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Principle-1 EI Q-5,7)	135
GRI 301: Materials 2016	301-1 Materials used by weight or volume	IR (Material Management)	83
	301-2 Recycled input materials used	BRSR (Principle-2 LI Q-3)	137
	301-3 Reclaimed products and their packaging materials	BRSR (Principle-2 LI Q-5)	134
GRI 302: Energy 2016	302-1 Energy consumption within the organization	IR (Energy Management) BRSR (Principle-6 EI Q-1)	22, 77, 142
	302-2 Energy consumption outside of the organization	NA	NA
	302-3 Energy intensity	BRSR (Section-C Principle-6 EI Q-1)	142
	302-4 Reduction of energy consumption	IR (Energy Management)	78
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	IR (Water Conservation)	82
	303-2 Management of water discharge-related impacts	IR (Water Conservation)	82
	303-3 Water withdrawal	IR (Water Conservation) BRSR (Principle-6 EI Q-3)	82, 142
	303-4 Water discharge	IR (Water Conservation) BRSR (Principle-6 EI Q-4)	82, 142
	303-5 Water consumption	IR (Water Conservation) BRSR (Principle-6 EI Q-3)	22, 74, 78, 142

GRI STANDARD	DISCLOSURE	LOCATION	
		Sections	Page no.
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	BRSR (Principle-6 EI Q-10)	145
	304-3 Habitats protected or restored	IR (Commitment to Biodiversity)	79
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	IR (Greenhouse Gas Emissions Inventory) BRSR (Principle-6 EI Q-7)	80, 144
	305-2 Energy indirect (Scope 2) GHG emissions	IR (Greenhouse Gas Emissions Inventory) BRSR (Principle-6 EI Q-7)	80, 144
	305-3 Other indirect (Scope 3) GHG emissions	IR (Greenhouse Gas Emissions Inventory) BRSR (Principle-6 LI Q-2)	80, 147
	305-4 GHG emissions intensity	BRSR (Principle-6 EI Q-7, Principle-6 LI Q-2)	144, 147
	305-5 Reduction of GHG emissions	IR (sustainability journey)	23, 24, 25
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	IR (Air Emission Management) BRSR (Principle-6 EI Q-6)	81-82, 143
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	IR (Waste Management)	81, 82
	306-2 Management of significant waste-related impacts	IR (Waste Management) BRSR (Principle-2 EI Q-3 LI Q-2) (Principle-6 EI Q-10)	81-82, 137, 145
	306-3 Waste generated	IR (Waste Management) BRSR (Principle-6 EI Q-9)	83, 145
	306-4 Waste diverted from disposal	IR (Waste Management) BRSR (Principle-6 EI Q-9)	83, 145
	306-5 Waste directed to disposal	IR (Waste Management) BRSR (Principle-6 EI Q-9)	83, 145
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	IR (Sustainable Sourcing Practices)	83
	308-2 Negative environmental impacts in the supply chain and actions taken	IR (Sustainable Sourcing Practices)	83
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	BRSR (Section A Q-22)	127
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR (Principle-3 EI Q-1)	134
	401-3 Parental leave	BRSR (Principle-3 EI Q-5)	135

GRI STANDARD	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	IR (Health and safety) BRSR (Principle-3 EI Q-10-a)	73, 137
	403-2 Hazard identification, risk assessment, and incident investigation	IR (Health and safety) BRSR (Principle-3 EI Q-10-b,c)	73, 137
	403-3 Occupational health services	IR (Health and safety)	73
	403-4 Worker participation, consultation, and communication on occupational health and safety	IR (Health and safety)	73
	403-5 Worker training on occupational health and safety	IR (Health and safety) BRSR (Principle-3 EI Q-8)	73, 141
	403-6 Promotion of worker health	IR (Health and safety) BRSR (Principle-3 EI Q-10d)	73, 137
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	IR (Health and safety)	73
	403-8 Workers covered by an occupational health and safety management system	IR (Health and safety)	73
	403-9 Work-related injuries	IR (Health and safety) BRSR (Principle-3 EI Q-11)	73, 137
	403-10 Work-related ill health	IR (Health and safety)	73
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	IR (Value creation Model)	23, 70
	404-2 Programs for upgrading employee skills and transition assistance programs	IR (Human Capital) BRSR (Principle-3 LI Q-4)	64-73, 141
	404-3 Percentage of employees receiving regular performance and career development reviews	IR (Human Capital) BRSR (Principle-3 EI Q-9)	64-73, 141
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	IR (Human Capital) BRSR (Section-A Q-20b, 21)	72, 126
	405-2 Ratio of basic salary and remuneration of women to men	BRSR (Principle-5 EI Q-2)	140

GRI STANDARD	DISCLOSURE	LOCATION	
		Sections	Page no.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	IR (Human Capital) BRSR (Principle-5 EI Q-6)	72, 140
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	IR (Human Capital)	72
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	IR (Human Capital)	72
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	BRSR (Principle-5 EI Q-1)	142
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	IR (Social Capital) BRSR (Principle-6 EI Q-11) (Principle-8 LI Q-1)	56-63, 145, 149
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	IR (Sustainable Sourcing Practices)	83
	414-2 Negative social impacts in the supply chain and actions taken	IR (Sustainable Sourcing Practices) BRSR (Principle-3 LI Q-5)	83, 138
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)	150



Assurance statement on third-party verification of sustainability information

Unique identification number: **3153005659**

TÜV SÜD South Asia Pvt Ltd (hereinafter TÜV SÜD) has been engaged by IOL Chemicals and Pharmaceuticals Limited to perform a limited assurance verification of sustainability information in the INTEGRATED ANNUAL REPORT of IOL Chemicals and Pharmaceuticals Limited (hereinafter “Company”) for the period from 01.04.2023 to 31.03.2024. The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared in reference to the reporting criteria of the Standard on Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter “Reporting Criteria”).

The following selected sustainability disclosures are included in the scope of the assurance engagement:

Option “parts of the report” for reporting year Apr 1, 2023 – Mar 31, 2024

the following selective disclosures on sustainability in the INTEGRATED ANNUAL REPORT”, published at website.

- GRI 2: General Disclosure (Policies & Codes of Conduct)- 2-23, 2-24
- GRI 302: Energy– 302-1, 302-2, 302-3, 302-4;
- GRI 303: Water –303-3, 303-4, 303-5;
- GRI 305: Emissions– 305-1, 305-2, 305-4, 305-5, 305-6, 305-7;
- GRI 306: Effluents and Waste –306-2, 306-3, 306-4;
- GRI 307: Environmental Compliance– 307-1;
- GRI 401: Employment– 401-1, 401-2, 401-3;
- GRI 403: Occupational Health and Safety – 403-1, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10;
- GRI 404: Training and Education – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity – 405-1, 405-2;
- GRI 406: Non-discrimination– 406-1; 407
- GRI 412: Human Rights Assessment- 412-1, 412-2, 412-3;
- GRI 418: Customer Privacy– 418-1;



Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the integrated reporting, and accordingly, we do not express a conclusion on those information. It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

Responsibility of the Company

The legal representatives of the Company are responsible for the preparation of the sustainability information in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for sustainability reporting, the collection and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a sustainability report that is free of material - intentional or unintentional - erroneous information.

Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group which is based upon the ISO 17029 and ISAE 3000. The applied level of assurance was "limited assurance". Because the level of assurance obtained in a limited assurance, as the engagement is a limited reasonable assurance engagement, the procedures the verification team performs in a limited assurance engagement vary in nature and timing from, a reasonable assurance engagement. A limited assurance engagement consists of making inquiries, primarily of persons responsible for compiling the sustainability information in Integrated Annual Report and applying analytical and other limited assurance procedures.

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor's own judgment.

The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement and materiality analysis to understand the reporting boundaries.
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls.
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls.
- Analytical procedures and inspection of sustainability information as reported at group level by all locations.
- Assessment of local data collection and management procedures and control mechanisms through a sample physical survey at Company's Plant at Barnala (Punjab) and Corporate Office at Ludhiana (Punjab)

Conclusion

On the basis of the assessment procedures carried out from - 15.05.2024 to 24.07.2024, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected sustainability information has not been prepared, in all material aspects, in reference to the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the annual integrated



reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on those information.

- Financial data were only considered to the extent to check the compliance with the economic indicators provided by the GRI Standards and were drawn directly from independently audited financial accounts. TÜV SÜD did not perform any further assurance procedures on data, which were subject of the annual financial audit.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

The Company must reproduce the TÜV SÜD statement and possible attachments in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd hereby declares that there is no conflict of interest with the Company.

Place, Date

26th July 2024

Gurugram (Haryana)

A handwritten signature in black ink, appearing to read 'Prosenjit Mitra'.

Prosenjit Mitra

DGM- Audit Services

(Business Line - Verification, Validation & Audit)

A handwritten signature in blue ink, appearing to read 'Shashank Chaudhary'.

Shashank Chaudhary

Manager- Sustainability Services



Assurance statement on third-party verification of Business Responsibility & Sustainability Report

Unique identification number: **3153005659**

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by IOL Chemicals and Pharmaceuticals Limited to perform a limited assurance and verification of sustainability information in the INTEGRATED ANNUAL REPORT “BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT”, of IOL Chemicals and Pharmaceuticals Limited (hereinafter “Company”) for the period from April 1, 2023 – March 31, 2024. The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared in accordance with the reporting criteria of the Standard on International Standard on Assurance Engagements (ISAE) 3000 (hereinafter “Reporting Criteria”).

The following selected disclosures (“parts of the report”) are included in the scope of the assurance engagement for reporting year April 1, 2023 – March 31, 2024 for “BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT”, published at Integrated Annual Report FY 2023-24.

S.No.	BRSR indicator reference	Description of indicator
1.	Section A – 20-a	Employees and workers (including differently abled).
2.	Section A – 20-b	Differently abled Employees and workers.
3.	Section A – 21	Participation/Inclusion/Representation of women.
4.	Section A – 22	Turnover rate for permanent employees and workers.
5.	Section A – 25	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.
6.	Section C – Principle 1 – E-1 (Essential Indicator)	Percentage coverage by training and awareness programmes on any of the Principles during the Financial Year.
7.	Section C – Principle 2 – E-2-a (Essential Indicator)	Procedures in place for sustainable sourcing.
8.	Section C – Principle 2 – E-2-b (Essential Indicator)	Percentage of inputs were sourced sustainably.
9.	Section C – Principle 2 – E-4 (Essential Indicator)	Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities.
10.	Section C – Principle 3 – E-1 (a, b,c) BRSR Core (Essential Indicator)	Details of measures for the well-being of employees and workers.
11.	Section C – Principle 3 – E-2 (Essential Indicator)	Details of retirement benefits, for Current Financial Year.
12.	Section C – Principle 3 – E-3 (Essential Indicator)	Accessibility to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016.



13.	Section C – Principle 3 –E- 5 (Essential Indicator)	Return to work and Retention rates of permanent employees and workers that took parental leave.
14.	Section C – Principle 3 – E-8 (Essential Indicator)	Details of training given to employees and workers.
15.	Section C – Principle 3 – E-9 (Essential Indicator)	Details of performance and career development reviews of employees and worker.
16.	Section C – Principle 3 – E-11 (Essential Indicator)*	Details of safety related incidents.
17.	Section C – Principle 3 – E-13 (Essential Indicator)	Number of Complaints on working conditions & Health safety made by employees and workers.
18.	Section C – Principle 3 – E-14 (Essential Indicator)	Assessments for the year (Health and safety practices, Working Conditions).
19.	Section C – Principle 5 – E-1 (Essential Indicator)	Employees and workers who have been provided training on human rights issues and policies of the entity.
20.	Section C – Principle 5 – E-2 (Essential Indicator)	Details of minimum wages paid to employees and workers.
21.	Section C – Principle 5 – E-6 (Essential Indicator)	Number of Complaints made by employees and workers
22.	Section C – Principle 5 –E-7 (Essential Indicator)*	Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
23.	Section C – Principle 6 – E-1 (Essential Indicator)*	Details of total energy consumption and energy intensity.
24.	Section C – Principle 6 – E-3 (Essential Indicator)*	Details of following disclosures related to water
25.	Section C – Principle 6 – E-4 (Essential Indicator)*	Details related to water discharged
26.	Section C – Principle 6 – E-6 (Essential Indicator)*	Details of air emissions (other than GHG emissions) by the entity.
27.	Section C – Principle 6 – E-7 (Essential Indicator)*	Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions).
28.	Section C – Principle 6 – E-9 (Essential Indicator)*	Details related to waste management
29.	Section C – Principle 8 – E-3 (Essential Indicator)	Describe the mechanisms to receive and redress grievances of the community.
30.	Section C – Principle 8 – E-4 (Essential Indicator)*	Percentage of input material (inputs to total inputs by value) sourced from suppliers
31.	Section C – Principle 8 – E-5 (Essential Indicator)*	Job creation in smaller towns
32.	Section C – Principle 9 – E-1 (Essential Indicator)	Mechanisms to receive and respond to consumer complaints
33.	Section C – Principle 9 – E-2 (Essential Indicator)	Turnover of products and/ services as a percentage of turnover from all products/service that carry information.
34.	Section C – Principle 9 – E-3 (Essential Indicator)	Number of consumer complaints.
35.	Section C – Principle 9 – E-7 (Essential Indicator)*	Information related to data breach

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the sustainability reporting, and accordingly, we do not express a conclusion on those information.



It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

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- Inquiries of personnel who are responsible for the stakeholder engagement under materiality analysis to understand the reporting boundaries
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
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- Analytical procedures and inspection of sustainability information as reported at group level by all locations
- Assessment of local data collection and management procedures and control mechanisms through a sample survey at plant located at Company’s Plant at Barnala (Punjab) and Corporate Office at Ludhiana (Punjab)

Conclusion

On the basis of the assessment procedures carried out from 15.05.2024 to 24.07.2024, Nothing has come to our attention to suggest that the Report does not meet the completeness with respect the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the “scope of the engagement”. Assurance of further information included in the sustainability reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on those information.
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Place, Date

26th July 2024

Gurugram (Haryana)

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Prosenjit Mitra
DGM- Audit Services
(Business Line - Verification, Validation & Audit)

A handwritten signature in blue ink, appearing to read 'Shashank Chaudhary'.

Shashank Chaudhary
Manager- Sustainability Services



IOL Chemicals and Pharmaceuticals Limited

CIN: L24116PB1986PLC007030

Corporate Office

85, Industrial Area 'A'
Ludhiana - 141 003, Punjab, India

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