IOL CHEMICALS AND PHARMACEUTICALS LIMITED

19th July 2023
IOLCP/CGC/2023

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.: Annual Report of the Company for the FY 2022-23

Dear Sir,

In compliance with the provisions of Regulation 34(1)(a) and other application provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2022-23. The same is also available on the website of the Company at https://www.iolcp.com//uploads/IOL-Annual-Report-2022-23.pdf

The Notice of 36th Annual General Meeting along with Annual Report for FY 2022-23 are being sent electronically to the shareholders of the Company today i.e. 19th July 2023.

This is for your information and record please.

Thanking You,

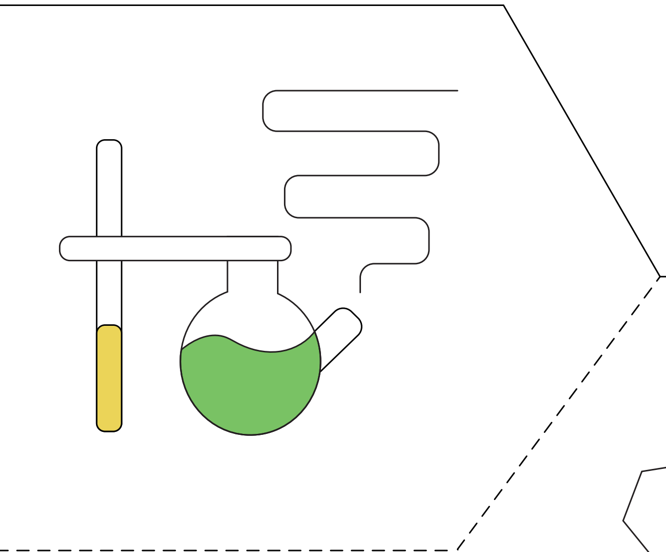
Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited

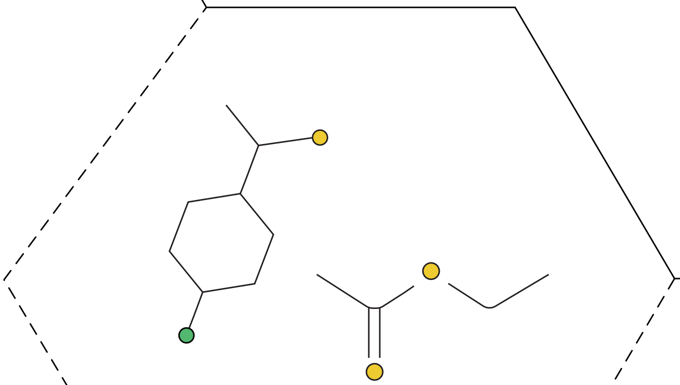
ABHAY RAJ SINGH
Digitally signed by ABHAY RAJ SINGH
Date: 2023.07.19 15:31:23 +05'30'

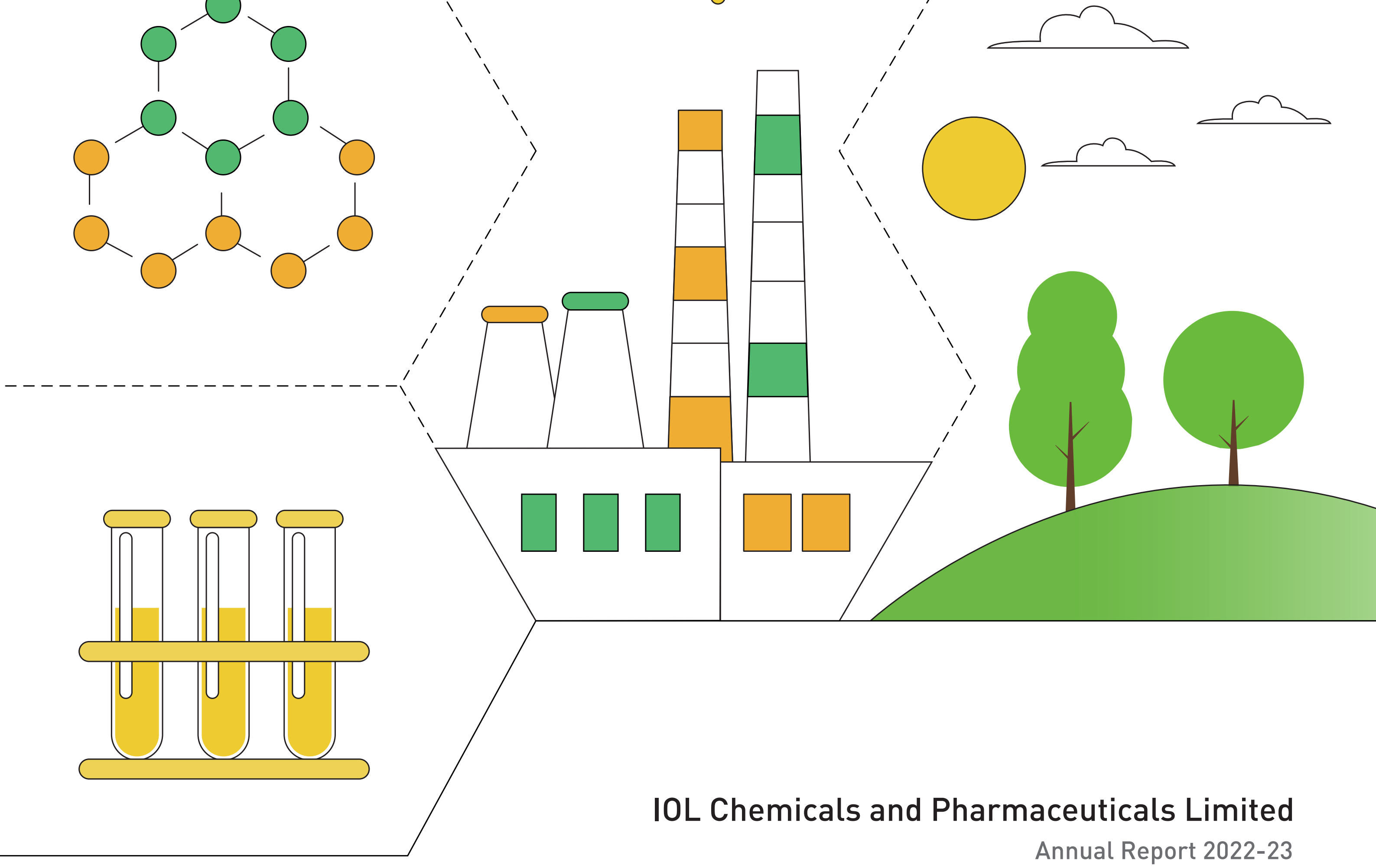
Abhay Raj Singh
Vice President & Company Secretary

Charting a Path to Success

Harnessing Backward Integration for Industry-leading Performance







IOL Chemicals and Pharmaceuticals Limited

Annual Report 2022-23

Contents

FY 2022-23 Highlights

Financial

₹2,243 Cr
Total Income

₹252 Cr
EBITDA

₹140 Cr
Net Profit

₹1,507 Cr
Net Worth

12.3%
ROCE

9.7%
ROE

Non-financial

100%
Zero Liquid Discharge

90.49%
Power Requirement Met Via Renewable Energy

₹9.47 Cr
CSR expenditure

Charting a Path to Success

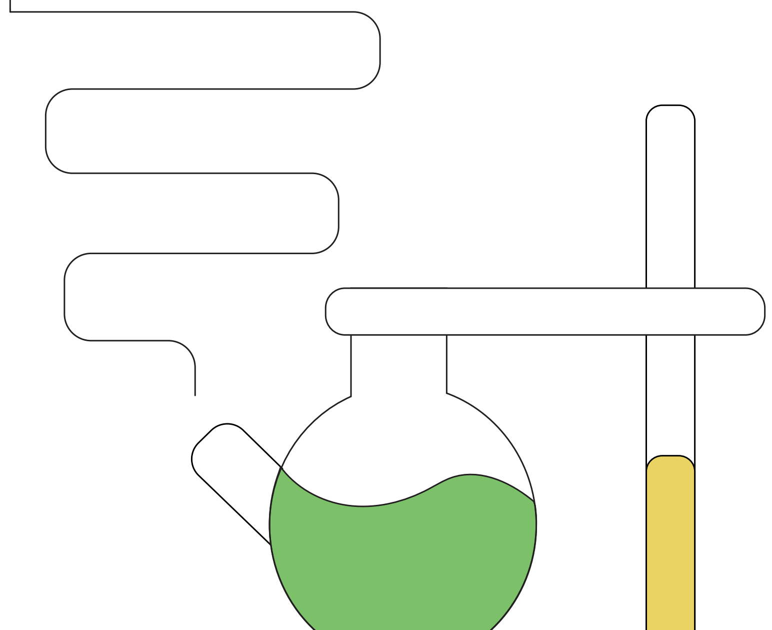
Harnessing Backward Integration for Industry-leading Performance

With over three decades of experience, we have established a strong foothold in the pharmaceutical and specialty chemical industry. Over the years, we have focused on integrating and diversifying our business model, expanding our capability and presence while creating engines of growth through innovation and excellence.

As we navigate the ever-evolving landscape, our strategic approach revolves around embracing backward integration to enhance our operations and accelerate our growth. We dedicatedly and continuously improve our operational efficiencies to serve our customers better. Backward integration is pivotal in streamlining our supply chain and optimizing production processes. This approach allows us to gain greater control over quality and generate enhanced value throughout our operations.

Building upon our established position, we focus on expanding our non-Ibuprofen business, exploring new therapeutic segments, and meeting the emerging demands of the market. We have increased our efforts and investments toward integrating Paracetamol production during the year. This focused approach will enable us to meet the growing demand and establish a significant presence in the market.

Our journey exhibits humility, a passion for excellence, a deep commitment to sustainability and shared growth. Success is a collaborative effort driven by shared values and strong partnerships. With a customer-centric mindset, we strive to surpass industry standards and deliver high-quality products while focusing on sustainability.



IOL at a Glance

Enabling Industries with Critical Materials

With state-of-the-art facilities, we are a leading manufacturer of Active Pharmaceutical Ingredients (APIs), intermediates and specialty chemicals. Our unwavering focus on innovation has solidified our position in the industry, ensuring long-term growth and competitiveness. Serving a global customer base, we are renowned for delivering high-quality products that meet the evolving demands of the market.

10
API facilities, of which six are multi-product facilities and four are dedicated facilities

3
Dedicated specialty chemicals facilities

80+
Countries served through these facilities

Our Purpose

People
Our customers, employees, suppliers, partners, investors, communities, and families

Planet
To take care of the planet by reducing GHG emissions, effluents, power, and following green chemistry

Purpose
To improve the Quality of Life

Principle
To do business in a legal, ethical and fair manner

Profit
To generate sustainable profits without compromising on any other factor

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

Mission
To provide top quality products in APIs, Intermediates and Specialty Chemicals through continuous innovation and cutting-edge technology, with due regards to safety and environment.

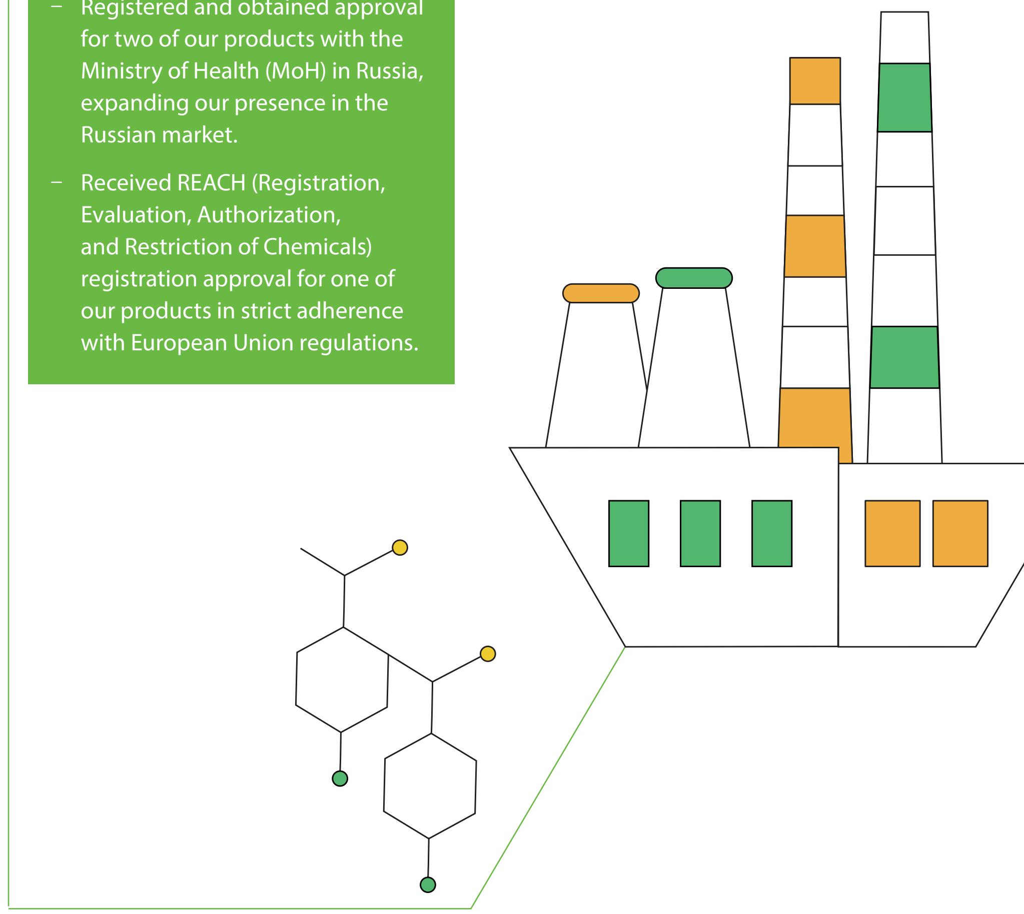
Values
We at IOL, believe values bring character to any organization that help leaders to guide teams for a culture of excellence through continuous improvements.

Promise
We are a trusted partner for delivering high quality products. Our fundamental value system ensures that we stand by our commitments. We have strict manufacturing protocols to comply with and we produce our products with the highest quality standards. We emphasize on maintaining after-sales service by ensuring meaningful support and assistance to our customers, globally.

IOL in FY 2022-23
The Company is dedicated to expanding our business both domestically and internationally. During the fiscal year of 2022-23, we have been actively engaging with a diverse range of domestic customers to strengthen our presence and drive business growth in India.

For our international customers, we have made significant progress in securing regulatory approvals and expanding our global reach.

- Filed six new US DMFs during the year, demonstrating our commitment to meet the stringent regulatory requirements.
- Submitted four CEP (Certificate of Suitability) applications to the European Directorate for the Quality of Medicines (EDQM) authorities, rigorously complying with European standards.
- Obtained approval for three new CEPs, highlighting our dedication to quality and reg regulatory compliance.
- Obtained CEP for Ibuprofen Process II so that customer can use one process for all markets.
- Secured the approval of one product application with MFDS (Ministry of Food and Drug Safety) in Korea, with another application currently under review.
- Registered and obtained approval for two of our products with the Ministry of Health (MoH) in Russia, expanding our presence in the Russian market.
- Received REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) registration approval for one of our products in strict adherence with European Union regulations.
- Actively progressing with the product registration process for NMPA (National Medical Products Administration) in China, further extending our reach into the Chinese market.



IOL at a Glance (contd.)

Business Segments

Active Pharmaceutical Ingredients

As a leading API player, we produce and supply critical components for pharmaceutical industries worldwide. Our innovative and research-driven approach focuses on generic API product development, ensuring access to essential medications for the well-being of humanity. Prioritizing quality and cost-effectiveness, our dedicated team strives to commercialize a wide range of APIs. Numerous APIs have already been successfully launched through our efforts, addressing critical healthcare needs and improving patient outcomes.

With a 35% global market share, IOL is the largest Ibuprofen producer. Our complete backward integration and capacity of 12,000+ MT solidify our leadership position.

As one of the largest Metformin producers in India, we ensure a steady supply of this critical API to meet growing demand.

Product Application in Various Therapeutic Areas

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

Way Forward

As we look ahead, we are excited about the growth opportunities of Paracetamol, Metformin, Clopidogrel, Lamotrigine, and Fenofibrate. These products represent the next phase of our expansion, enabling us to make a lasting impact on global healthcare.

Highlights FY 2022-23

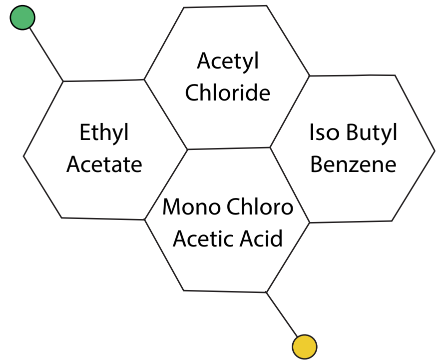
- Received CEP for three products (Pantoprazole, Levetiracetam and Ibuprofen Process-II) during the year that enabled the Company to explore the European markets for such products.
- The capacity of Paracetamol was enhanced from 1,800 to 3,600 MTPA.

Specialty Chemicals

Since the inception of our specialty chemical business in 1996, our journey has been marked by consistent capacity expansion and sustained growth. Starting with a modest capacity of 3,000 TPA for Ethyl Acetate, we have emerged as the largest single-location plant in India, with a staggering production capacity of 1,00,000 TPA.

- Leading the industry as India's second-largest manufacturer of Iso Butyl Benzene (IBB), commanding approximately 30% of the global market share.
- Recognition for our commitment to quality and compliance, exemplified by the REACH Certificate for Ethyl Acetate, enabling exports to over 40 countries worldwide.
- Playing a pivotal role in Ibuprofen production through the production of key starting materials such as IBB, MCA, and Acetyl Chloride.
- Captive consumption capabilities for Mono Chloro Acetic Acid (MCAA) with a capacity of 7,200 TPA and Acetyl Chloride with a capacity of 5,200 TPA.
- Setting new benchmarks with Asia's first continuous dual technology (green chemistry) plant for MCA and Acetyl Chloride, reflecting our commitment to sustainable practices.

Key Chemicals We Produce



Serving Diverse Industries

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

Highlights FY 2022-23

- Conducted a comprehensive market study of Acetic Anhydride, leading to the commissioning of a new plant.
- Explored opportunities in diverse product categories such as plasticizers, amines, and diketene derivatives, enabling us to identify new products for future growth.

A Legacy of Excellence and Achievements

Our remarkable journey spans over 35 years, marked by significant milestones that have propelled our growth and established our leadership in the industry. Each milestone has been a testament to our commitment to excellence, from the inception of our Acetic Acid Plant to the expansion of our product portfolio and the achievement of certifications and approvals.

1986-91
Incorporated & established Acetic Acid Plant

1996
Commencement of Ethyl Acetate Plant

1999
Commencement of Acetic Anhydride Plant

2000
Commencement of Ibuprofen Unit 01

2007
Installed Unit-01 dedicated to Ibuprofen Installed 4MW Co-Generation Plant

2009
Commencement of IBB, MCA and Acetyl Chloride plants

2010
Listing on NSE
Co-generation plant 13 MW

2012
Commencement of Unit 02 for varied products

2013
Received EU GMP Certification

2015
Obtained USFDA and EIR approval for Ibuprofen

2016
Installed Unit 03 for new product launches

2017
Converted Unit 02 to a dedicated Ibuprofen facility

2018
Installed Unit 04 dedicated for Metformin
Commenced Unit 05 for Clopidogrel and Fenofibrate

2019
Started Unit 06 for dedicated production of Pantoprazole

2020
Commenced Unit 07 for dedicated Metformin production

2021
Started Units 08 and 10 for multiple products

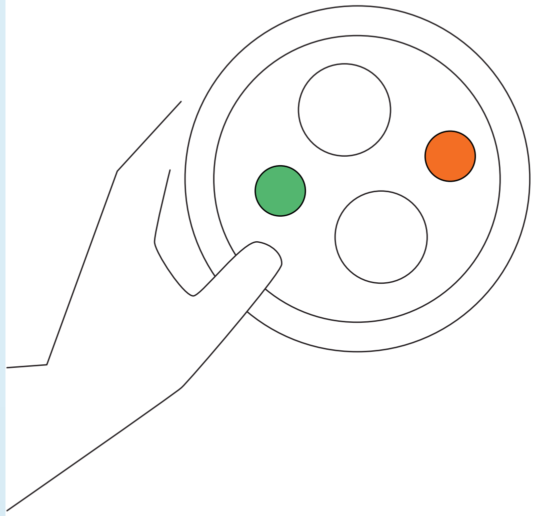
2022
Began commercial production of Paracetamol with backward integration

2023
Paracetamol capacity has been increased to 3,600 TPA

Key Strengths

Leveraging our Competitive Edge

Over the year, we have built a strong pharmaceutical and chemical industry foundation by harnessing our integrated capabilities, talented team, financial stability, and commitment to sustainability. We leverage these strengths to meet diverse market demands, ensure product quality and safety, and drive continuous growth.



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 backwards-integrated company in this segment, we have a significant market share globally.

Customer base across

80 countries

Catering to Diverse Therapeutic Areas

Our broad range of APIs covers various therapeutic categories, including pain management, anti-diabetic, anti-hypertensive, and anti-convulsant treatments. Through continuous research and development, we remain at the forefront of medical advancements, ensuring optimal patient care and well-being.

8

Therapeutic areas served by our portfolio

Backward Integration

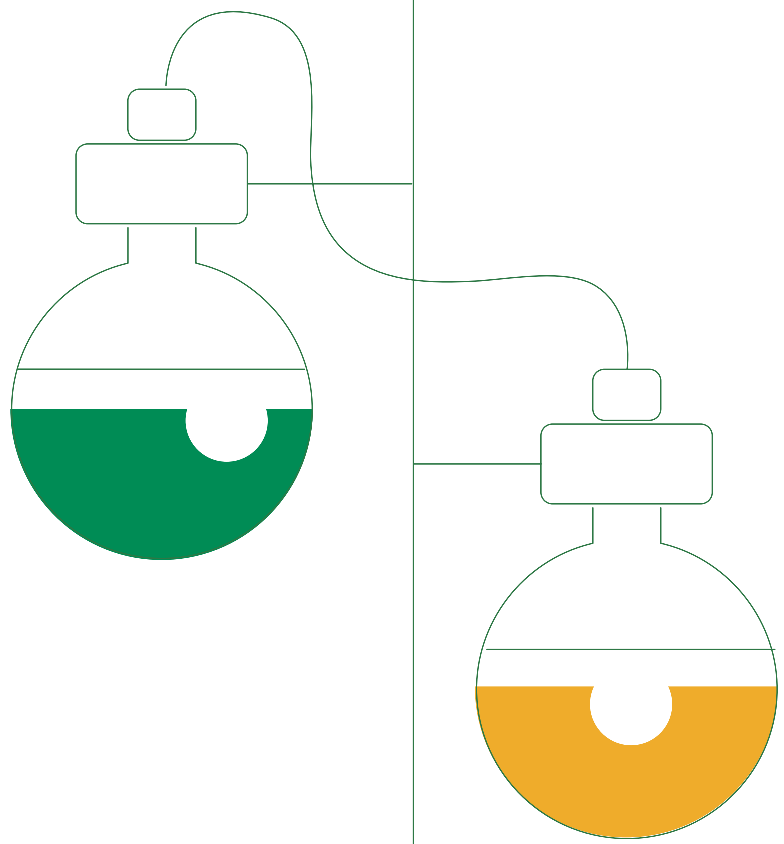
We have achieved complete backward integration in ibuprofen production. By overseeing every step of the manufacturing process, including Intermediates and Key Starting Materials (KSMs), we ensure unparalleled quality, reliability, and safety in our products. It also allows us to provide greater supply chain control and reduce costs, strengthening our competitive edge.

Dynamic and Robust Team

Our team of skilled and experience professionals are driving the Company forward with their expertise, passion, and unwavering dedication towards delivering exceptional products and services. Together, we create a dynamic and supportive environment that fosters continuous growth and achievement.

2,600+

Talented employees



Financial Stability and Growth

Since 2017, we have maintained a debt-free status, showcasing our strong financial management and long-term sustainability. This financial stability is a testament of our commitment to sound business practices instilling confidence in our valued shareholders.

Debt-free

Since 2017, demonstrating our prudent financial management

Strong Commitment to Sustainability

Our sprawling 150-acre campus provides the ideal infrastructure for efficient production, research, and development. Equipped with state-of-the-art facilities, we foster innovation and operational excellence. Our zero-discharge effluent treatment plant reflects our commitment to responsible waste management and environmental stewardship.

R&D and Innovation

Cultivating a Culture of Innovation

At the heart of our success lies a relentless pursuit of innovation. We have established a skilled R&D team and a robust infrastructure that combines traditional and modern research methods with chemical engineering. This approach fosters a collaborative environment that encourages innovation and novel discoveries.

Highlights FY 2022-23

Our R&D efforts have yielded significant achievements and progress, demonstrating our commitment to excellence and continuous improvement.

Yield Improvements and Optimization

Our R&D team has achieved a remarkable 7% yield improvement through dedicated efforts in Pantoprazole's final stage without significantly modifying the existing process. This advancement translates to an additional output of 40 Kg/batch with a batch size of 560 Kg, boosting productivity.

Successful Progression to Commercial Quantity Seeding Stage

We take pride in successfully progressing essential products like Valsartan, Sitagliptin, Dexibuprofen, and Mesalamine from lab-scale development to commercial quantity seeding. These accomplishments, achieved through pilot plant validations, underscore our ability to translate innovative ideas into tangible outcomes.

Backward Integration and Cost Optimization

Our R&D endeavours have led to the backward integration of Levetiracetam by producing SABAM HCl and 4-CBC. This integration has optimized costs and minimized our external vendor dependency, enhancing operational efficiency.

Projects like Vildagliptin and Minoxidil have crossed kilo-scale validations, positioning us for plant-scale accreditations. These achievements showcase our ability to scale up and commercialize innovative products efficiently.

Our R&D team has made significant progress in recycling and reusing non-immobilized transaminase to create Sitagliptin API, setting us apart from others in the industry. This breakthrough demonstrates our commitment to sustainability and opens new avenues for biotechnology in chemical processes.

Focus on Innovation and Collaboration with Customers

We continuously strive to incorporate novel scientific technologies to meet the dynamic requirements posed by our customers. We tailor our offerings to their needs by engaging in ongoing discussions and collaborations with customers. Our ability to customize particle sizes and grades of Ibuprofen, Paracetamol, Metformin, and Pantoprazole exemplifies our customer-centric approach.

R&D Capability Expansion

To bolster our R&D capabilities, we have expanded our team, comprising approximately 110 highly skilled members, including doctorates, chemical engineers, and chemists. With specialized process and analytical research teams, a technology transfer division, and a process intensification unit equipped with cutting-edge continuous flow equipment, we are well-equipped to handle complex chemistry projects.

Infrastructure and Lab Capability Enhancement

We continuously enrich our R&D infrastructure to support innovation. With ongoing renovations, our R&D facility will expectedly expand to approximately 12,000 sq. ft., featuring state-of-the-art process research and analytical labs. The fully equipped analytical labs, including HPLCs, LC-MS/MS, GC-MS, and GC-HS systems, ensure we meet both process research and regulatory needs. Furthermore, our continuous flow lab facilitates various reactions, enhancing our research capabilities.

Sustainability and Environmental-Friendly Processes

At IOLCP, we prioritize sustainability and environmental responsibility. We actively eliminate their use by utilizing enzymes to replace metal-mediated oxidation, reduction, and hydrolysis processes. Our successful development and scaling of a green manufacturing process for Sitagliptin phosphate monohydrate exemplify our commitment to eco-friendly practices and biotechnology exploration in chemical processes.

Diversification of API Portfolio

We have expanded our API portfolio to strengthen our market presence and cater to diverse therapeutic areas. In addition to our strong presence in the antipyretic and anti-inflammatory segments with Ibuprofen and Paracetamol, we have successfully implemented manufacturing processes for Pantoprazole, Clopidogrel, Levetiracetam, and other APIs. Our creation of synergistic segments, such as combination products like Vildagliptin and Sitagliptin with Metformin and Losartan and Valsartan, further diversifies our portfolio and positions us for growth in specific therapeutic areas.

Patents and Regulatory Approvals

Our dedication to innovation has resulted in the approval of three patents, validating the stringency and quality of our processes. In addition, we continue to strengthen our commitment to meeting global regulatory standards and expanding our market presence by:

- Filing six US DMFs during the year
- Filing four CEP applications with EDQM authorities
- Getting approval for three new CEPs in the year
- Getting approval for one product application from MFDS, Korea and putting one application under review
- Getting two products approved and registered with MoH, Russia
- Getting approval for REACH registration for one product
- Progressing a product registration from NMPA, China

Enhancing Existing Products through Continuous Improvements

We continue to drive innovation in improving our existing products. Our dedicated teams and state-of-the-art technologies have helped us optimize yields and cost efficiency.

Process Intensification

Our process intensification team utilizes advanced continuous flow reactor set-up to identify and improve low-yield reaction stages in our commercial molecules. By optimizing conditions, we enhance yield and reduce cost, raising the quality standards.

Scientific Advancements

Our accomplished scientists and engineers identify process gaps in existing products and fill them with the latest scientific advancements. Notably, Pantoprazole and Levetiracetam showcase significant process improvements achieved through their expertise.

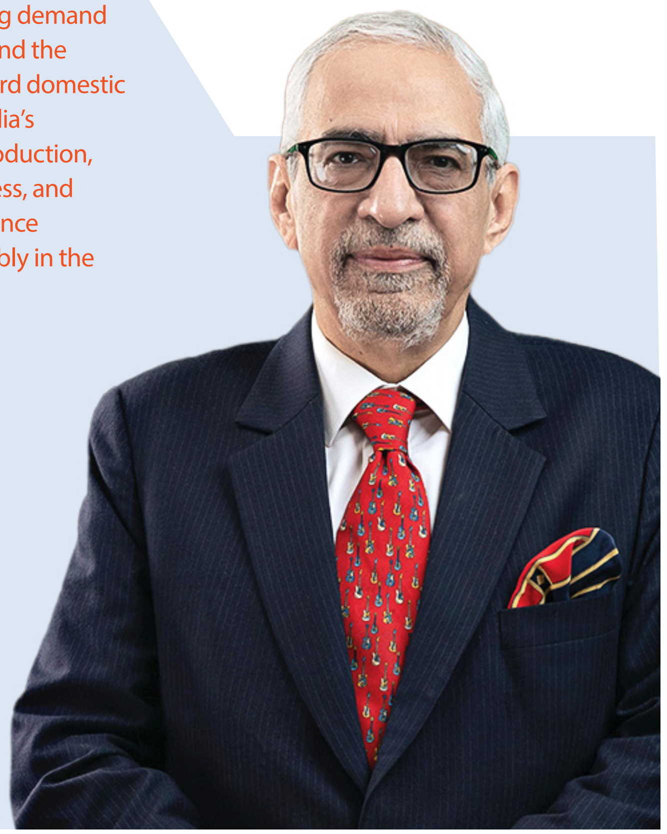
Operational Excellence

Our focus on operational excellence has yielded impressive results. By reducing waste production, boosting solvent recoveries, and refining yields, we have enhanced overall efficiency while minimizing environmental impact.

Chairman's Message

Accelerating Growth through Diversification and Backward Integration

> The API market holds significant growth potential, driven by increasing demand for generic drugs and the shifting focus toward domestic manufacturing. India's expertise in API production, cost competitiveness, and regulatory compliance positions us favorably in the global market.



Dear Shareholders,

I am delighted to present you our annual report for the FY 2022-23, reflecting our performance and progress during the year and outlining our vision for the future. The bygone year unfolded against the backdrop of a dynamic global economy, influenced by various factors including geopolitical tension, decade-high inflation, energy shortages and supply chain disruptions. In response to the high inflation, major developed and developing economies implemented tightening monetary policies.

Despite these headwinds, the Indian economy showcased remarkable resilience and demonstrated a strong growth trajectory. India's economy exhibited notable strength amidst the prevailing global pessimism on the support of robust retail consumption growth and increased private sector spending. The government's strategic focus on infrastructure development post-COVID and the successful revival of the service sector further fortified the economy. In fact, the World Bank has projected a robust GDP growth rate of 6.3% for India in the fiscal year 2023-24, positioning the country favorably amidst global uncertainties.

Industry context

Against this backdrop, the pharmaceutical and specialty chemicals sectors have emerged as key drivers of growth. The global pharmaceutical industry, valued at $1.5 trillion in 2022, is poised for steady expansion, with a projected compound annual growth rate (CAGR) of 3-6% over the next five years. India's pharmaceutical market, valued at $42 billion in 2021, is projected to grow at a CAGR of 13.9%, reaching $65 billion by 2024 and an impressive $120 billion by 2030.

The API market holds significant growth potential, driven by increasing demand for generic drugs and the shifting focus toward domestic manufacturing. India's expertise in API production, cost competitiveness, and regulatory compliance positions us favorably in the global market.

The specialty chemical sector in India has been experiencing sustained growth. India is anticipated to become a $850-1000 billion chemicals market by 2040, capturing a 10-12% share of the global chemicals market. The sector is projected to grow at a rate of 11-12% during 2021-27 and 7-10% during 2027-40, positioning India as a significant player in the global market.

These positive economic trends, coupled with favorable government initiatives and market dynamics, present substantial opportunities for our company. With our strategic focus on expanding our non-Ibuprofen business, initiating backward integration processes, and capitalizing on operational efficiencies, we are well-positioned to thrive in the evolving pharmaceutical and specialty chemicals sectors.

> To drive future growth and innovation, we have strategically identified key areas of focus in research and development (R&D). Our priority is to establish ourselves as a reliable and innovative API and chemicals supplier.

A year of resilient performance

In FY 2022-23, we achieved a revenue growth of from ₹2,216 crores to ₹2,243 crores. Our revenue from domestic operation reached ₹1,583 crores, while our exports contributed ₹634 crores. Segment wise, pharmaceutical segment played a pivotal role in our revenue growth, contributing ₹1,262 crores while our specialty chemicals segment contributed a revenue of ₹955 crores (net of intersegment), showcasing sustained growth in this thriving market. Our EBITDA for the year stood at ₹252 crores against ₹288 cores, while our Profit After Tax (PAT) was at ₹140 crores as compared to 166 crores. The decline in our profitability metrics was due to higher energy cost on account of geopolitical issues.

Strategic focus areas

To drive future growth and innovation, we have strategically identified key areas of focus in research and development (R&D). Our priority is to establish ourselves as a reliable and innovative API and chemicals supplier. Through the implementation of advanced technical methods, such as continuous flow reactions, we intensify the processing of our top products while eliminating unnecessary steps. We aim to enhance our API offerings by introducing new and complementary products. Moreover, our unwavering commitment to environmentally sustainable practices ensures the introduction of green alternatives, reducing carbon footprints while upholding uncompromised quality standards.

We strike a balance between in-house product development and strategic collaborations for R&D. Over the years, we have formed a skilled R&D team and built robust infrastructure to execute intricate chemical methodologies. Simultaneously, we have established strong partnerships with competent external institutes to scale up continuous processes and introduce enzyme reactions. Both in-house and external collaborations operate independently, ensuring our focus remains intact.

In terms of patents, and regulatory approvals, our R&D efforts have yielded better outcomes. We have secured three patents for our exceptional process in producing Sitagliptin, Valsartan, and Losartan products. In addition, our Pantoprazole, Paracetamol, and Levetiracetam have received CEP approvals. These achievements will help us drive growth in regulated markets, ensuring steady growth and revenue. Furthermore, our scientific prowess is likely to attract CDMO partners worldwide, further enhancing our long-term growth prospects.

Sustainability focus

Sustainability is at the core of our business values, and we have set ambitious goals and targets for the coming years. Our sustainability roadmap is already in motion, with a clear action plan for achieving water and carbon neutrality. We have signed the SBTi (Science-Based Target initiative) commitment, underscoring our dedication to sustainable practices. Our targets include a reduction in Scope-01 emissions by 45.21% and 100% reduction in Scope-02 emissions by 2035, based on the baseline emissions of FY 2021-22.

In line with our sustainability goals, we have been undertaking various operational excellence initiatives, addressing reduction in raw material consumption, energy and water usage, and waste generation. We have already made significant strides in using renewable energy sourced from green fuel. Our R&D team emphasizes sustainable manufacturing through green chemistry and efficient processes that consume fewer resources while minimizing cycle times and overall carbon intensity.

Digitalization is another key focus area for us, as we implement digital projects in manufacturing and R&D to achieve significant efficiencies and cost savings. By integrating digital technologies into every aspect of our work, we are positioning ourselves for a future-ready operation.

Way Forward

Looking ahead, we have planned strategic investments in infrastructure and technology. We are investing in renovating our R&D facilities, equipping them with cutting-edge instrumentation for synthesis and analytical labs. Furthermore, we are creating a new lab dedicated to process development, focusing on continuous flow reactions, electrolysis, and particle engineering activities. Investments in advanced wastewater recycling infrastructure, technology dryers for byproduct recovery and hazardous waste reduction, and sludge volume reduction further solidify our commitment to sustainable practices.

In conclusion, I would like to express my sincere gratitude to all our stakeholders for their continued support and trust. It is through our collective efforts that we have achieved remarkable growth and positioned ourselves for accelerated growth and sustainability. As we move forward, we remain steadfast in our commitment to driving growth, innovation, and sustainable practices. Together, let us create a brighter and greener future.

Warm regards,

Rajender Mohan Malla
Chairman

Message from Managing Director

Driving Growth, Innovation and Sustainability

Despite the challenging business environment, we have maintained financial stability and a strong balance sheet. Our prudent financial management and operational efficiency have ensured a solid foundation for sustainable growth

Dear Stakeholders,

It gives me immense pleasure to share our annual review for FY 2022-23. In a year marked by volatility, inflation and dynamic market conditions, we have navigated through headwinds with resilience and determination, staying true to our commitment to delivering sustainable growth and value.

Performance

During the year, we registered a margin revenue growth from ₹2,216 crores to ₹2,243 crores in FY 2022-23. This growth can be attributed to our strategic efforts in expanding our portfolio of API and specialty chemicals, as well as gaining access to European markets through recent certifications and regulatory approvals. While our profitability experienced temporary impacts due to rising input costs, we have taken proactive measures to mitigate these challenges. Our dedicated sub-division within the R&D and operational excellence teams has focused on eliminating redundant steps, improving yields through process innovation, and implementing backward integration to reduce operational costs and enhance competitiveness.

Diversifying API Portfolio: To strengthen our market position and boost sales, we have implemented strategies aimed at increasing our market penetration for non-ibuprofen APIs and diversifying our pharmaceutical product portfolio. By developing different grades of Ibuprofen catering to varying particle sizes and impurity profiles, we have successfully expanded our customer base. Additionally, our product line expansion of Ibuprofen derivatives has further enhanced our global demand. We are actively pursuing regulatory approvals for our non-Ibuprofen products in key markets, allowing us to capture new customers and broaden our market reach. Furthermore, we are prioritizing molecules that are soon losing patent protection, enabling formulators to secure necessary quantities for their ANDA submissions.

Expansion in Specialty Chemicals: Our commitment to growth extends to the specialty chemicals segment, where we have made strategic investments to expand our operations. We have invested approximately ₹55 crores to establish an acetic anhydride plant, adding significant production capacity that shall be used for captive purpose and merchant sale. This investment aligns with our objective to broaden our backward integration and capture new opportunities. Moreover, we have dedicated a team of senior members with expertise in chemistry and chemical engineering to drive the expansion and enhance our capabilities in this segment.

Financial Stability and Strategic Partnerships: Despite the challenging business environment, we have maintained financial stability and a strong balance sheet. Our prudent financial management and operational efficiency have ensured a solid foundation for sustainable growth. In addition, our strategic partnerships play a crucial role in enhancing our market position. We actively build and nurture these partnerships, leveraging shared expertise and resources to drive mutual growth and value creation. These collaborations enable us to access new markets, technologies, and distribution channels, strengthening our competitive advantage.

Capital Expenditure: We have strategically allocated approximately ₹200 crores in capital expenditure to support our business strategy. These investments focus on enhancing our existing operations, improving manufacturing and R&D facilities, and ensuring the highest quality and safety standards. All our capital expenditures align with our comprehensive 5-year business plans, reflecting our long-term vision and commitment to sustainable growth.

Integration of Sustainability

Sustainability is an integral part of our business operations, guiding our decision-making processes and driving our actions. From the integration of sustainability in our EHS policy to the early stages of R&D and project development, we are committed to reducing our environmental footprint and promoting sustainable practices. Our focus extends to enhancing process efficiencies, wastewater recycling, and minimizing our impact on the environment. In line with the COP25 commitments, we have developed a roadmap aligned with the 1.5-degree target, reinforcing our global presence and dedication to addressing climate change and environmental challenges.

Empowering Growth Together

In our journey towards excellence, we recognize the invaluable contributions of our exceptional team. At IOL, we believe in cultivating a nurturing environment that fosters growth, well-being, and professional development. By embracing diversity and promoting inclusivity, we create equal opportunities for all. Our employee-centric initiatives, such as comprehensive training and development programs, robust communication channels, and a strong focus on work-life balance, empower our employees to thrive and achieve their full potential. Together, we celebrate the strength of our people, driving success and creating a fulfilling and rewarding work experience.

Caring for the Communities

As a responsible corporate citizen, we recognize the importance of giving ba positive impact on the lives of the underprivileged. Our CSR initiatives encompass various areas, including education, healthcare, social upliftment, animal welfare, skill development, and promoting sports. From providing study materials and enhancing school infrastructure to supporting mental health initiatives and empowering incarcerated women through skill development, we strive to fulfil our role as a responsible corporate citizen, fostering a brighter and more inclusive future for all.

In our journey towards excellence, we recognize the invaluable contributions of our exceptional team. At IOL, we believe in cultivating a nurturing environment that fosters growth, well-being, and professional development

Way Forward

As we reflect on the accomplishments of the past year, I would like to express my gratitude to all our stakeholders for their unwavering support and trust. Together, we have overcome challenges and achieved significant milestones. Looking ahead, we remain committed to our strategic priorities, operational excellence, and sustainable growth. Through leveraging our strengths, fostering strategic partnerships, and embracing innovation, we are poised to seize emerging opportunities and create a brighter future for our company and stakeholders.

Warm regards,

Varinder Gupta

Managing director

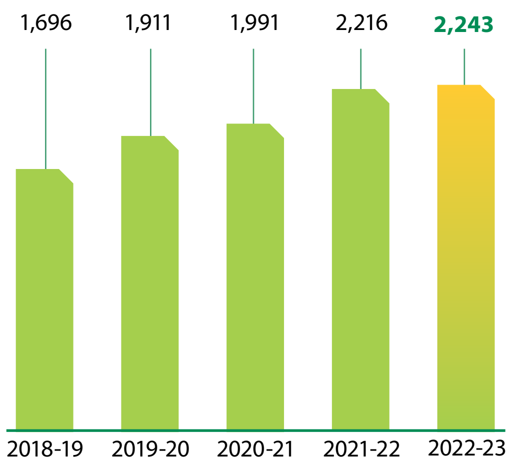
Key Performance Indicators

Financial Prudence for Sustained Growth

Our strong financial performance reflects our Company's resilience and strategic approach. We remain focused on driving growth by capitalizing on new opportunities and delivering value to our stakeholders. Our commitment to operational excellence and innovation will guide us in navigating a dynamic operating landscape.

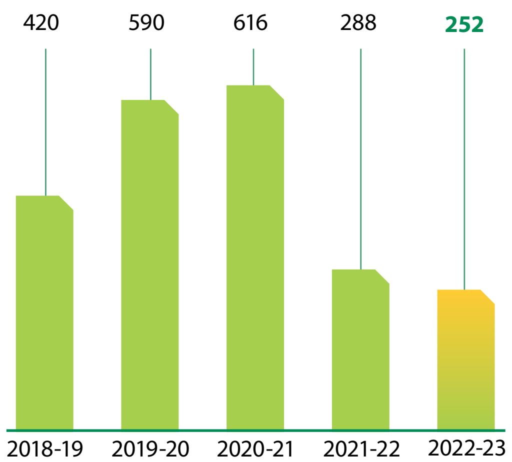
Revenue

(in ₹ cr)



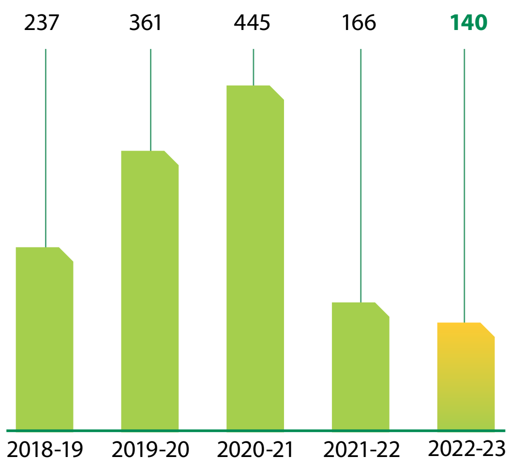
EBITDA

(in ₹ cr)



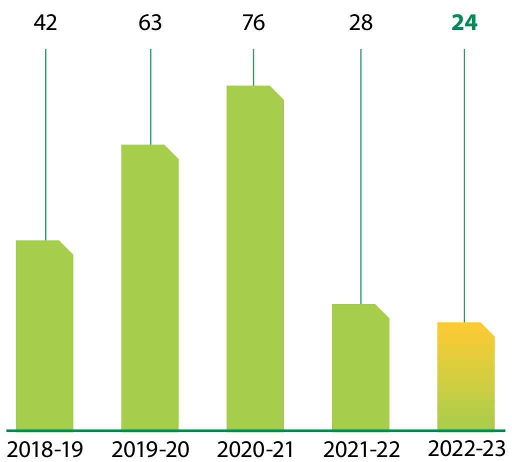
PAT

(in ₹ cr)



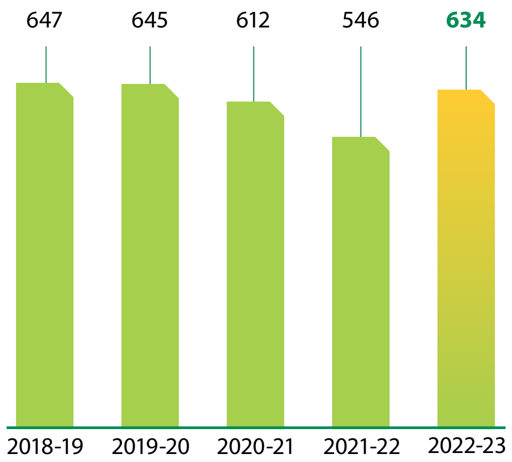
Earnings Per Share

(in ₹)



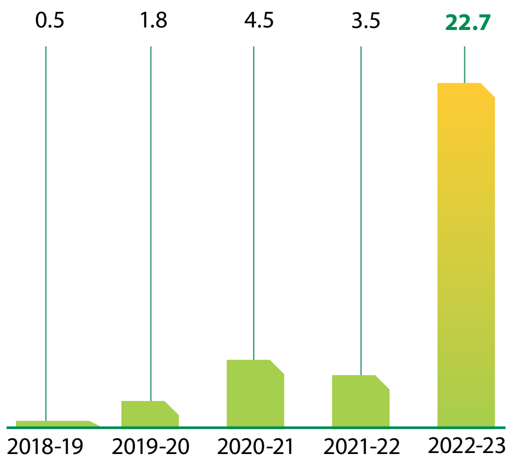
Exports

(in ₹ cr)



Investment in EHS Upgradation

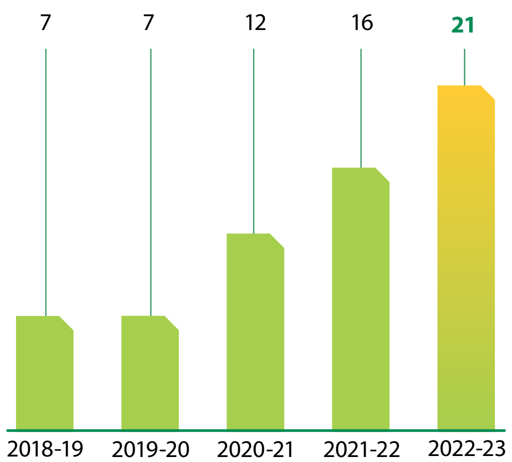
(in ₹ cr)



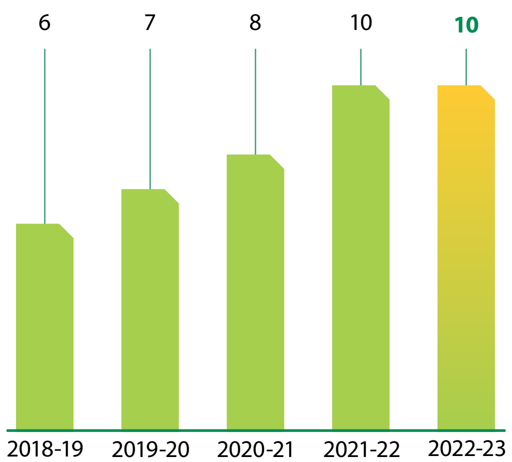
Operational

Investment in R&D

(in ₹ cr)

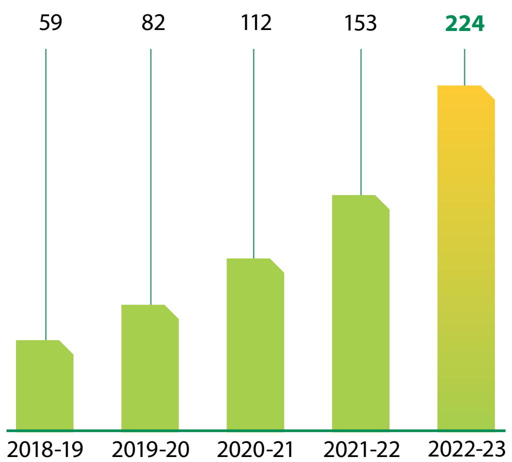


API Manufacturing Units

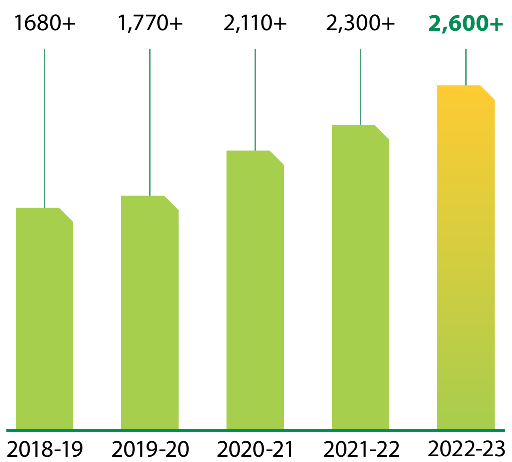


Capital Expenditure

(in ₹ cr)



No. of Employees



Strategy and Progress

Propelling Growth with Resilience and Forward Thinking

A comprehensive four-pronged strategy underpins our commitment to sustained growth and market leadership. With a focus on expanding our capacity, diversifying our business, targeting regulated markets, and optimizing asset utilization, we are poised to capitalize on emerging opportunities and deliver long-term value to our stakeholders.

Strategic Objective	Focus Areas	Progress
Improved Asset Utilization	We recognize the value of our existing assets and are dedicated to maximizing their potential. We aim to optimize our operations and increase productivity through efficient resource allocation and internal accruals. In addition, we are restructuring our product portfolio to align with market demands and fully leverage our assets.	During the last five years, the Company's turnover increased ₹983 crores to ₹2217 crores at a CAGR of 17.66%.
Focus on Regulated Markets	We strategically target regulated markets to expand our customer base and increase market share. By enhancing our product development plans and accelerating the filing of Drug Master Files (DMFs), we aim to strengthen our regulatory compliance and offer a broader range of high-quality products. We aim to file five or six DMFs per year, ensuring a robust pipeline for growth.	During the last five years the share of regulated market sale has increased from ₹100 crores to ₹300 crores. Filed six DMFs during FY 2022-23.
Expanding Non-Ibuprofen Business	While maintaining our leadership in Ibuprofen, we are actively diversifying our product portfolio. We have targeted non-Ibuprofen businesses to contribute 50% to our pharmaceutical industry by FY 2024-25. Through research, strategic partnerships, and targeted investments, we aim to enter new therapeutic segments and capitalize on emerging market opportunities.	Increased contribution of non-Ibuprofen drugs from ₹35 crores in 2018 to ₹476 crores in 2023, showing a steady upward trend over the years.
Capacity Expansion in Pharma & Chemicals	We are committed to meeting the growing demand for pharmaceuticals and chemicals. Capacity expansion projects are underway to increase our manufacturing capabilities in both sectors. This strategic initiative will enable us to fulfil market requirements, better serve our customers, and capture a larger market share.	Added more than 10 products since 2017 in APIs and in chemical, the Company is commissioning a new plant of Acetic Anhydride.

Risk Management

Managing Risks Proactively

Risk management is a fundamental aspect of our business operations that not only help us protect our business from risks but also allows us to maintain our competitive edge, ensure operational efficiency, and safeguard the interests of our stakeholders. Through our comprehensive risk management framework, we strive to proactively navigate uncertainties and seize opportunities in the dynamic business environment.

Risk Management Committee

Our Risk Management Committee oversees comprehensive risk assessment and mitigation across business, finance, operations, and compliance. The Committee analyzes various risks to understand potential threats and enhance our risk management framework and 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, fosters sustainable growth, and maintains stakeholder confidence.

Key Risks and Mitigation

● Risks ● Mitigation Measures

Regulatory Risk

- We operate in a highly-regulated pharmaceutical industry. Any non-compliance with regulations may adversely impact our operations.
- To ensure adherence to the requirements set forth by the Indian and international regulatory agencies, we conduct routine internal and external inspections and audits.

Operational Risks

- Increase in raw material prices could impact our performance.
- We address these challenges through regular agreements with suppliers, ensuring steady access to raw materials and optimizing resource utilization. Moreover, we developed in-house production capabilities for critical raw materials used in bulk pharmaceuticals, ensuring uninterrupted supply. We have also implemented robust sourcing programs to this end. This approach includes increasing purchasing efficiency through multiple sources, long-term contracts, and strategic sourcing methodologies for significant expenses. Finally, we have pursued backward integration for essential starting materials, such as Ibuprofen. We actively explore alternative routes for synthesizing Metformin and Gabapentin, enhancing our risk mitigation.

Debt Risk

- Possibility of default to meet its obligations because of unavailability of funds to meet debt and operational requirements.
- Currently, our Company does not have any remaining balance on its term loan. Moreover, we regularly create cash flow estimates to evaluate the availability of financing and take appropriate measures accordingly.

Geographic Risk

- Significant concentration in a particular market could be a risk in the event of downturn in that region.
- Our customer base is spread across most Indian states, effectively minimizing geographical risk. We have expanded our customer base to over 80 nations globally to mitigate this risk further. In addition, we cater to multiple industrial customers who require the same product, enhancing our market reach and reducing reliance on a single customer segment.

Technological Risk

- Technological advancement could result in asset obsolescence warranting a high cost of replacement.
- Our manufacturing, processing, and quality control practices employ cutting-edge technology. Our Research & Development cell drives innovation. Deployment of SAP HANA ERP enhances our business processes. LIMS integration optimizes material testing. CRM implementation tracks new customer development. We are currently integrating LIMS and CRM with SAP HANA. We aim to stay ahead by leveraging technology for operational excellence and delivering exceptional products and services.

Environmental, Health and Safety Risk

- Non-compliance with environmental regulatory issue might affect operations.
- To ensure compliance with environmental requirements, we conduct regular internal inspections and audits. We maintain a legal register and regularly review all applicable EHS compliances. Securing all necessary environmental permits and consents is a priority for our Company. In addition, we have obtained ISO 14001:2015 EMS Standard certification, highlighting our commitment to environmental management.

  Integrating EHS into all aspects of our business is central to our operations. We prioritize employee health and safety, managing it through occupational health and safety management systems. Our fully equipped Occupational Health Center, led by a qualified Factory Medical Officer and skilled nurses, supports this commitment. Furthermore, we have achieved ISO 45001:2018 OHS certification, emphasizing our dedication to occupational health and safety.

Competition Risk

- We face competition from indigenous as well as foreign players.
- To effectively mitigate the risk of competition, we consistently strive to enhance the quality and capacity of our products. Additionally, we prioritize cultivating long-term client relationships by continuously delivering improved services. Our quality control department plays a vital role in ensuring high-quality products for our consumers, as they have implemented a diverse range of quality assurance measures.

Foreign Exchange Risk

- We are exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US dollars, on revenue and supplies.
- We regularly analyze our exposure to foreign exchange risk and take necessary hedging measures when required, even though our foreign currency risk is naturally hedged as we import and export items.

Human Capital Risk

- Acquisition and retention of right talent is critical to maintain desired operational standards.
- We have a dedicated team of professionals who oversee the recruitment and training of our human capital. We prioritize providing them with a favorable work environment and ample personal growth and development opportunities.

Environment

Contributing Towards A Greener Future

Environmental sustainability is at the core of our operations, and we prioritize sustainable practices to minimize our environmental impact. Our focus remains on continuous improvement, innovation, and compliance with environmental regulations as we strive to contribute towards a greener future.

Water Management

We recognize the importance of responsible water management and have implemented several initiatives to reduce water consumption and promote water conservation

6 CLEAN WATER AND SANITATION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

Zero Liquid Discharge (ZLD) Facility

We have adopted the latest wastewater treatment technologies to enhance environmental compliance and conserve water resources and established a state-of-the-art ZLD facility. This facility allows us to treat and recycle water, reducing reliance on freshwater sources.

Smart Water Management Practices

We have implemented various smart water management practices, including installing water-saving nozzles, online water sensors in taps to avoid wastage, and automated water transfer systems to prevent overflow. Moreover, dual plumbing systems in toilets enable us to use treated water from our Sewage Treatment Plant (STP) for flushing, conserving fresh water.

Groundwater Conservation

We aim to reducing groundwater consumption and promoting the use of surface water sources wherever feasible. This practice helps preserve groundwater resources and supports sustainable water management.

Condensate Reuse

We actively recycle condensate generated from our processes, such as from the Ethyl Acetate plant, for use in cooling towers as makeup water. This practice minimizes freshwater usage and maximizes the utilization of internal water resources.

>80%

Steam condensate recovery

Reduction in Freshwater Consumption in Cooling Towers

Over FY 2021-22, we significantly reduced 162 kilolitres/day (~83.5%) of freshwater consumption for cooling towers. This reduction was possible due to the increasing generation of recycled water from our Zero Liquid Discharge (ZLD) facility and the implementation of other water-saving measures.

83.5%

Reduction in freshwater consumption in cooling towers

Environment

Emission Control and Energy Management

We strive to mitigate our carbon footprint and manage energy consumption by implementing energy-efficient technologies, renewable energy sources, and other sustainable practices. We have installed a Continuous Air Quality Monitoring System (CAAQMS) to monitor real-time concentrations of all key pollutants in ambient air.

Renewable Energy Usage

We are committed to utilizing renewable energy sources to reduce our environmental impact. In our cogen plant, we achieved a remarkable 99% usage of renewable energy by employing green fuel rice husk, minimizing our reliance on fossil fuels.

Emission Reduction

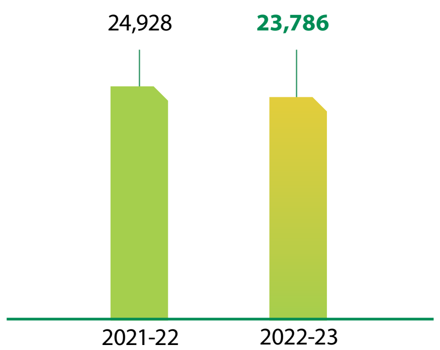
Our continuous efforts have resulted in a 4.58% reduction in Scope-01 greenhouse gas (GHG) emissions during FY 2022-23. These emissions reduction initiatives are aligned with our sustainability roadmap and contribute to combating climate change.

Energy Efficient Technology Adoption

We have achieved energy savings and reduced our carbon footprint through technological advancements and equipment upgrades. These initiatives include turbine upgradation, waste heat utilization projects, steam and water conservation practices, and integrating energy-efficient equipment.

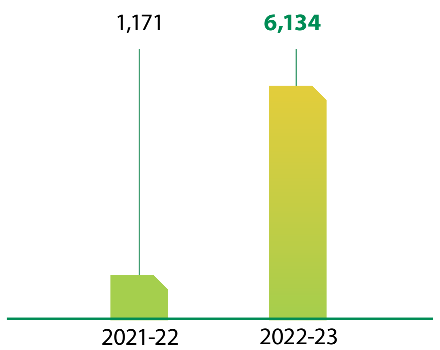
Scope-01 Direct emission

(t CO_2e)



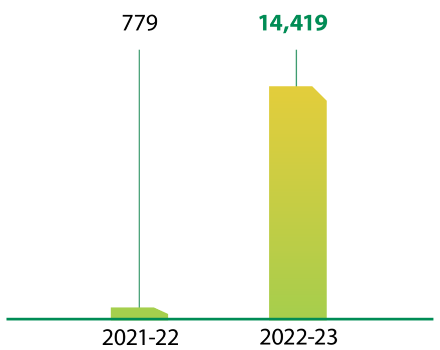
Scope-02 Indirect emission from imported energy

(t CO_2e)



Scope-03 Indirect Emissions from transportation of Products and Services used/sold

(t CO_2e)



Waste Management

We are dedicated to responsible waste management practices and have implemented measures to minimize waste generation and promote recycling.

Waste Segregation

Hazardous and non-hazardous waste is segregated at the source and disposed of in compliance with applicable legal requirements. Non-hazardous waste is sold to authorized recyclers, while hazardous waste is disposed of to TSDF (Treatment, Storage and Disposal Facility), co-processing, pre-processing and sold to authorized recyclers.

Waste Reduction and Recycling

We continuously strive to reduce waste generation and improve recycling practices. This system includes exploring opportunities for waste reduction at the source, implementing waste segregation initiatives, and collaborating with approved recycling vendors to dispose of waste materials responsibly.

Recycling of Packaging Materials

We actively promote the recycling of packaging materials used in our operations. By working with certified recyclers, we ensure that these materials are properly recycled and do not contribute to environmental pollution.

We aim to improve our environmental performance while driving operational efficiency continuously. Our focus on cost controls, productivity enhancement, and waste reduction has yielded significant results.

Biodiversity and Conservation

We understand the importance of biodiversity and conservation and are committed to preserving and protecting the ecosystems in which we operate.

Environmental Impact Assessments

Before undertaking significant projects or expansions, we conduct thorough environmental impact assessments to identify and mitigate potential impacts on biodiversity and ecosystems.

Conservation of Green Belts

We maintain green belts and plantations within our premises to support biodiversity and ecological balance. We utilize efficient irrigation systems, such as sprinklers, to minimize water usage while ensuring the health and vitality of these green spaces.

Compliance with Environmental Regulations

We adhere to all applicable environmental regulations, standards, and guidelines to ensure compliance and minimize ecological impact.

Social-People

Nurturing a Diverse and Skilled Workforce

Our employees are the driving force behind our growth and progress. We deeply value their contributions and are dedicated to positively impacting their lives by fostering a nurturing environment. We aim to cultivate their growth, well-being, and professional development, thus enabling a mutually rewarding journey towards shared achievements.

Fostering an Inclusive Work Environment

We embrace diversity and foster an inclusive work environment. We ensure equal opportunities by implementing diversity recruitment initiatives through lateral and campus hiring. Our commitment to inclusion is the hallmark of our various initiatives, such as celebrating birthdays, anniversaries, festivals, and religious occasions. We provide subsidised food and transportation facilities to promote employee well-being. In addition, we offer voluntary medical insurance for family members and parents, further enhancing the sense of belonging and support within our diverse workforce.

Employee Engagement

We prioritize employee engagement by fostering strong communication channels. Our town hall meetings, safety committee meetings, works committee meetings, and canteen committee meetings provide platforms for open dialogue. In addition, our Black Belt and Green Belt programs drive operational excellence, while our Professional Skill Development and Doctorate Policies support continuous growth and learning for our employees.

Training and Development

We prioritize the growth and development of our employees through comprehensive training and development initiatives. We conduct training programs tailored to the specific needs identified through our Training Needs Identification (TNI) process. We leverage internal subject matter experts and external resources to ensure a well-rounded learning experience. On-the-job training provides practical learning opportunities, combining theoretical knowledge with hands-on experience.

Our performance management approach fosters career progression through the Step-Up and Step-Down framework, accompanied by internal job postings and promotions. Additionally, we offer various training and development opportunities to enhance skills and knowledge. Our mentoring and coaching program further supports individual growth, providing guidance and support throughout the journey. At IOL, we empower our employees through continuous learning and career advancement.

16

Training hours per employee

Employee-Centric Initiatives

Ensuring Work-Life Balance

We believe in promoting a balanced and fulfilling life for our employees. We offer wellness programs to give importance to their physical and mental well-being. We conduct regular yoga sessions to enhance relaxation and mindfulness—team-building activities, including sports tournaments, fostering camaraderie and a sense of belonging among our workforce. We strive to create a supportive and holistic environment beyond the workplace.

Enhancing Employee Experience

To enhance our employee experience, we conducted the IOL Chemicals Member Experience Survey, gaining valuable insights to customize our programs. This commitment allows us to meet our workforce's unique needs and aspirations effectively.

Rewards and Recognition

We have comprehensive rewards and recognition programs that acknowledge and honor the exceptional contributions of our talented workforce.

This year, we introduced three prestigious awards, recognizing excellence and fostering a culture of achievement throughout our organization.

- 'Pat on the Back' award,
- IOL's Champion Award,
- IOL's Excellence Award,

Safety and Wellbeing

To ensure social accountability and ethical practices, we have adopted the SA 8000:2014 standard as a benchmark, ensuring fair labor practices, ethical principles, and a safe working environment. This commitment promotes employee well-being, a positive workplace, and sustainable growth.

Social-Communities

Contributing Towards Stronger Communities

Through our dedicated CSR wing, IOL Foundation, we are committed to making a difference in the lives of communities surrounding our operations. Our CSR initiatives enhance well-being and uplift the underprivileged sections of society. We strive to create sustainable and meaningful change through our philanthropic efforts, reflecting our core values and commitment to social responsibility.

₹9.47 cr

Total CSR spend in FY 2022-23

Education

We firmly believe that education is a crucial force that empowers individuals. In line with this commitment, we have donated study materials to Pustakaar, Hyderabad, enabling children to access resources for enhanced learning and equal opportunities. Through our contribution, we aim to uplift these children and empower them to thrive in society.

School Infrastructure

The Government Senior Secondary Smart School in Mundian Kalan has undergone extensive infrastructure development to enhance its facilities. These developments include the installation of interlocking tiles at the mid-day meal area, the construction of a dedicated dishwashing area, the installation of manhole covers, and the implementation of underground PVC pipeline work. These improvements aim to provide students and staff with a safer and more efficient learning environment.

Healthcare

In our commitment to enhancing healthcare infrastructure, we have invested significantly in constructing a Half Way Home for Mental Illness, Braille Bhawan - a home for individuals with mental illness. The project includes various works such as boundary wall construction covering 2,750 square feet, toilet renovation, interlocking at the backside area, sewage pipeline work, construction of a dishwashing area, and paintwork. To ensure safety and security, we have also installed CCTV systems. These collective efforts aim to improve the healthcare environment and contribute to the well-being of needy individuals.

IOL renovated the Examination Hall & Physiology Lab at Christian Medical College (CMC) Ludhiana, and installed sophisticated multiple medical machines and equipment.

Combating TB with a Holistic Approach

Tuberculosis, caused by Mycobacterium tuberculosis, is a serious disease affecting mainly the lungs. While medication is provided for free to poor patients by the government, proper nutrition remains a challenge. Understanding this, IOLCP has partnered with Red Cross Barnala to provide nutrition kits to 300 TB patients for the next six months, taking a holistic approach to help them beat the disease. With a balance of medication and nutrition, IOLCP and Red Cross Barnala aim to support these patients in their fight against TB.

Sensitising Underprivileged Adolescent Girls about Menstrual Hygiene

In our commitment to promoting personal hygiene and well-being, we have partnered with the IOL Foundation and the SA Social Welfare Charitable Trust, Delhi, to provide essential sanitary pads to economically disadvantaged adolescent girls in underprivileged regions. We aim to raise awareness and ensure access to proper menstrual hygiene management for all. Through this collaboration, we have successfully reached out to below-poverty-line females in remote and underdeveloped areas, offering them the necessary support and resources they need.

Social Upliftment

In collaboration with the National Career Center for Differently Abled Ludhiana and FICCI FLO Ludhiana, IOL Foundation has provided an e-rickshaw to enhance the independence of a deserving individual. This initiative aims to support social upliftment by enabling them to lead self-reliant lives and contribute to their communities. We remain committed to fostering a more inclusive and equitable society through such impactful endeavours.

Animal Welfare

We prioritize animal welfare as one of our utmost responsibilities. We recently undertook a project at Shri Radhe Krishna Godham in Abadi Akalgarh, Sudhar. We carried out tile interlocking and ground levelling to prevent rainwater logging in cowsheds. Our efforts aim to provide a safe and comfortable environment for the well-being of these animals, reflecting our dedication to animal welfare.

Skill Development

At IOL Foundation, we recognize the transformative power of skill development in fostering self-reliance and independence. In line with our commitment to uplift society, we recently donated sewing machines to the Women's Block at Tajpur Jail in Ludhiana. This initiative aims to engage and empower incarcerated women through skill development programs, enabling them to build a better future for themselves. We believe in the potential of skill development to create opportunities and bring positive change to individuals and communities.

Plantation for a Healthier Environment

In line with our impactful CSR initiatives, we launched a plant cultivation program in neighboring communities and educational institutions. Some notable locations include Dhoorkot, Dhaula, Sekha Road Barnala, Government School, Dhanaula Khurd, and Pakho Kalan, among others. Our mission is to create a greener and healthier environment, achieved through successful tree and plant planting efforts that significantly enhance the overall well-being of these areas.

Governance

Guided by Visionary Leadership

We prioritize 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, fostering a management culture that upholds the highest standards of corporate governance and promotes transparency across all aspects of our organization.

Adhering to Our Core Governing Principles

01 Composition of the Board to add value

02 Recognition and management of business risks

03 Promotion of ethical and responsible decision-making

04 Respect for the rights of shareholders

05 Safeguarding integrity in financial reporting

06 Recognition of the legitimate interests of stakeholders

07 Timely and balanced disclosures

08 Legal and statutory compliance in letter and spirit

Committees

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

MR. RAJENDER MOHAN MALLA
Chairman and Independent Director

Mr. Rajender Mohan Malla is an accomplished professional with a Bachelor's degree in Commerce from Shri Ram College of Commerce, an M.Com degree from the University of Delhi, and an MBA from the University of Delhi's Faculty of Management Studies.

With a distinguished career spanning four decades, he has held senior roles in prominent banks and financial institutions, including IDBI Bank Ltd., SIDBI, IFCI, and PTC India Financial Services Limited. He served as the MD & CEO of PTC India Financial Services Limited (PFS) from 2013 to 2015 and as CMD of IDBI from 2010 to 2013. Mr. Malla's extensive expertise and leadership experience will significantly contribute to our organization's growth and success.

DR. SANDHYA MEHTA
Independent Director

Dr. Sandhya Mehta is the Principal of Guru Nanak Institute of Management & Technology. She has an experience of over 25 years in Industry and Academics. She has seven books and numerous National and International Journals publications to her credit. The Indian Society of Technical Education awarded her 'Best Teacher'.

MR. VARINDER GUPTA
Managing Director

Mr. Varinder Gupta is an industrialist with vast and rich experience of over 36 years in the chemical and pharma industry. His comprehensive approach and robust oversight of the pharma and API industry have driven innovation and excellence in the organization.

MR. VIKAS GUPTA
Joint Managing Director

Mr. Vikas Gupta, an alumnus of Kings College, London, holds B.Sc. (Hons.) in Business Management qualification, is academically equipped with the knowledge and possesses organizational capacity. He has worked and been a part of IOL's strategic department and has played a major role in guiding the Chemical and Pharmaceutical business of the Company. He has been vital to the organization's functioning over the last eight years.

MR. ABHIRAJ GUPTA
Executive Director

Mr. Abhiraj Gupta, 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 possesses the requisite qualifications and experience related to the Company's business. He is currently responsible for the non-Ibuprofen API and chemical business, R&D, regulatory and digital marketing of the Company. Under his leadership, the non-Ibuprofen API business is performing well.

MR. HARPAL SINGH
Independent Director

Mr. Harpal Singh, a Chartered Engineer and Fellow of the Institution of Engineers (India) has over 35 years of experience in banking and financial services. Mr. Singh is also a Certified Associate of the Indian Institute of Bankers. Most recently, he was the General Manager of Punjab National Bank and has headed the entire operations of the Bank in the State of Punjab.

MR. KUSHAL KUMAR RANA
Director (Works)

Mr. Kushal Kumar has a strong technical background, having a bachelor's in chemistry, physics, and math and a master's in chemistry. He has rich experience of over 31 years in the pharmaceutical industry in companies like Morepen Laboratories and Chemiplast Industries. His expertise lies in looking after quality assurance, quality (QA & QC), and regulatory and statutory compliances.

MR. SHARAD TYAGI
Independent Director

Mr. Sharad Tyagi has a degree in engineering from Delhi University and an MBA from IIM Ahmedabad. He has over 36 years of entrepreneurship experience in India and foreign markets, encompassing pharmaceuticals, OTC, automotive catalysts, and specialty chemicals. He was the Managing Director of Boehringer Ingelheim (BI) in India from 2009 to 2020. His previous positions include Senior Vice President, API and Global Head of the API Business at Dr. Reddy's (2007-2009) and Country Manager India and Director Strategy Asia - Engelhard Corporation (1996-2006).

Management Discussion and Analysis

Global Economic Overview

In 2022, the global economy faced a series of unforeseen challenges that impacted the global GDP growth. The year began with an optimistic outlook, but the surging inflation, supply chain disruptions, tightening monetary policies, inflationary pressures, and concerns of a potential recession. During the year under review, global inflation reached 8.7%, causing concerns about its impact on consumer purchasing power and overall economic stability.

One notable factor contributing to the economic fluctuations was the persisting impact of the COVID-19 pandemic. China, in particular, witnessed a temporary decline in growth during the fourth quarter of 2022 as it grappled with a surge in COVID-19 cases. Europe also confronted its own set of challenges. The region faced acute energy shortages, which affected industrial production and economic growth.

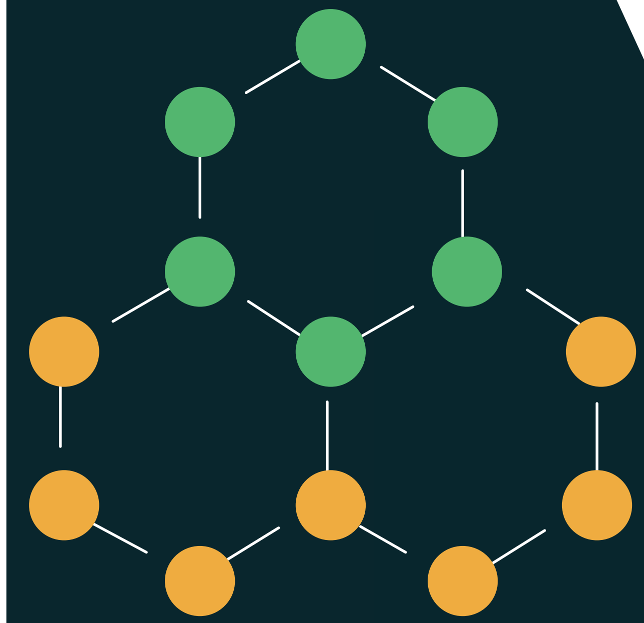
Considering these factors, the overall world economy recorded a GDP growth rate of 3.4% in 2022, significantly lower than the robust growth of 6.1% witnessed in the previous year, according to the International Monetary Fund (IMF). The lower growth rate reflected the difficulties and uncertainties that marked the global economic landscape throughout the year.

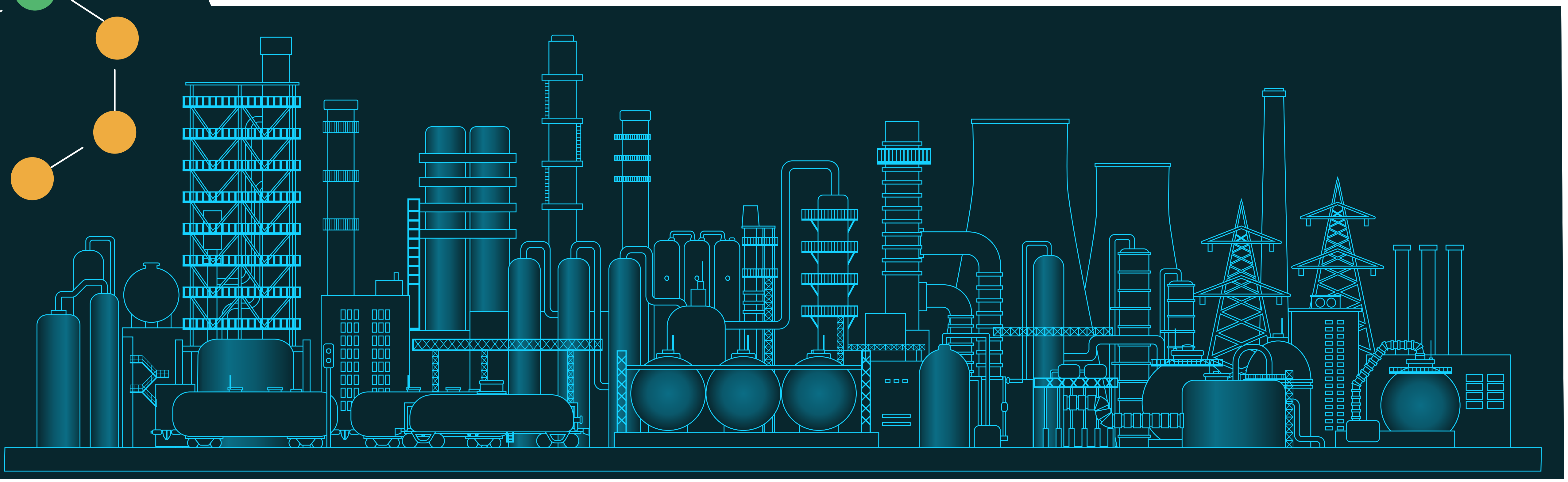
Despite the challenges, there are signs of recovery with inflation is projected to decline to 7.0% in 2023, offering some relief and contribute to economic stabilization. The IMF remains cautiously optimistic, forecasting a global growth rate of 2.8% in 2023. While geopolitical tensions and trade conflicts persist, collective efforts in addressing supply chain disruptions, implementing appropriate monetary policies, and promoting global cooperation can contribute to sustained growth and economic recovery in the years ahead.

Global GDP Growth

(%)

	FY 2021	FY 2022	FY 2023
World GDP	3.4	2.8	3
Advanced Economies	2.7	1.3	1.4
Emerging Markets	4	3.9	4.2





Indian Economic Overview

Amid a challenging global scenario, the Indian economy showcased resilience and emerged as the world's fastest-growing major economy in FY23. With a GDP growth rate of 7.2%, driven by private consumption growth, continued investments and net exports. India demonstrated robust growth despite global factors, input cost escalation, and disparities in disposable income distribution. In response to inflationary concerns, the Reserve Bank of India (RBI) took proactive measures by raising the repo rate.

India's economic reforms have been instrumental in fostering growth. The country's formalization drive has enhanced transparency, benefiting businesses. Initiatives like 'Aatmanirbhar Bharat' and 'Make in India' have propelled the manufacturing sector, positioning India as a potential manufacturing hub.

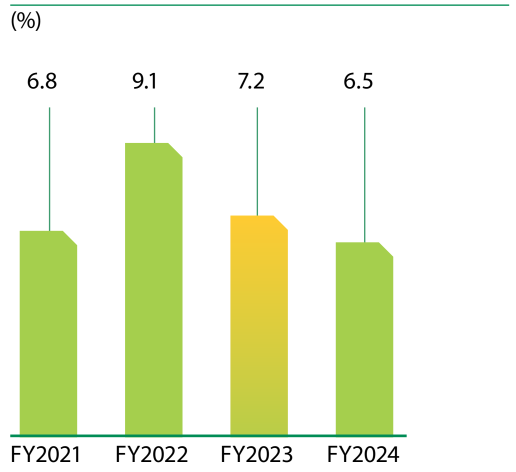
Looking ahead, India's GDP is projected to grow at a rate of 6.5% in FY 2023-24, indicating a positive outlook. The central government's commitment to significantly increase capital expenditure, despite targeting a lower fiscal deficit of 5.9% of GDP, will act as a catalyst, stimulating demand and fueling economic growth.

Inflation is projected to moderate to 5% in FY 2022-23, assuming a decline in oil and food prices. Subsequently, it is expected to slow further to 4.5% in FY 2023-24 as inflationary pressures subside. Monetary policy is anticipated to be tighter in FY2022-23 due to persistent core inflation, gradually transitioning to a more accommodative stance in FY 2023-24.

The current account deficit is forecasted to decline to 2.2% of GDP in FY 2022-23 and further reduce to 1.9% in FY 2023-24. Meanwhile, growth in goods exports is expected to moderate in FY 2022-23 before regaining momentum in the subsequent years.

Overall, the Indian economy presents a positive outlook for FY 2022-23 and FY 2023-24, driven by improving labour market conditions, increased capital expenditure, inflation moderation, and a projected decline in the current account deficit. These factors are poised to sustain economic growth and foster stability in the years ahead.

Indian GDP Growth



Management Discussion and Analysis (Contd.)

Global Industry Overview

Chemical Industry

The global chemicals market exhibited robust growth, increasing from $4700.13 billion in 2022 to $5079.29 billion in 2023, achieving a CAGR of 8.1%. However, regional dynamics played a significant role in shaping its trajectory. The Russia-Ukraine war had far-reaching consequences, disrupting global economic recovery from the COVID-19 pandemic. This conflict led to economic sanctions, supply chain disruptions, and surging commodity prices, triggering inflationary pressures worldwide.

Europe encountered challenges in the chemicals market, grappling with higher energy prices and disruptions in supply chains. As a result, Europe transitioned from being a net exporter to a net importer of chemicals for the first time. Nonetheless, Europe remains a prominent player in the industry, actively driving innovation and sustainability initiatives.

The US chemicals sector faced its unique set of obstacles, including supply chain disruptions and production halts. Despite these challenges, the industry showcased resilience compared to other regions. The decreased supply of chemical fertilizers from Ukraine propelled increased prices and exports of US-produced fertilizers.

China maintained its position as the world's largest producer and consumer of chemicals, accounting for approximately 45% of the global chemical market. However, Chinese chemical production experienced a decline in 2022 due to COVID-19 restrictions, with significant manufacturing hubs like Shanghai operating at minimal capacity due to lockdown measures and workforce quarantines.

Looking ahead, the chemicals market is projected to reach $6851.59 billion by 2027, with a CAGR of 7.8%. The industry's growth will be fueled by rising demand in sectors such as manufacturing, construction, automotive, and healthcare. Moreover, advancements in technology and a growing emphasis on sustainability practices will shape the future landscape of the chemicals market.

[Source: Research and Markets, American Chemistry Council, Chemical Industry Association]

Specialty Chemicals Sector

The global specialty chemicals market, valued at USD 272.6 billion in 2022, is projected to reach USD 364.8 billion by 2028, growing at a CAGR of 5.0% from 2023 to 2028. The market's growth is driven by various factors, including the increasing demand for specialty chemicals in construction, water treatment, electronics, pharmaceuticals, food and feed additives, flavors and fragrances, and other sectors. These industries rely on specialty chemicals to enhance product performance and meet specific requirements.

Advancements in process technology and trade liberalization have also contributed to the growth of the specialty chemicals market. These factors enable manufacturers to develop innovative solutions, expand their customer base, and enter new markets. Additionally, the growing focus on sustainability and environmental concerns presents opportunities for specialty chemicals that offer eco-friendly and sustainable solutions.

In terms of market dynamics, Asia Pacific stands out as the largest and fastest-growing market for specialty chemicals. The region benefits from rapid industrialization, a growing middle class, and the expansion of end-use industries. Asia Pacific's demand for specialty chemicals is particularly driven by the packaging and automotive applications.

However, the specialty chemicals market faces challenges due to government regulations and environmental standards that impose strict rules on companies. Compliance with these regulations requires significant investments in testing, research and development, and documentation. Additionally, the market is influenced by the volatility in raw material prices, which can impact manufacturing costs and profit margins.

[Source: Grand View Research]

Pharmaceuticals Industry

The global pharmaceutical market is undergoing transformative changes and exhibiting resilience. In 2022, global spending on medicines increased to $1.48 trillion, reflecting the industry's ability to adapt to challenges. Looking ahead, the market is projected to grow at a CAGR of 3-6% from 2023 to 2027, reaching approximately $1.9 trillion. The growth will be driven by improved healthcare access, increasing demand for chronic and sub-chronic therapies, and the introduction of innovative medicines. The rise of specialty medicines and biotech is reshaping the industry, with biosimilars generating significant savings. Oncology is expected to experience remarkable growth, while immunology may face competition from biosimilars.

Regional trends show diverging growth rates, with developed markets growing slower than emerging Pharmerging markets. The United States will see steady growth, while China may face pricing pressures. India, Latin America, and Eastern Europe are emerging as fast-growing regions in pharmaceutical spending.

[Source: IQVIA Global Medicine Use 2023]

API (Active Pharmaceuticals Ingredients) Sector

The global active pharmaceutical ingredients (APIs) market was valued at $ 222.4 billion in 2022 and is expected to grow at a CAGR of 5.90% from 2023 to 2030. The growth will expansion is fueled by various factors, including advancements in API manufacturing techniques and the rising prevalence of chronic diseases like cardiovascular diseases and cancer. Furthermore, favorable government policies supporting API production and evolving geopolitical dynamics contribute to the overall growth of the market. The API sector has also undergone significant transformations due to the disruptions caused by the COVID-19 pandemic, leading to changes in supply chains and preferences for API sourcing.

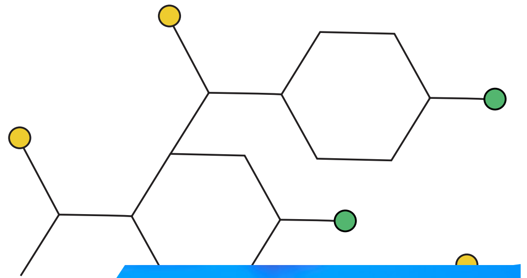
The increasing focus on research and development activities for novel drug development, coupled with favorable government regulations, has propelled the market for innovative APIs. Extensive research efforts have yielded promising outcomes, leading to the development of several innovative products expected to be launched during the forecast period. This trend not only fosters market expansion but also encourages new players to enter the segment, driving further growth and competition.

The demand for targeted therapies featuring high potency API compounds, including highly potent active pharmaceutical ingredients (HPAPIs), has witnessed a significant surge. Personalized medicines, particularly those leveraging antibody-drug conjugates (ADCs) that utilize linker technology to target cancer cells, have gained traction in the pharmaceutical industry. As pharmaceutical companies pursue the development of such advanced therapies, the market for ADCs and similar innovative treatments is expected to experience robust growth.

Furthermore, the expiration of patents for branded molecules plays a pivotal role in the flourishing market of generic API drugs. This has led to an increase in the production and adoption of generic API medications, particularly in countries like Brazil and India, where there are substantial unmet clinical needs and a growing acceptance of over the counter (OTC) drugs.

The global API market has undergone significant changes due to the supply chain disruptions caused by the COVID-19 pandemic. Geopolitical considerations and the need to reduce dependency on China for API products have led to a shift in preference towards countries like India for API exports. Governments of various countries have recognized the importance of API production and have formulated plans and incentives to promote domestic API manufacturing, ensuring a more robust and resilient supply chain.

[Source: Grand View Research]



Management Discussion and Analysis (Contd.)

Indian Industry Overview

Chemical Industry

India's chemical industry is a vital and diverse sector that encompasses bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. With a global market presence, India ranks among the top exporters and importers of chemicals.

The industry is fueled by several key growth drivers. Firstly, India's strong position in agrochemical production positions it as the fourth-largest producer globally. In addition, India plays a significant role in dyestuffs and dye intermediates, capturing a substantial global market share. These factors contribute to the industry's expansion and prominence in the international market.

The Indian government recognizes the chemical industry's importance and has implemented various initiatives to support its growth. Measures such as mandating certification for imported chemicals and introducing production-linked incentive (PLI) schemes have been put in place. These initiatives aim to prevent the influx of substandard chemicals, promote domestic manufacturing, and drive exports.

Furthermore, the government's commitment to the industry is evident through budget allocations. In the Union Budget 2023-24, ₹173.45 crores was allocated to the Department of Chemicals and Petrochemicals, highlighting the government's focus on fostering the sector's development.

The outlook for the Indian chemical industry is optimistic, with strong growth projected in the coming years. The industry is expected to contribute significantly to India's GDP, and an investment of ₹8 lakh crores (US$ 107.38 billion) is estimated in the chemicals and petrochemicals sector by 2025.

With favorable government policies, investment prospects, and increasing demand for chemical products, the Indian chemical industry is poised for continued expansion and will play a pivotal role in driving the country's manufacturing sector and overall economic growth.

Specialty Chemicals Sector

Specialty chemicals accounting for 22% of the overall chemical sector and valued at $32 billion. These chemicals play a crucial role in various industries, including food, automotive, real estate, clothing, and cosmetics, among others. Driven by rising demand for value-added products, both domestically and through exports, India's specialty chemicals industry has experienced remarkable growth. It is projected to reach $64 billion by 2025, with a promising CAGR of 12.4%.

India offers a competitive advantage as a specialty chemical manufacturing hub, with factors such as reduced operational cost disparity with China, ample feedstock availability, skilled labor, favorable government policies, and strong intellectual property protection. The "China plus one" offshore strategy has further enhanced India's position as a preferred destination for specialty chemical production. To bridge the export capacity disparity with China, India has the potential to scale up production and expand its export capacity in various specialty chemical segments. Improving productivity and competitiveness in areas such as electronics, food additives, rubber, flavors, and fragrances will unlock opportunities for increased export share.

Amid a resurgence in demand, Indian companies are reassessing their capacity expansion plans to meet the growing market demands. Capital spending in the sector is expected to increase by 50% year-on-year, surpassing pre-pandemic levels, reflecting the industry's commitment to cater to various sectors. With favorable government policies, promising investment prospects, and a rising demand for chemical products, India's specialty chemicals industry is poised for continued growth and will play a critical role in the manufacturing sector and contributing to overall economic growth.

Pharmaceuticals Industry

The Indian pharmaceutical industry is a global leader, known for its significant contributions to the market. The industry encompasses diverse segments such as generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research and manufacturing, biosimilars, and biologics. With a projected market size of US$ 65 billion by 2024 and US$ 130 billion by 2030, it is experiencing robust growth. India's pharmaceutical industry currently holds a value of around US$ 50 billion, with exports accounting for over US$ 25 billion. The country is recognized as the largest provider of generic drugs worldwide and is acclaimed for its affordable vaccines and generic medications. India's strength lies in its adherence to stringent international standards, with a significant number of pharmaceutical manufacturing facilities complying with regulations set by the US Food and Drug Administration (USFDA). Furthermore, the country is home to 500 active pharmaceutical ingredient (API) producers, representing around 8% of the global API market.

[Source: IBEF Pharmaceutical Industry Report, Feb 2023]

API (Active Pharmaceuticals Ingredients)

The Indian Active Pharmaceutical Ingredients (API) Market has witnessed notable developments in recent years. The COVID-19 pandemic exposed vulnerabilities in the pharmaceutical supply chain, particularly the dependency on API imports from China. This disruption resulted in increased costs and shortages of essential drugs, affecting the treatment of various chronic diseases. In response, the Indian government launched initiatives to boost domestic API production, aiming to reduce reliance on imports and ensure a steady supply of medications.

Amidst these circumstances, the API market in India is projected to grow from $12.59 billion in 2023 to $18.76 billion by 2028, reflecting a CAGR of 8.31% during the forecast period. This growth is driven by various factors including rising prevalence of infectious, genetic, cardiovascular, and chronic disorders necessitates a consistent supply of APIs for the production of effective medications. Furthermore, the government's initiatives, such as the allocation of significant funds and the introduction of production-linked incentives, have incentivized domestic API manufacturing. These measures are aimed at enhancing the production of critical key starting materials (KSM) and APIs used in essential drugs for treating various medical conditions, including diabetes, tuberculosis, steroids, and antibiotics. Such initiatives are expected to drive the growth and development of the API market in India, ensuring a robust pharmaceutical industry.

Business Overview

IOL is a renowned company in the Active Pharmaceutical Ingredient (API) and specialty chemicals sectors. With substantive manufacturing capacities, the Company benefits from economies of scale and cost supremacy. Its extensive expertise in both API and specialty chemicals strengthens its business model and opens doors to diversified growth opportunities.

Within the API segment, IOL develops and supplies a wide range of essential products utilized by pharmaceutical companies worldwide for the production of key medicines. The company is highly regarded and recognized in the Active Pharmaceutical Ingredient (API) and specialty chemicals sectors. It serves as a global supplier of various APIs, including Ibuprofen, Metformin, Clopidogrel, Lamotrigine, Pantoprazole, and Fenofibrate, alongside other APIs, and maintains a significant presence in all major therapeutic categories.

Given the increasing prevalence of lifestyle disorders and the demand for more affordable healthcare delivery methods, the need for APIs continues to rise. IOL effectively meets this demand and plays a crucial role in the pharmaceutical industry.

In the Specialty Chemicals division, IOL manufactures Ethyl Acetate, Iso Butyl Benzene (IBB), Mono Chloro Acetic Acid (MCA), and Acetyl Chloride. The Company is a leader in fostering green chemistry through its extensive production of Ethyl Acetate, a sustainable and environmentally friendly solvent. As one of the largest manufacturers globally, the Company plays a vital role in promoting the adoption of eco-friendly practices in various industries such as pharmaceuticals, printing, flexible packaging, adhesives, surface coatings, flavors, paints & lamination, and essences.

The Company's production facilities are in Barnala District, Punjab. Furthermore, IOL's R&D center equipped with modern analytical equipment is approved by the Department of Scientific and Industrial Research (DSIR). The Company's R&D efforts are centered around developing products that address the pharmaceutical industry's requirements for uninterrupted supply of superior quality products. This underscores the Company's commitment to pushing the boundaries of innovation and driving research and development initiatives. By focusing on promising innovations, IOL collaborates with innovators to deliver solutions that cater to the current and future drug needs of pharmaceutical companies worldwide.

Management Discussion and Analysis (Contd.)

SCOT Analysis

Strength	Challenges
– Strong backward integration capabilities. – Maximizing export potential by filling DMFs and getting regulatory approvals – Good long-term relationship with customers – High-quality front-end team with strong regulatory and manufacturing capabilities – A strong balance sheet with no debt. – Strong product pipeline in both the pharmaceutical and chemical sector – Ability to manage high scale complex operations	– Long durational period for developing compounds and getting registrations for commercialization – Strained supply chain network across the world – Volatility in the pricing of raw materials
Opportunities	**Threats**
– Indian pharmaceuticals and chemical companies getting increased outsourcing opportunities, fuelled by the China+1 strategy – Increasing domestic needs that are unmet due to the supply chain disruption owing to the disturbed geographical scenario can be met by the domestic producers	– Increasing energy and raw material prices because of the volatile nature of the changing global scenario, worsened by the Russia-Ukraine conflict

Risk Management

Please refer page 20 in the non-statutory section for details.

Financial Performance

During the year under review, the Company experienced steady growth in total income, reaching ₹2,243 crores, a slight increase compared to ₹2,216 crores in the previous year.

Segmental Revenue

The pharmaceutical segment accounted for approximately 57% of our total revenue, showing an improvement from around 46% in the previous year. Meanwhile, the chemicals segment contributed to approximately 43% of our total revenue, a decrease from the approximately 54% share it held last year.

EBITDA

Our EBITDA for the year amounted to ₹252 crores, representing a decline from the ₹288 crores achieved in the previous year. This decrease was primarily due to the rise in costs associated with raw materials, fuel, and energy.

Net Profit After Tax

During the year, our company generated a net profit after tax of ₹140 crores, compared to ₹166 crores earned in the previous year.

Balance Sheet

Share Capital: The Company's paid-up equity share capital as of 31st March, 2023, stands at ₹58.71 crores, divided into 5,87,05,502 equity shares of ₹10/- each. There have been no changes in the capital during the FY 2022-23.

Other Equity The reserves and surplus for the FY 2022-23 amounted to ₹1448 crores, compared to ₹1,332 crores in the previous year.

Net Worth: The Company's net worth has increased to ₹1507 crores in FY 2022-23 from ₹1,390 crores at the end of FY 2021-22.

Borrowings: The Company had no long-term secured or unsecured borrowings as of the end of FY 2022-23. There are no outstanding balances on any term loans.

Short-term secured borrowings at the end of FY 2022-23 amounted to ₹80 crores, compared to ₹43 crores at the end of FY 2021-22.

Assets

Non-Current Assets: The Company's total non-current assets, including capital work in process, increased to ₹1,102 crores as of 31st March, 2023, from ₹882 crores as of 31st March, 2022, net of depreciation and additions.

Current Assets and Current Liabilities: As of 31st March, 2023, the Company had inventories amounting to ₹326 crores, compared to ₹410 crores as of 31st March, 2022. Trade receivables stood at ₹505 crores, an increase from ₹470 crores in the previous year. Trade payables amounted to ₹314 crores, compared to ₹409 crores as of 31st March, 2022. These changes are in line with the overall increase in operations.

Cash Flows: For the year ended 31st March, 2023, the Company had a net cash flow from operating activities of ₹123 crores, compared to a net cash flow used in operating activities of ₹91 crores in the previous year.

The Company's net cash used in investing activities amounted to ₹119 crores for the year ended 31st March, 2023, compared to ₹121 crores in the previous year.

During the year ended 31st March, 2023, net cash used in financing activities amounted to ₹4 crores, an increase from ₹2 crores in the previous year.

Ratio Analysis

Ratio	FY 2021-22	FY 2022-23
Operating Profit Margin (EBITDA) (in %)	13.01	11.24
Net Profit Margin (in %)	7.58	6.31
Return on Average Net Worth (in %)	12.50	9.66
Trade Receivable Turnover	5.66	4.53
Inventory Turnover Ratio	5.05	4.99
Current Ratio	2.10	2.02

People-Centric Culture

With a workforce of over 2,600 employees as of 31st March, 2023, IOL values its human capital and strives to provide a quality workplace. The Company fosters an inclusive environment, embracing diversity and ensuring equal opportunities through regardless of their gender, age and background.

IOL prioritizes employee engagement through various communication channels, town hall meetings, and committees, while comprehensive training and development programs cater to individual needs and promote career progression. Wellness programs, including yoga sessions and team-building activities, support work-life balance and enhance physical and mental well-being.

The Company continually enhances the employee experience based on insights from surveys, and it has comprehensive rewards and recognition programs that acknowledge exceptional contributions. With a strong commitment to safety and well-being, IOL adheres to ethical principles and standards, ensuring a positive work environment and sustainable growth.

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 unauthorized use, executing transactions with proper authorization 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 statues, as also other incidental factors.

Directors' Report

Dear Members,

The Board of Directors presents the 36th Annual Report of the Company on the business operations and performance of the Company along with the audited financial statements for the year ended 31st March, 2023.

1. Financial performance:

The brief summary of the financial performance of the Company for the Financial Year ended 31st March, 2023 along with the comparative figures for the previous year is summarised herein below:

(₹ in crores)

Particulars	Standalone		Consolidated	
	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Total income	2242.68	2216.06	2242.72	2216.06
Profit before interest & depreciation	252.09	288.32	251.28	290.33
Interest	16.47	8.29	16.47	8.29
Profit before depreciation	235.62	280.03	234.81	282.04
Depreciation	46.13	43.26	46.16	43.26
Profit before exceptional items	189.49	236.77	188.65	238.78
Exceptional items	0	13.93	0	13.93
Profit before tax	189.49	222.84	188.65	224.85
Provision for tax (including deferred tax)	49.51	57.18	49.51	57.18
Profit after tax	139.98	165.66	139.14	167.67

During the year under review, the standalone operating revenue of your Company was ₹2242.68 crores as compared to ₹2216.06 crores in the previous year. The Gross margin for FY 2022-23 was ₹381.20 crores as compared to ₹403.55 crores in the previous year. Margins were impacted adversely primarily on account of higher energy cost due to geopolitical issues.

During the year there have been no change in the nature of the business of the Company. The Company has maintained stability and consistency in its operations and ensured continuity in delivering our products and services to our customers. The further detail of business performance and company's state of affairs are given in the Management discussion and analysis (MDA) forming part of this report.

2. Dividend Distribution Policy & Dividend

Pursuant to the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI 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/uploads/Dividend%20Distribution%20Policy.pdf.

During the year under review, the Board of Directors has declared an interim dividend of ₹4 per equity share involving a cash outflow of ₹23.48 crores. The Board considers the same as final dividend. The Board has recommended the divided based on the parameters laid down in the dividend distribution policy.

3. Transfer to Reserves

The Board has decided to retain the entire amount of the profits for the financial year 2022-23 in the profit and loss account and has not transferred any amount of profits to reserves.

4. Fixed Deposits

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on 31st March, 2023.

5. Share Capital

The paid-up equity share capital of the Company remains unchanged during the year and stood at ₹58,70,55,020/- (Rupees Fifty Eight crores Seventy lakhs Fifty Five Thousand and Twenty only) consisting of 5,87,05,502 (Five crores Eighty Seven lakhs Five Thousand Five Hundred Two) equity shares of ₹10/- each as on 31st March, 2023.

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 E-mail: investor@iolcp.com

7. Holding & Subsidiary Company

Your Company has 4 wholly-owned subsidiaries as on 31st March, 2023. Out of these 4 subsidiaries IOL Foundations is a Section 8 Company that undertakes the CSR activities of the Company. Except IOL Foundation the other following 3 other subsidiaries were formed during the year:

- IOL Life Sciences Limited
- IOL Speciality Chemicals Limited
- IOL Global Limited, 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. Also a statement containing the salient features of financial statements of the Company's subsidiaries in prescribed 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 Ratings

During the year under review, the Credit Analysis & Research Limited ("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

Considering the Company's vision to become the best-in-class pharmaceuticals API company, your Company during the financial year 2021-22 had added Paracetamol in its API products portfolio with an installed capacity of 1800 MTPA along with backward integration by manufacturing Para Amino Phenol (a key raw material of Paracetamol) for captive consumption. Further, during the financial year 2022-23 the capacity of Paracetamol Plant was further enhanced from 1800 MTPA to 3600 MTPA.

Further, your Company has also expanded its regulatory horizons with six new filings in Europe and the US and new country inclusions such as China and Brazil.

During the year 2022-23, the Company has granted the Patent on "Sitagliptin Process" and patent for invention entitled "An Improved Safe Process For The Preparation of Sartan Drugs of Formula I".

10. Directors and Key Managerial Personnel

During the year under review the members of the Company have appointed Mr. Sharad Tyagi as Independent Director and Dr. Sanjay Chaturvedi, as Executive Director, both for a term of five years w.e.f. 30th May, 2022 till 29th May, 2027 in its 35th Annual General Meeting held on 26th August, 2022.

Dr. Sanjay Chaturvedi resigned from the position of CEO & Directorship of the Company with effect from closure of the 3rd April, 2023. The Board places on record their appreciation for the services rendered by Mr. Sanjay Chaturvedi during his association with Company.

The Board of Directors has appointed Mr. Vikas Vij as Chief Executive Officer of the Company effective from 3rd April, 2023.

Further, the Board of Directors subject to the shareholders' approval re-designate Mr. Vikas Gupta, Executive Directors as Joint Managing Director and appointed Mr. Abhiraj Gupta as Additional Directors having designation as Executive Directors for a period of 5 years w.e.f. 3rd April, 2023. In terms of the provisions of Section 161 of the Act, Mr. Abhiraj Gupta holds the office of director up to the ensuing Annual General Meeting of the Company. On 28th April, 2023 the Board of Directors, subject to the shareholders' approval, also re-appointed Mr. Varinder Gupta, Managing Director for a period of 5 years w.e.f. 1st August, 2023. A resolution in this regard has been proposed in the notice for the ensuing annual general meeting for the shareholders consideration and approval.

However, Regulation 17 of Listing Regulation provides that a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is obtained at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier and therefore, the Board of Directors recommended to the shareholder to approve the appointment of Mr. Abhiraj Gupta as Executive Director of the Company through postal ballot notice dated 3rd April, 2023.

Mr. Kushal Kumar Rana, Director (Works) 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.

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.

Directors' Report (Contd.)

During the year under review Mr. Varinder Gupta, Managing Director; Mr. Kushal Kumar Rana, Director (Works) (Whole-time Director); Mr. Vikas Gupta, Executive Director (Whole-time Director); Mr. Pardeep Kumar Khanna, Chief Financial Officer (CFO); Mr. Abhay Raj Singh, Vice President & Company Secretary and Dr Sanjay Chaturvedi, Chief Executive Officer & Executive Director 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

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Guidance Note on Board evaluation issued on 5th January, 2017, 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 5 times. The gap between any 2 two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company has been convened on 27th March, 2023 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 31st March, 2023, 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

Every Independent Directors have submitted the necessary declarations that each of them meet 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board there has been no change in the circumstances affecting their status as Independent Director of the Company. Further, in terms of the provision of Section 150 of the Act read with the Companies (Appointment and Qualification of the Directors) Rules, 2014, the name of all the Independent Directors of the Company are included in the data bank of independent directors maintained with the Indian Institute of Corporate Affairs (IICA).

18. Remuneration Policy

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a Nomination & Remuneration Policy for selection and appointment of Directors, Key Managerial and Senior Management Personnel and fixation of their remuneration.

The policy ensures that:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) Remuneration to Directors, Key Managerial Personnel and Senior Management reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the policy include the parameters based on which remuneration including benefits and perquisites and performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and senior management employees.

During the year under review, there has been no change to the Policy.

The Remuneration Policy is available on the Company's website at https://www.iolcp.com/investors/corporate-policies

19. Corporate Governance

The Company has in place a system of Corporate Governance in line with the requirements set out by the Securities and Exchange Board of India (SEBI) and places great importance on maintaining the highest standards of Corporate Governance. We believe that effective governance is essential for value creation and maintaining good relationships with shareholders, employees, customers, suppliers, and other stakeholders.

A separate report on Corporate Governance along with Auditors' Certificate regarding compliance of conditions of corporate governance set out by the Securities and Exchange Board of India (SEBI) under Listing Regulations is annexed to this Annual Report. This report provides detailed information on the Company's governance structure, policies, and practices, giving stakeholders valuable insights into the Company's governance framework.

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 internal control systems of the Company are adequate and commensurate with its size, complexity of operation and nature of its business. The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

23. Risk management

The Risk Management philosophy of the Company is based on its vision and values. The Company has developed a dynamic growth strategy in pursuit of its vision. The Board of Directors of the Company has developed and implemented a framework on Enterprise Risk Management (ERM) based on ERM developed by The Committee of Sponsoring Organisations (COSO) to assist the management of businesses to better deal with risk in achieving the Company's objectives. Enterprise Risk Management provides a framework for management to deal effectively with uncertainty and associated risk and opportunity, thereby enhancing the Company's capacity to build value.

Enterprise Risk Management (ERM) is a core management competency that incorporates the systematic application

Directors' Report (Contd.)

of policies, procedures and checks to identify potential risks and lessen their impact on IOL. This involves:

- Identifying potential risks
- Assessing their potential impact
- Taking action to minimise the potential impact
- Monitoring and reporting on the status of key risks on a regular basis

The Risk Management Committee of the Board oversight the implementation of the Risk Management Policy and ERM of the Company. The risk management has been covered in detail in 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. These related party transactions did not attract the provisions of Section 188 of the Companies Act, 2013. Also, there was 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 2022-23 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 2022-23 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 CSR Committee comprising of Mr. Varinder Gupta as Chairman and Dr Sandhya Mehta, and Mr. Vikas Gupta Directors as its members. The 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: www.iolcp.com

26. Research and Development

The Company's R&D has been making remarkable strides in innovation for several years now, and their efforts have led to the development of unique product strengths during both the early and late commercial phases. This year, patents filed in 2021-22 were granted, enabling the inventions to be scaled up to the level of commercial seeding quantities.

Your Company is committed to implement advanced scientific technologies to tackle environmental, quality, and regulatory issues while maintaining an optimal product cost structure. For instance, their R&D scientists have replaced traditional methods of synthesizing chiral amines with an enzymatic route, avoiding pyrophoric and hazardous reactions and reducing significant by-product formation. This pioneering work has laid the groundwork for green chemistry in manufacturing operations, potentially reducing effluent loads and creating a pollution-free environment.

During the year six products have been scaled up in small-volume production facilities, and a pipeline of seven new products is now in the advanced development phase. R&D has also played a significant role in addressing dynamic regulatory requirements, leading to the approval of three CEPs.

27. Statutory Auditors

Members of the Company at their 31st AGM held on 29th September, 2018, approved the appointment of M/s. Ashwani & Associates, Chartered Accountants, Ludhiana, (Registration No. 000497N), as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of 31st Annual General Meeting of the Company held on 29th September, 2018 till the conclusion of the 36th Annual General Meeting of the Company to be held in the year 2023.

Further, in terms of the provisions of the Companies Act, 2013, an audit firm acting as the Statutory Auditor of a company is eligible to be appointed as Statutory Auditor for two terms of five years each. The first term of M/s. Ashwani & Associates as Statutory Auditors of the Company expires at the conclusion of the ensuing 36th Annual General Meeting of the Company scheduled to be held on 10th August, 2023. Considering their performance as Auditors of the Company during their present tenure, the Audit Committee of the Company, after due deliberation and discussion, recommended the re-appointment of M/s. Ashwani & Associates as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of the 36th Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2028 at a remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

The report of the Statutory Auditor forms part of this Report and Annual Accounts for FY 2022-23. The said report does not contain any qualification, reservation, adverse remark.

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 Companies Act, 2013, 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 2023-24 at a remuneration of ₹1,65,000/- 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, 2022, 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 for the Financial Year 2022-23 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, 2023 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.

Directors' Report (Contd.)

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 programs 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. Two complaints have been received during the year 2022-23.

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. General Disclosures

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 including under the Insolvency and Bankruptcy Code, 2016 during the year 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.

45. 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

Place: Ludhiana Dated: 28th April, 2023	**Varinder Gupta** Managing Director DIN: 00044068	**Rajender Mohan Malla** Chairman DIN: 00136657

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 ₹ lakhs)

Sr. 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	15th March, 2022	20th June, 2022	23rd June, 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 1st April, 2022 to 31st March, 2023	From 20th June, 2022 to 31st March, 2023	From 23rd June, 2022 to 31st March, 2023
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	120.07	(1.29)	(1.32)
7.	Total assets	163.10	9.54	9.51
8.	Total liabilities	33.03	0.83	0.83
9.	Investments	0	0	0
10.	Turnover	207.05	0	0
11.	Profit before taxation	(80.59)	(1.29)	(1.32)
12.	Provision for taxation	0	0	0
13.	Profit after taxation	(80.59)	(1.29)	(1.32)
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, 2023.

Directors' Report (Contd.)

Annexure-2

Annual Report on Corporate Social Responsibility (CSR) activities for the

Financial Year 2022-23
(Pursuant to Section 135 of the Companies Act, 2013)

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

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

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

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

CSR Activates:

The identified focus areas for the Company are:

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

2. Composition of the CSR Committee:

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

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

3. Web-link 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.ewww.iolcp.com

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

6. Average net profit of the Company as per Section 135(5): ₹447.13 crores

7. (a) **Two percent of average net profit of the Company as per Section 135(5) :** ₹8.94 crores

   (b) **Surplus arising out of the CSR projects or programs or activities of the previous financial years :** Nil

   (c) **Amount required to be set off for the financial year, if any :** Nil

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹8.94 crores

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in crores)	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 crores)	Date of transfer	Name of the Fund	Amount.	Date of transfer.
3.90	5.04	28.04.2023	-	-	-

Directors' Report (Contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Project duration.	Amount allocated for the project (in crores)	Amount spent in the current financial Year (in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency: Name	Mode of Implementation – Through Implementing Agency: CSR Registration number
1	"Health is wealth" Project	Preventive Health Care	Yes	Punjab, Ludhiana & Barnala		3 year	1.00	0	1.00	Yes	IOL-Foundation	CSR00026698
2	Renovation and incidental facilities at Prachin Gaushala, Tibba Road, Ludhiana along with Shree Gow Rakshni Sabha (Regd.),	Animal welfare	Yes	Punjab, Ludhiana		3 year	2.60	0	2.60	No	Shree Gow Rakshni Sabha (Regd.),	CSR00004665
3	"To become studier" Project	Promoting education	Yes	Punjab, Barnala & Ludhiana		3 year	0.75	0	0.75	Yes	IOL-Foundation	CSR00026698
4	"Renewable Energy" Project	Environmental sustainability	Yes	Punjab, Ludhiana & Barnala		3 year	0.75	0	0.75	Yes		
	Total						5.10	0.0	5.10			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Amount spent for the project (in crores)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency: Name	Mode of implementation – Through implementing agency: CSR registration number
1	Education – construction and renovation of school locations, provide technical equipment for smart education	Promoting education among children	Yes	Punjab	Barnala and Ludhiana	0.25	Yes	-	-
2	Preventive health care & sanitation, Eradicating hunger and poverty	Preventive health care & sanitation	Yes	Punjab	Barnala and Ludhiana	0.77	Direct and through Agency	Nishkam Sewa Samiti (Regd.), Help Care Society and Ram Bhag Committee, Barnala	CSR00005486, CSR00008265 and CSR00005443
3	Disaster Relief	Fire Tender and Hand Gloves Nitrile (Disposable) Paper cap Disposable etc.	Yes	Punjab	Barnala and Chandigarh	0.54	Direct and through Agency	IOL-Foundation	CSR00026698
4	Community Development	Medicine provide Community Mentally Retarded Home and other facilities Sewing machines and cloths	Yes	Punjab Jammu	Ludhiana and Katra	0.10	Direct and through Agency	IOL-Foundation	CSR00026698
5	Animal Welfare	Animal Welfare	Yes	Punjab	Barnala and ludhiana	0.79	Direct and through Agency	Aphaj Gau Sewa Ashram	CSR00027184
6	Medicines and solar plant, fodder support	Animal Welfare	Yes	Vrindavan	Vrindavan	0.57	Direct and through Agency	Shree Govind Gowdham Trust	
7	Maintain the park Plantation, Rainwater Harvesting, cleaning in villages for restoration to environment	environmental sustainability	Yes	Punjab	Barnala	0.67	Direct and through Agency	IOL-Foundation	CSR00026698
8	Promoting Sports	Promoting Sports	Yes	Punjab	Barnala	0.07	Direct and through Agency	IOL-Foundation	CSR00026698
9	Armed Forces Flag Day Fund	Benefit of armed force veterans, war widows and their dependents	Yes	Chandigarh	Chandigarh	0.01	Direct		
	Total					3.77			

(d) Amount spent in Administrative Overheads : 0.13

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹3.90 crores

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

Sr. No.	Particular	Amount (in crores)
(i)	Two percent of average net profit of the Company as per Section 135(5)	8.94
(ii)	Total amount spent for the Financial Year	3.90
(iii)	Excess amount spent for the financial year [(ii)-(i)]	N.A.
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹ crores)	Amount spent in the reporting Financial Year (in ₹ crores)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any: Name of the Fund	Amount (in ₹)	Date of transfer.	Amount remaining to be spent in succeeding financial years. (in ₹)
1.	2021-22	6.12	5.43	-	-	-	0.72
2.	2020-21	2.93	0.269	-	-	-	0.001
2.	2019-20	-	-	-	-	-	-
	Total	9.05	5.699	-	-	-	0.721

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(i) Ongoing 2020-21

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Project duration	Amount allocated for the project (in crores)	Amount spent in the current Financial Year (in crores)	Cumulative amount spent at the end of reporting Financial Year (in crores)	Status of the project Completed/ Ongoing
1	Cardiology lab in CMC Hospital	Preventive Health Care	Yes	Punjab, Ludhiana		1 year	1.60	0	1.62	Completed
2	Developing the Infrastructure and providing Oxygen Plant in Civil Hospital	Preventive Health Care	Yes	Punjab, Barnala		1 year	0.58	0	0.57	Completed
3	Renovation of infrastructure of Govt. Primary School Kakkowal	Promoting education	Yes	Punjab, Ludhiana		1 year	0.10	0	0.00	Changed

Directors' Report (Contd.)

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project State	District	Project duration	Amount allocated for the project (in crores)	Amount spent in the current Financial Year (in crores)	Cumulative amount spent at the end of reporting Financial Year (in crores)	Status of the project Completed/ Ongoing
4	Renovation of infrastructure of Govt. Senior Secondary Smart School Mundiyakalan	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.15	0.06	0.16	Ongoing
5	Renovation of infrastructure of Chanan Devi, Govt. Kanya High School, Salem Tabri	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.15	0	0.16	Completed
6	Renovating the infrastructure of HVH Mental Illness, Specially abled Jamalpur	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.15	0.15	0.15	Completed
7	Renovation the infrastructure and Library in Govt. Jumla Malkan School	Promoting education	Yes	Punjab,	Barnala	1 year	0.12	0	0.14	Completed
8	Renovating the infrastructure and science lab at Govt. Senior Secondary (Girls) School, Barnala	Promoting education	Yes	Punjab,	Barnala	1 year	0.10	0	0.09	Completed
9	Providing utensil for Mid-meal, CCTV Cameras, amplifier etc. Govt. High School, Jawaddi	Promoting education	Yes	Punjab				0.024	0.0239	Ongoing
10	Renovation the pathway from school main gate to Classrooms Govt. Primary School, Bhattian Bet	Promoting education	Yes	Punjab				0.03	0.03	Completed
	Total						**2.95**	**0.269**	**2.949**	

(ii) Ongoing projects 2021-22

Sr. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State	District	Project duration	Amount allocated for the project (in crores)	Amount spent in the current Financial Year (in crores)	Cumulative amount spent at the end of reporting Financial Year (in crores)	Status of the project Completed/ Ongoing
1	Upgrading the Physiology Block in CMC, Hospital, Ludhiana	Preventive Health Care	Yes	Punjab,	Ludhiana	2 year	1.50	1.52	1.52	Completed
2	Developing the Infrastructure and solar panal of 50 KW at Civil Hospital Barnala	Preventive Health Care	Yes	Punjab,	Barnala	1 year	0.27	0.23	0.23	Completed
3	Developing the Infrastructure in Veterinary Hospital Fategarh Channa	Preventive Health Care	Yes	Punjab,	Barnala	1 year	0.04	0.01	0.01	Completed
4	Construction the floor at sudhar Gaushala	Animal Welfare	Yes	Punjab,	Ludhiana	1 year	0.08	0.11	0.11	Completed
5	Construction the shed, medicine and wheat straw Kamdhenu gaushala Handiaya	Animal Welfare	Yes	Punjab,	Barnala	1 year	0.12	0.09	0.13	Completed
6	Construction of Langar Hall and incidental facilitation at Prachin Gaushala, Tibba Road, Ludhiana with Shree Gow Rakshni Sabha (Regd.),	Animal Welfare	Yes	Punjab,	Ludhiana	1 year	1.50	1.50	1.50	Completed
7	Pond cleaning work in various villages (kotdunna, Dhurkot, Pharwahi, Pakho kalan)	Environmental sustainability	Yes	Punjab,	Barnala	3 year	0.50	0.00	0.01	Ongoing
8	Renovation of the school infrastructure, providing class furniture, developing the smart classes and providing other facilities in Govt. Primary Schools, Tajpur Bet School, at Ludhiana	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.08	0.00	0.04	Ongoing
9	Renovation of the school infrastructure, providing class furniture, developing the smart classes and providing other facilities in Govt. Primary Schools, Bhattian Bet, at Ludhiana	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.08	0.08	0.08	Completed
10	Renovation of the school infrastructure, providing class furniture, developing the smart classes and providing other facilities in Govt. Senior Secondary School, Ayali Khurd at Ludhiana	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.06	0.06	0.06	Completed
11	Renovation of the school infrastructure, providing class furniture, developing the smart classes and providing other facilities in Govt. Senior Secondary School, Haibowal Khurd at Ludhiana	Promoting education	Yes	Punjab,	Ludhiana	1 year	0.06	0.06	0.06	Completed
12	Renovation of the school infrastructure, providing class furniture, developing the smart classes and providing other facilities in Govt. Senior Secondary School and Dispensary Ladhowal at Ludhiana	Promoting education and healthcare	Yes	Punjab,	Ludhiana	1 year	0.10	0.14	0.14	Completed
13	Renovating the infrastructure and New washroom at Govt. Jumla Malkan School, Barnala	Promoting education	Yes	Punjab,	Barnala	1 year	0.06	0.04	0.04	Ongoing
14	Renovating the Mid day meal shed and sitting at Govt. High School Sanghera	Promoting education	Yes	Punjab,	Barnala	1 year	0.06	0.05	0.05	Completed
15	Renovating the infrastructure at Govt. Primary School Bilaspur-Dhaula	Promoting education	Yes	Punjab,	Barnala	1 year	0.08	0.00	0.00	Ongoing
16	Upgrade the Healthcare facilities	Preventive Health Care	Yes	Punjab,	Barnala & Ludhiana	3 year	1.00	0.72	0.72	Ongoing
17	Upgrade the Schools	Promoting education	Yes	Punjab,	Barnala & Ludhiana	3 year	1.01	0.82	0.82	Ongoing
	Total						**6.60**	**5.43**	**5.52**	

Directors' Report (Contd.)

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

11. **Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5):**

During the financial year 2022-23, the Company identified some projects as ongoing projects to ensure effective contribution to the society through deserving projects directly and indirectly. As these projects are ongoing and hence the whole CSR obligation for FY 2022-23 could not be spent within the same financial year. The Company has deposited the unspent amount allocated to such ongoing projects in a separate bank account and such unspent amount shall be spent on above said ongoing CSR projects within three years from the date of transfer of such unspent amount to a separate bank account.

For and on behalf of the Board

Sd/-
Varinder Gupta
Managing Director
Chairman of the CSR Committee
DIN: 00044068

Date: 28th April, 2023
Place: Ludhiana

Annexure –3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and RuleNo. 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 – 148 107.

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 authorised 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, 2023 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, 2023 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 & Labor Laws as per list attached herewith.

Directors' Report (Contd.)

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, company has incorporated the following wholly-owned subsidiaries :-
  - IOL LIFE SCIENCES LIMITED has been incorporated as wholly-owned subsidiary on 20th June, 2022.
  - IOL SPECIALITY CHEMICALS LIMITED has been incorporated as wholly-owned subsidiary of the Company on 24th June, 2022.
  - IOL GLOBAL LIMITED has been incorporated in UK under the Companies Act, 2006 of the England and Wales on 30th January, 2022.
- During the audit period, the Board of Directors of the Company has declared Interim Dividend at their meeting held on 7th February, 2023 at the rate of ₹4 (Four Rupees only) per fully paid-up equity share of ₹10.00 each for the financial year 2022-23.

For B. K. Gupta & Associates
Company Secretaries

Sd/-
(CS Bhupesh Gupta)
FCS No.: 4590
CP No.: 5708
UDIN: F004590E000213568

Place: Ludhiana
Date: 28th April, 2023

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 LABOR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD

List of Labor 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 Labor (Regulation and Abolition) Act, 1970

The Maternity Benefit Act, 1961

The Child Labor (Prohibition and Regulation) Act, 1986

The Industrial Employment (Standing Orders) Act, 1946

The Employees' Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1923)

The Apprentices Act, 1961

The Equal Remuneration Act, 1976

The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

List of Environmental Laws

The Environment (Protection) Act, 1986 [Read with the Environment (Protection) Rules, 1986]

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016

The Water (Prevention and Control of Pollution) Act, 1974 [Read with Water (Prevention and Control of Pollution) Rules, 1975]

The Air (Prevention and Control of Pollution) Act, 1981 [Read with The Air (Prevention and Control of Pollution) Rules, 1982]

Annexure – A

To,

The Members,
IOL Chemicals and Pharmaceuticals Limited
Vill. & P.O. – Handiaya, Fatehgarh Chhanna Road,
Tehsil & District – Barnala
Sangrur, Punjab – 148 107

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 Account 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

Place: Ludhiana
Date: 28th April, 2023

Directors' Report (Contd.)

Annexure – 4

A. 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 2022-23 (FY 23) and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the FY23 are as under:

Name of Director/ Key Managerial Personnel	Designation	Remuneration (₹ in crores)	% increase in remuneration	Ratio of remuneration to median remuneration of employee
Mr Varinder Gupta	Managing Director	7.46	9	215.61
Mr Vikas Gupta	Executive Director	2.43	19	70.23
Dr Sanjay Chaturvedi*	Executive Director & CEO	3.41	35	98.55
Mr. Kushal Kumar Rana	Director Works	1.35	NA	39.02
Mr Pardeep Kumar Khanna	Chief Financial Officer	1.34	13	38.73
Mr Abhay Raj Singh	Assistant Vice President and Company Secretary	0.64	7	18

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

(ii) The maiden remuneration of employees was increased by 3.3% and the median salary of employees for the FY 2022-23 was ₹3.46 lakhs.

(iii) The number of permanent employees on the rolls of the Company was 2557 as on 31st March, 2023.

(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 10.50% and average increase in salary of managerial personnel (Managing Director and Whole-time Directors) was 12.20%.

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

B. 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 which, in the aggregate, was not less than one crores and two lakh rupees:

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

Mr. Varinder Gupta, Managing Director, 7.46, Higher Secondary, 37, 29/09/1986, 60, First Employment, 2.10%; Dr. Sanjay Chaturvedi, Executive Director & CEO, 3.41, PHD, 27, 15/03/2021, 53, Praj Industries, 0.00%; Mr. Vikas Gupta, Executive Director, 2.43, B.Sc. (Hons.) in Business Management from Kings College London, 10, 20/07/2013, 31, First Employment, 0.00%; Mr. Kushal Kumar Rana, Director (Works), 1.35, M.Sc., 33, 11/04/2005, 54, Morepen Laboratories, 0.00%; Mr. Pardeep Kumar Khanna, Chief Financial Officer, 1.34, M.Com., 34, 23/12/1995, 54, First Employment, 0.01%; Dr. Kamlesh Jayantilal Ranbhan, President, 1.29, PHD, 29, 10/04/2017, 58, Arch Pharmalabs Limited, 0.00%; Mr. Gopal Singla, President, 1.24, B.E. (Instrumentation), 25, 01/04/2007, 47, Indian Acrylics Ltd., 0.00%; Dr. Damandeep Singh, President, 1.16, PHD, 25, 23/10/1997, 49, First Employment, 0.00%; Mr. Nikhil Gupta*, President, 0.91, PGDPM & IR, 25, 06/01/2022, 49, Jindal Steel & Power, 0.00%; Mr. Lokesh Dhawan, Senior Vice President, 0.88, B.E. (Electronics & Comm.), 27, 27/10/2014, 49, Shri Lakshmi Cotfin Ltd., 0.00%; Mr. Krishna Mukund Kamath, Sr. General Manager, 0.85, B.E. (Chemical), 28, 20/08/2018, 53, Tera Pharma, 0.00%.

(ii) There was no other employee, except mentioned in (a) above who employed throughout financial year 2022-23 was receipt of remuneration not less than one crores and two lakh.

(iii) None of the above employee is a relative of any director, except Mr. Vikas 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 no 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.

(vi) *Indicates employed for the part of the FY 2022-23.

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) Erection and commissioning of new 4.225 MW efficient back pressure turbine in place of old condensing cum extraction turbine has been completed, which improved the norms from 112.5 to 132 KWH/MT leading to generating 5611 MT of more LP Steam for process and generating 7.40 lakhs units of more power.

b) Erection and commissioning of a new efficient 13 MW turbine in place of old turbine has been completed during the year, which has improved the norms from 118.4 to 144.3 KWH/MT, thereby, turbine has generated 33.5 lakh units of more power.

c) In RO Plant, we have commissioned one RO system on running RO's reject water's, due to which we have saved approx. 350 to 400 m3 of raw water per day.

d) We have changed the process for heat integration that resulted in saving of approx. 35 MT of steam per day.

e) Cooling Water supply of Unit-04 & Unit-05 Plants have been provided from the surplus cooling water quantity available in Unit-06 by installing new pipeline header of CT water from Unit-06 to Unit-05 & Unit-04. Thus, the pump running for cooling water circulation in Unit-04 & Unit-05 have been stopped resulting in power savings by around 1400 kWh Units daily.

f) Connectivity of Compressed Air of Unit-2 with compressed air of Unit-10/Unit-09 has been implemented in order to optimise the loading of air compressors. The load on compressor for Unit-09/ Unit-10 has been increased and compressor for Unit-02 is stopped, resulting in overall savings in power consumption of compressed air system by around 200 kWh Units daily.

g) From the tank of condensate of SRP Unit-02, the flash steam was being released regularly due to higher temperature of the condensate water. This flash steam has been utilized in hot water tank of AHUs of Unit-02, resulting in steam saving of around 20 MT/month.

h) The existing 150 TR power-based brine machine has been converted to chilled water in order to increase the utilization of power-based setup instead of steam-based setup. Steam based Chilled Water Machine is stopped and steam consumption is reduced by around 20 MT/day and excess power is utilized. Now this option has improved the flexibility to run steam based or power based brine machine for better steam-power balancing at cogen section.

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

We have planned for alternative sources of energy and done assessment for our complete plant for installation of Solar panels at various locations and terraces for generation of power which came out to be approx. 3MW.

Further, we have also planned for alternative source of energy at our new Reservoirs for generation of power i.e. planned for floating solar panels.

3. Capital investment on energy conservation equipments:

a) Ordering of one New 55TPH Boiler based on biomass and taken overbed feeding system to run 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).

b) In the Brine section, 2 Nos. of new Power Based Brine Machines of capacity 344 TR each have been installed in order to utilize the excess power generated by the new 13 MW Turbine. Also, due to installation of these new machines, the steam-based brine machines have been stopped and thus, steam consumption of Utility section has been reduced by around 8 - 8.5 MT/hr resulting in lesser fuel consumption at boiler due to less steam requirement at user end.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

The Company's continuous efforts in its Research and Development (R&D) wing gave access to several improvements that bring efficiencies to the existing processes and introduce new molecules to the market. The glimpses of R&D achievements are:

a) Our continuous flow division (CFR) has seen great advancements, resulting in the development

Directors' Report (Contd.)

of two new technologies that boost the yield of our final stage Pantoprazole API by an impressive 15%. This increase in yield is the equivalent of producing 2-3 additional batches of API. Pilot trials are currently underway to further investigate these exciting new developments.

b) The CFR division incorporated with novel technical abilities that can perform Gas-liquid, Liquid-Liquid, Liquid-Slurry reactions. These include reactors of Hastelloy, SS pinch tube, organic liquid-aqueous liquid separator and so on.

c) Due to these latest technical implementations, >50-Kg material can be produced in a single small reactor in a continuous mode.

d) In addition to that, the Company has also invested in electrolysis equipment where the barriers of oxidation-reduction reactions will be minimised.

e) In the quality front, analytical labs enriched with LCMS / MS and GC-MS instruments. These have high-end technology that can detect the impurities to parts per billion levels (ppb).

f) Furthermore, our R&D team has also made significant progress in recycling and reusing non-immobilized transaminase to create Sitagliptin API, setting us apart from others in the industry who are still facing challenges in this area. This breakthrough has paved the way for further investigation into using biotechnology in chemical procedures that meet ecological restrictions.

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

a) R&D endeavours resulted in yield improvements in Pantoprazole final stage by around 7% without major modifications to the existing process. These improvements are equivalent to 40 Kg/batch with a batch size of 560 Kg output.

b) Our team has successfully progressed Valsartan, Sitagliptin, Dexibuprofen, and Mesalamine from the lab to the commercial quantity seeding stage through pilot plant validations.

c) We have also achieved backward integration of Levetiracetam by producing SABA HCl and 4-CBC, which has led to cost optimization and minimised our external vendor dependency.

d) In addition, we have completed a few projects on the kilo scale and are now ready for plant-scale validations, including Vildagliptin and Minoxidil, among others. Our solid pipeline of five molecules, which includes the Sacubitril-Valsartan complex and Edoxaban, ensures that we will continue to make significant strides in the pharmaceutical industry.

3. Imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

4. Expenditure incurred on Research and Development during the Financial Year ended 31st March, 2023:

in ₹ crores

Capital	4.71
Revenue	16.75
Total	**21.46**

C. FOREIGN EXCHANGE EARNINGS & OUTGO DURING THE FIN.A.NCIAL YEAR ENDED 31ST MARCH, 2023:

in ₹ crores

Used	605.18
Earned	593.01

Corporate Governance Report

FY 2022-23

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	11	4	5	-
Mr. Varinder Gupta DIN: 00044068	Managing Director	8	-	1	11,96,965
Mr. Vikas Gupta DIN: 07198109	Executive Director	9	-	2	-
Dr. Sanjay Chaturvedi (till 03.04.2023) DIN: 00371842	Executive Director & CEO	2	-	-	
Mr. Kushal Kumar Rana DIN: 09189020	Director (Works)	1	-	-	-
Mr. Harpal Singh DIN: 06658043	Independent Director	4	1	1	-
Dr. Sandhya Mehta DIN: 06954964	Independent Director	2	1	2	-
Mr. Sharad Tyagi DIN: 00371842	Independent Director	1	-	2	-

(1) Including the Company.

(2) Board Committees for this purpose only includes Audit Committee and Stakeholders' Relationship Committee.

Note: There is no *inter se* relationship between the directors except that Mr. Varinder Gupta is father of Mr. Vikas Gupta.

Corporate Governance Report (Contd.)

Mr. Abhiraj Gupta was appointed as additional director and designated as Executive Director w.e.f. 3rd April, 2023. Dr. Sanjay Chaturvedi resigned from Executive Director & CEO of the Company w.e.f. close of the business hours on 3rd April, 2023.

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
	4. Indosolar Limited	Independent Director
Mr. Varinder Gupta	IOL Chemicals and Pharmaceuticals Limited	Managing Director
Mr. Vikas Gupta	IOL Chemicals and Pharmaceuticals Limited	Executive Director
Dr. Sanjay Chaturvedi (Till 03.04.2023)	IOL Chemicals and Pharmaceuticals Limited	Executive Director & CEO
Mr. Kushal Kumar Rana	IOL Chemicals and Pharmaceuticals Limited	Director (Works)
Mr. Harpal Singh	IOL Chemicals and Pharmaceuticals Limited	Independent Director
Dr. Sandhya Mehta	IOL Chemicals and Pharmaceuticals Limited	Independent Director
Mr. Sharad Tyagi	IOL Chemicals and Pharmaceuticals Limited	Independent Director

b) Attendance of Directors at the Board Meetings and last Annual General Meeting:

During the financial year 2022-23, the Board met 5 (Five) times on 30th May, 2022, 9th August ,2022, 22nd September, 2022, 14th November, 2022 and 7th February, 2023. There was no gap of more than 120 days between any two consecutive meetings. Attendance of the directors at Board Meetings and previous Annual General Meeting (AGM) held on 26th August, 2022 is as given below:

Name of the Director	Board Meetings Attended	Attendance at last AGM
Mr. Rajender Mohan Malla, Chairman	5	Yes
Mr. Varinder Gupta	4	Yes
Mr. Vikas Gupta	5	Yes
Dr. Sanjay Chaturvedi (Till 03.04.2023)	5	Yes
Mr. Kushal Kumar Rana	5	Yes
Dr. Sandhya Mehta	5	Yes
Mr. Harpal Singh	5	Yes
Mr. Sharad Tyagi	5	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, 2023. 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 2022-2023, Audit Committee met four times on 30th May, 2022, 9th August, 2022, 14th November, 2022 and 7th February, 2023. 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 (w.e.f. 9th August, 2022)	2	2

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, 2023. 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, one meeting was held on 30th May, 2022.

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

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

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, Shareholders of the Company, and approval of any concerned authority, if any. 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 2022-2023 is given below:)

in ₹ lakhs

Name	Position	Salary	Commis-sion	Contribution to Provident & Other Funds	Other perquisites & allowances	Total
Mr. Varinder Gupta	Managing Director	298.2	-	35.79	411.55	745.56
Mr. Vikas Gupta	Executive Director	89.47	-	10.74	143.17	243.38
Mr. Kushal Kumar Rana	Director (Works)	53.95	-	6.47	74.96	135.39
Dr. Sanjay Chaturvedi (Till 03.04.2023)	Executive Director & CEO	120.1	-	14.41	206.2	340.70

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 2022-2023 is given below:

in ₹ lakhs

Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings	Total Fee Paid
Dr. Sandhya Mehta	2.25	6.25	8.50
Mr. Rajender Mohan Malla	2.25	0.75	3.00
Mr. Harpal Singh	2.25	3.50	5.75
Mr. Sharad Tyagi	2.25	9.50	11.75
Total	**9.00**	**20.00**	**29.00**

During the year 2022-23, 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, 2023. 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 14th November, 2022 and 7th February, 2023.

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	1
Mr. Vikas Gupta	2	2
Mr. Sharad Tyagi (w.e.f. 9th August, 2022)	2	2

Mr. Abhay Raj Singh, 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 2022-23 are as under:

Sr. No.	Nature of complaints/ queries	No. of Complaints/queries during the year: Received	Attended	Pending
1	Transmission of shares	36	36	Nil
2	Mandate	26	26	Nil
3	Loss of shares	61	61	Nil
4	SEBI/Stock Exchange	-	-	-
5	Change of Company Name	33	33	Nil
6	Change of Address	28	28	Nil
7	Split/Consolidation	-	-	-
8	Others	21	21	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 meeting were held on 30th May, 2022, 9th August, 2022, 14th November, 2022 and 7th February, 2023. Attendance record of Corporate Social Responsibility Committee members is given below:

	No. of Meetings	
Name of the Members	Held	Attended
Mr. Varinder Gupta, Chairman	4	3
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 six members, five directors, two being independent directors viz. Mr. Harpal Singh (Chairman), Dr. Sandhya Mehta, three being executive directors viz. Mr. Vikas Gupta, Mr. Sanjay Chaturvedi (Till 03.04.2023), Mr. Kushal Kumar Rana and one Mr. Pardeep Kumar Khanna, Chief Financial Officer as its members. Terms of reference of Committee are in accordance with the provisions of SEBI (LODR) Regulations. During the year, two meeting were held on 14th November, 2022 and 7th February, 2023.

Attendance record of Risk Management Committee members is given below:

	No. of Meetings	
Name of the Members	Held	Attended
Mr. Harpal Singh, Chairman	2	2
Dr. Sandhya Mehta	2	2
Mr. Vikas Gupta	2	2
Dr. Sanjay Chaturvedi (Till 3.04.2023)	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 four members, three being executive directors viz. Mr. Varinder Gupta (Chairman), Mr. Vikas Gupta, Dr. Sanjay Chaturvedi (Till 3.04.2023), and one being independent director Mr. Sharad Tyagi as its members. During the year, fourteen meeting were held.

During the year one meeting of Independent Directors was held on 27th March, 2023. 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
35th AGM	26th August, 2022	Friday	11:00 a.m. (Through video conferencing from Corporate Office Ludhiana)	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.
34th AGM	18th September, 2021	Saturday	11:00 a.m. (Through video conferencing from Corporate Office Ludhiana)	To appoint Mr. Kushal Kumar Rana as Director (Works) of the Company.
33rd AGM	26th September, 2020	Saturday	11:00 a.m. (Through video conferencing from Corporate Office Ludhiana)	1. To re-appoint Mr. Vikas Gupta as Executive Director of the Company for a period of 5 years with effect from 29th May, 2020. 2. To approve shifting of the Register Office of the Company outside the local limits

Postal Ballot:

No resolution has been passed through exercise of postal ballot during the year.

11. 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.

12. General Shareholders Information

Following information would be useful to the members:

a) **Annual General Meeting** of the Company will be held on **Thursday, 10th August, 2023 at 11:00 a.m.** 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 – 148 107 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, 2022 to 31st March, 2023. Tentative financial calendar of the Company for the year 2023-24 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30th June, 2023	During August 2023
Financial Results for the quarter/half year ending 30th September, 2023	During November 2023
Financial Results for the quarter ending 31st December, 2023	During February 2024
Financial Results for the quarter ending 31st March, 2024	During May 2024

c) **Date of Book Closure**

The Register of Members and Share Transfer Books will remain closed from 4th August, 2023 to 10th August, 2023 for the purpose of the Annual General Meeting.

d) **Dividend payment date**

During the year under review, an Interim Dividend @ 40% i.e. ₹4/- per equity share of face value of ₹10/- each, for financial year 2022-23 was declared and paid to the Shareholders of the Company. The Board of Directors considers the same as final dividend and therefore have not recommended any final dividend to the shareholders.

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

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

Corporate Governance Report (Contd.)

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

Name and Address of the Stock Exchange	Stock Code
1. National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051	IOLCP
2. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	524164

The Company has made all the compliances of Listing Agreement including payment of annual listing fees for the financial year 2022-23.

g) Market Price data

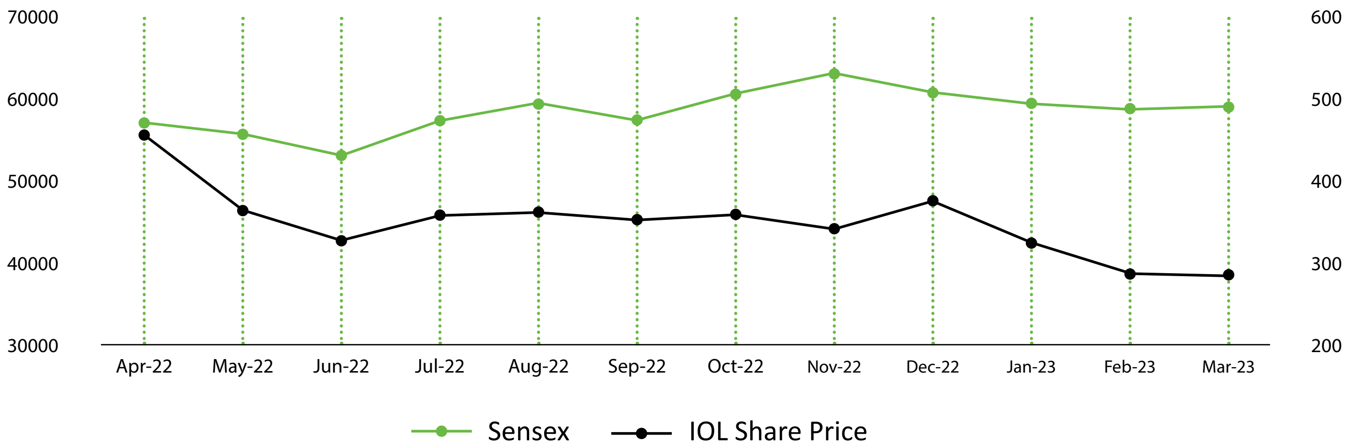
Monthly high and low prices of equity shares of the Company at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follow:

in ₹ crores

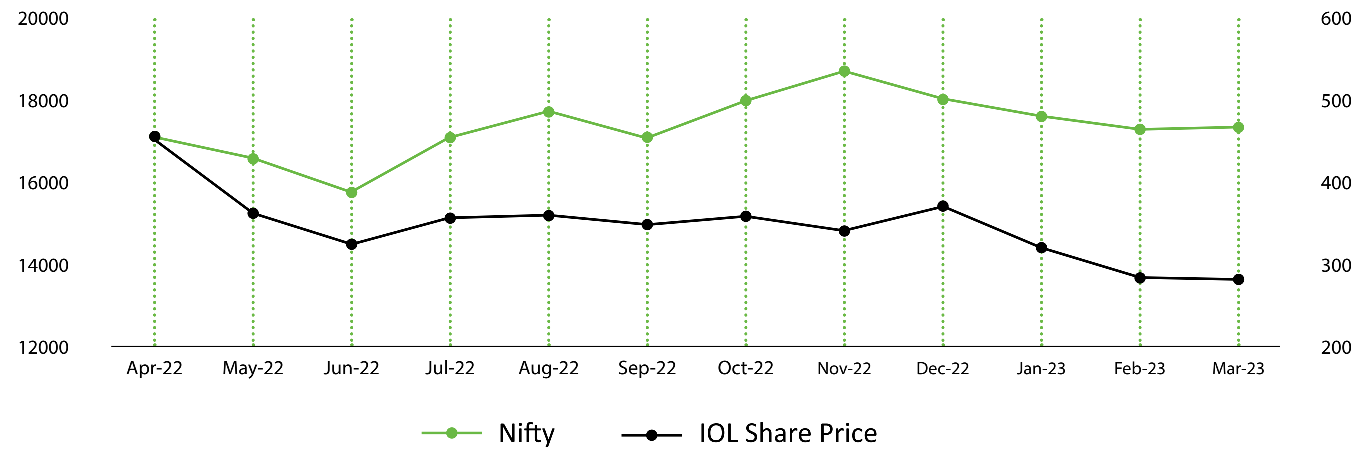
	NSE				BSE			
	Share Price		NIFTY		Share Price		BSE SENSEX	
Financial Year 2022-23	High	Low	High	Low	High	Low	High	Low
Apr-22	537	419	18115	16825	537	356	60845	56009
May-22	459	359	17133	15736	459	348	57184	52632
Jun-22	364	298	16794	15183	375	298	56433	50921
Jul-22	375	328	17173	15511	374	321	57619	52094
Aug-22	397	348	17992	17155	397	347	60411	57367
Sep-22	403	341	18096	16818	402	335	60676	56147
Oct-22	384	355	18023	16856	384	355	60787	56683
Nov-22	382	316	18816	17959	382	316	63303	60425
Dec-22	428	325	18888	17774	428	325	63583	59754
Jan-23	380	316	18252	17406	380	310	61344	58699
Feb-23	342	282	18036	17255	342	282	61682	58796
Mar-23	315	273	17800	16828	315	272	60498	57085

Source: nseindia.com and bseindia.com

Sensex v/s IOL Share Price



Nifty v/s IOL Share Price



h) Registrar and Share Transfer Agents

Alankit Assignments Limited,
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit Heights", 4E/2,
Jhandewalan Extention, New Delhi – 110 055
Phone : +91-11-23541234, 42541234
Fax : +91-11-42541967
E-mail : rta@alankit.com

i) 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.

j) Distribution of Shareholding

The Distribution Schedule of the Company as on 31st March, 2023 is as follow:

Shareholding of Nominal value in ₹	Shareholders		Shares	
	Number	%age of total holders	Number	%age of total capital
Up to 500	1,34,422	95.89	91,68,756	15.62
501 to 1000	3,355	2.39	25,63,978	4.37
1001 to 2000	1,353	0.97	19,61,315	3.34
2001 to 3000	389	0.28	9,87,285	1.68
3001 to 4000	174	0.12	6,21,797	1.06
4001 to 5000	127	0.09	5,81,933	0.99
5001 to 10000	212	0.15	15,20,455	2.59
10001 and Above	145	0.1	4,12,99,983	70.35
Total	1,40,177	100	5,87,05,502	100

Corporate Governance Report (Contd.)

k) Shareholding Pattern:

The shareholding pattern of the Company as on 31st March, 2023 is as follow:

	As on 31st March, 2023			As on 31st March, 2022		
Category	Shareholders	Shares	%age	Shareholders	Shares	%age
Promoter						
Indians	8	2,82,90,077	48.19	8	2,56,48,998	43.69
Foreign	-	-	-	-	-	-
Sub-total	**8**	**2,82,90,077**	**48.19**	**8**	**2,56,48,998**	**43.69**
Non-Promoters						
Financial Institutions/Mutual Funds	6	1,35,418	0.23	9	24,511	0.04
Foreign Portfolio Investors	44	14,27,560	2.43	67	18,43,665	3.14
NBFCs registered with RBI	1	7,500	0.01	1	7,500	0.01
Bodies Corporate	444	91,55,613	15.6	424	1,14,73,040	19.54
Individuals	1,35,544	1,78,99,404	30.49	1,41,683	1,77,84,178	30.29
HUF	2,062	6,59,305	1.13	2,079	6,05,309	1.03
NRI	1,970	10,69,803	1.82	1,997	9,95,421	1.7
Clearing Members	45	41,704	0.07	115	3,07,490	0.53
Employees	49	12,654	0.02	50	13,797	0.03
Foreign Nationals	-	-	-	1	400	0
Trust	4	6,464	0.01	3	1,193	0
Sub-total	**1,40,169**	**3,04,15,425**	**51.81**	**1,46,429**	**3,30,56,504**	**56.31**
Total	**1,40,177**	**5,87,05,502**	**100**	**1,46,437**	**5,87,05,502**	**100**

l) Dematerialisation of Shares and Transfer of Shares:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

Shares held in demat and physical mode as on 31st March, 2023 are as follow:

	Equity shares of ₹10/- each		Members	
Particulars of shares	Number	% of Total	Number	% of Total
Demat mode	5,82,09,460	99.16 %	1,36,612	97.46
Physical mode	4,96,042	0.84 %	3,565	2.54
Total	**5,87,05,502**	**100 %**	**1,46,437**	**100.00**

The Company has appointed Alankit Assignment Limited as Registrar and Share Transfer Agents. No case is pending for transfer as well as dematerialisation of shares as on 31st March, 2023. The ISIN No. of the Company is INE485C01011

m) Outstanding GDR/ ADR/ Warrants/ Convertible Instrument

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

n) 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 minimise the risk.

(ii) Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: There is no exposure in commodity derivatives

a) Total exposure of the listed entity to commodities in ₹: Nil

b) Exposure of the listed entity to various commodities: Nil

c) Commodity risks faced by the listed entity during the year and how they have been managed: Nil

o) Credit rating

Credit rating by CARE Ratings Limited vide letter 1st July, 2022 for banking facilities availed by the Company, as per details given below:

Facilities	Amount (in ₹ crores)	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)	210	**CARE A1 +** (A One Plus)	Reaffirmed
Long-Term Bank Facilities – Term Loan	-	Not applicable as the Company does not have any long-term Debt	

p) Plant Location

Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District – Barnala – 148 107, Punjab.
Phone: +91-1679-285285-86
Fax: +91-1679-285292

q) Address for Correspondence

For general correspondence:
Mr. Abhay Raj Singh
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 – 110 055
Phone: +91-11-23541234, 42541234
Fax: +91-11-42541967
E-mail: rta@alankit.com

11. Disclosures

a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors or promoters of the Company at large except details of transactions annexed to the Balance Sheet. Transactions entered into with related parties during the financial year 2022-23 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) Loans and Advances to any entity in which directors are interested

Neither the Company nor any of its subsidiaries has provided loans or advances in the nature of loans to any firms/ companies in which directors are interested.

c) 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.

d) 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.

e) 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.

Corporate Governance Report (Contd.)

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 familiarisation programs for independent directors are posted on the website of the Company at www.iolcp.com.

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	Sanjay Chaturvedi*	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		

*Dr .Sanjay Chaturvedi resign from the Company w.e.f. the close of the business hours on 3rd April, 2023.

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:

1. IOL- Foundation.
2. IOL Speciality Chemicals Limited
3. IOL Life Sciences Limited
4. IOL Global Limited

The Company has no material subsidiary Company as on 31st March, 2023.

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 ₹29.20 lakhs 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. 46 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 2022-23 are as under:

	No. of complaints during the year		
Nature of complaints/queries	Filed	disposed	Pending
Sexual Harassment of women at workplace	2	2	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.

Corporate Governance Report (Contd.)

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MAN.A.GEMENT 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, 2023.

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Place: Ludhiana
Date: 28th April, 2023

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, 2023 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: 28th April, 2023

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERN.A.NCE

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, 2023, 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, 2023.

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/-
(Arvind Jain)
Partner
M. No. 097549
UDIN: 23097549BGWLCW6115

Place : Ludhiana
Date : 28th April, 2023

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 31st March, 2023, 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: F004590E000213403

Place : Ludhiana
Date : 28th April, 2023

Business Responsibility and 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 – 148 101, Punjab, India
5	Corporate address	85, Industrial Area 'A' Ludhiana – 141 003, 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 2022 to March 2023
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11	Paid-up Capital	₹58,70,55,020
12	Name and contact details (telephone, e-mail address) of the person who may becontacted 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

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Chemical Segment	51%
2.	Manufacturing	Pharma Segment	49%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Ethyl Acetate	20119	39.34%
2	Ibuprofen	21002	34.51%
3	Non Ibuprofen APIs	21002	22.25%
4	Other	20119 / 21002	3.90%
	Total		100%

III. Operations

16. 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	-	-	-

17. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	4
International (No. of Countries)	-

Business Responsibility and Sustainability Report (Contd.)

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

25%

c) A brief on types of customers

1. Specialty Chemicals/Products Manufacturing Companies
2. Pharmaceuticals Finished Dosage Manufacturing Companies

IV. Employees

18. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2569	2494	97.08%	75	2.92%
2.	Other than Permanent (E)	140	127	90.71%	13	9.29%
3.	**Total employees (D + E)**	**2709**	**2621**	**96.75%**	**88**	**3.25%**
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:

Sr. 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**

19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	2	0	0.00%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	**97%**	**3%**	**100%**	97%	3%	100%	97%	3%	100%
Permanent Workers	**0**	**0**	**0**	0	0	0	0	0	0

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

Sr. 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 Global Limited	Wholly-owned Subsidiary	100%	No
4	IOL-Foundation	Wholly-owned Subsidiary	100%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No): Yes

(ii) Turnover (in ₹) 22,17,11,04,207

(iii) Net worth (in ₹) 15,06,54,92,723

VII. Transparency and Disclosures Compliances

23. 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 2022-23 Current Financial Year			FY 2021-22 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	1	Nil		Nil	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	

24. 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

Business Responsibility and Sustainability Report (Contd.)

As a pharmaceuticals and Specialty Chemical firm, we have identified, evaluated, and reported on certain key issues. In FY 2020-21, we completed a materiality evaluation based on peer review across environmental, social and governance dimensions. 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.

Sr. No.	Material issueidentified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case ofrisk, approach to adapt ormitigate	Financial implications of the risk oropportunity (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	N.A.	Positive
2.	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,	Negative
3.	Employee Development	O	Learning and development opportunities for various level of employees	N.A.	Positive
4.	Regulatory Issues and Compliance	R	Non-compliance may impact the brand image and customer trust and engagement	Adherence to compliance monitoring system	Negative
5.	Energy Efficiency	O	Minimise the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc.	N.A.	Positive
6.	Reduction in Carbon Footprint	O	Mitigation of impacts of Climate change and ensure long-term sustainable business	N.A.	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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c) Web-link of the Policies, if available	https://www.iolcp.com/investors/corporate-policies								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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 450012018, ISO 9001:2015, 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 Annual Report and 'Sustainability Report for FY 2022-23.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No	No	No	No	No	Yes*	No	No	No

*British Standards Institution (BSI)

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable since the policies of the Company cover all Principles on NGRBCs								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised 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.

Business Responsibility and Sustainability Report (Contd.)

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 programs on any of the Principles during the financial year:**

There are regular training sessions for new inductees.

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programs
Board of Directors	2	- POSH; - IOL Code of Conduct	100
Key Managerial Personnel	2	- POSH; - IOL Code of Conduct	100
Employees other than BoD and KMPs	69	- Social Accountability; - Data Integrity - POSH; - IOL Code of Conduct	42.51

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 FY23, 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, Organisation 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 2022-23.

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 2022-23.

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

Leadership Indicators

1. **Awareness programs conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programs held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programs
06	- Code of Conduct - SA8000 awareness - Transportation Safety guidelines - Sustainable Procurement Policy. - NDMA Impurity Declaration - EHS&S Awareness	80% (100% of Key Material Supplier)

2. **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, every Director of the Company discloses his/her concern or interest in the Company or companies or bodies corporate or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. These disclosures are shared with the Finance department which flags off the parties in their system for monitoring and tracking transaction(s) entered by the Company with such 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.**

	Financial Year 2022-23 (%)	Financial Year 2021-22 (%)	Details of improvements in environmental and social impacts
R&D	**60%**	40%	All R&D Investments are focussed on sustainable technologies, Backward Integration, enhancing process efficiency and product quality.
Capex	**10.14%**	2.28%	

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

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 authorised recyclers in line with requirement of Plastic waste management rules 2016.

E-waste is disposed off to Authorised vendor approved by PCB in line with requirements of E-waste rules

Specific area is defined for the storage of Hazardous waste within the organisation (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 IOLCP : HWM/FRESH/BAR/2022/19594048

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
5. (28.2) Spent Catalyst
6. (28.3) Spent Carbon
7. (28.4) Off Specification
8. (28.5) Date expired Products
9. (33.1) Empty Barrels
10. (33.2) Contaminated cotton Rags
11. (35.3) ETP Sludge
12. (36.2 Spent Carbon
13. (37.1) sludge from Wet Scrubber
14. (37.2) Ash from incinerator
15. (37.3) Concentration & evaporation Residue

Business Responsibility and Sustainability Report (Contd.)

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	31%	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

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 2022-23	FY 2021-22
	0	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 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	**24.359 MT**	-	-	18.050 MT	-
E-waste	-	**0.520 MT**	-	-	0.430 MT	-
Hazardous waste	-	**NIL**	-	-	NIL	-
Other waste	-	**NIL**	-	-	NIL	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NIL	NIL

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a) Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2494	2494	100%	2494	100%	0	0	2494	100%	0	0
Female	75	75	100%	75	100%	75	100%	0	0	75	100%
Total	2569	2569	100%	2569	100%	75	100%	2494	100%	75	100%
Other than Permanent employees											
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

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	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 employees											
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

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

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0 %	Y	100%	0%	Y
Gratuity	100%	0 %	Y	100%	0%	Y
ESI	100%	0 %	Y	100%	0%	Y
Others – please specify Pension, Leave incashment Due Bonus, Other benefits as per policy	100%	0 %	Y	100%	0%	Y
Momento, Cash reward as per policy, 10-15 year service 1 month fix CTC, 15 above 2 month fixed CTC, farewell Party	**100%**	**0%**	**Y**	100 %	0%	Y

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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.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

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:

	FY 2022-23			FY 2021-22		
Category	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						
- Male	2494	0	0	2494	0	0
- Female	75	0	0	75	0	0
Total Permanent Workers		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:

	FY 2022-23					FY 2021-22				
		On Health and safety measures		On Skill upgradation			On Health and safety measures		On Skill upgradation	
Category	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2132	1845	86.54%	1855	87.01	2083	1537	73.79%	1557	74.75%
Female	49	36	73.47%	38	77.55	44	27	61.36%	27	61.36%
Total	2181	1881	86.24%	1893	86.80	2127	1564	73.53%	1584	74.47%
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:

	FY 2022-23			FY 2021-22		
Category	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2494	2494	100%	2282	2282	100%
Female	75	75	100%	58	58	100%
Total	**2569**	**2569**	**100%**	**2340**	**2340**	**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

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

Yes

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:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.64	0.84
	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.

Organisation is ISO 45001:2018, Certified Safety management system is implemented at site

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

	FY 2022-23			FY 2021-22		
	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

Business Responsibility and Sustainability Report (Contd.)

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities orthird parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

N.A.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N) Yes

(B) Workers (Y/N) Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company periodically 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:

	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 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
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:

	% 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 organisation 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.
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 (E-mail, 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, e-mail communications, Stock Exchange (SE) intimations, investor/ analysts meet/ conference calls, Annual Reports, quarterly results, media releases, Company's website	Ongoing	Financial results, dividends, financial stability, induction of board members, changes in shareholdings, growth prospects
Employees and workers	No	Regular E-mails, 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 prioritizing the issues pertaining to economic, environmental and social topics.

Business Responsibility and Sustainability Report (Contd.)

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 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	2569	1723	67.07%	2569	1723	67.07%
Total Employees	2569	1723	67.07%	2569	1723	67.07%
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

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

Category	FY 2022-23					FY 2021-22				
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	**2494**	-	-	**2494**	**100%**				2278	
Female	**75**	-	-	**75**	**100%**				62	
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. **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	2,92,04,295	0	-
Key Managerial Personnel (excluding MD and ED)	2	98,87,558	0	-
Employees other than BoD and KMP	1042	5,62,200	72	4,08,000
Workers	1435	2,56,800	2	3,17,940

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 2022-23			FY 2021-22		
	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	**2**	**0**		1	0	
Discrimination at workplace	**0**	**0**		0	0	
Child Labor	**0**	**0**		0	0	
Forced Labor/Involuntary Labor	**0**	**0**		0	0	
Wages	**0**	**0**		0	0	
Other human rights related issues	**0**	**0**		0	0	

7. **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

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100 %
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

10. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

    SA 8000:2014 Social Accountability Standard requirements are implemented.

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 Labor	100%
Forced Labor/Involuntary Labor	100%
Wages	100%
Others – please specify	100%

Business Responsibility and 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:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	**170**	222.80
Total fuel consumption (B)	**1594**	2077
Energy consumption through other sources (C)	**16.6**	6.2
Total energy consumption (A+B+C)	**1780.60**	2306
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	**109239**	141472
Energy intensity (optional) – the relevant metric may be selected by the entity	**2184**	1630

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 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	**214477**	214549
(ii) Groundwater	**13916**	15845
(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)	**228393**	230394
Total volume of water consumption (in kilolitres)	**228393**	230394
Water intensity per rupee of turnover *(Water consumed / turnover)*	**0.00001**	0.00001

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, British Standard Institution (BSI)

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, 1) Waste Effluent from all the plants comes to the ZLD facility established within the industry and the treated water is resued 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.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m3	**118**	53
SOx	µg/m3	**39**	80
Particulate matter (PM)	miligrams/cubic meter	**94.30**	71.25
Persistent organic pollutants (POP)	N.A.	**0**	0
Volatile organic compounds (VOC)	ppm	**350**	360
Hazardous air pollutants (HAP)	N.A.	**N.A.**	N.A.
Others– please specify	N.A.	**N.A.**	N.A.

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

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF3, if available)	Metric tonnes of CO_2 Equivalent	**23786**	24928
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**6134**	1171
Total Scope 1 and Scope 2 emissions per rupee of turnover		**0.000013**	0.000011

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, Inline GRI guidelines and ISO 14064-1 GHG emission verification audit

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

   Yes, Initiatives by Cogen:

   1. Steam saving by replacement of 12.1 MW Turbine with 12.4 MW turbine.
   2. Steam saving by heating DM water from 45 degree Celsius to 85 degree Celsius before feeding into the boiler using the steam.
   3. Replacement of Diesel Fork lift by EV fork lift
   4. Solar Panel installation to bring down scope 2 of GHG emissions

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	**24.359**	18.050
E-waste (B)	**0.520**	0.430
Bio-medical waste (C)	**0.0325**	0.0309
Construction and demolition waste (D)	**0**	0
Battery waste (E)	**2.08**	1.02
Radioactive waste (F)	**0**	0
Other Hazardous waste. Please specify, if any. (G)	**1665.183**	13.73
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	**0**	0
Total (A+B + C + D + E + F + G + H)	**1692.175**	33.2609
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	**36.366**	18.25
(ii) Re-used	**N.A.**	N.A.
(iii) Other recovery operations	**N.A.**	N.A.
Total	**36.366**	18.25
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	**179.666**	13.93
(ii) Landfilling	**1473.510**	NIL
(iii) Other disposal operations	**N.A.**	N.A.
Total	**1653.176**	13.93

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

9. **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.**
   1. Different dustbins are defined in every plant, office, OHC, Canteen for collection of waste depending on the type and segregating from the source itself.
   2. Hazard Waste collection area is defined within the industry for storage.
   3. Awareness campaign are been conducted in the premises for sustainable life and workplace management to reduce the waste.
   4. Condensate water is collected and reused in Cooling towers.
   5. Effluent treatment and reused in Cooling towers

10. **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

Sr. 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		

11. **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
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

12. **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

Sr. 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
N.A.	N.A.	N.A.	N.A.	N.A.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	**116**	199
Total fuel consumption (B)	**1088**	1851
Energy consumption through other sources (C)	**5**	2
Total energy consumed from renewable sources (A+B+C)	**1209**	2052
From non-renewable sources		
Total electricity consumption (D)	**54**	23.8
Total fuel consumption (E)	**506**	226
Energy consumption through other sources (F)	**11.6**	4.2
Total energy consumed from non-renewable sources (D+E+F)	**571.6**	254

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.

No

Business Responsibility and Sustainability Report (Contd.)

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	**0**	0
- No treatment	**0**	0
- With treatment – please specify level of treatment	**0**	0
(ii) To Groundwater	**0**	0
- No treatment	**0**	0
- With treatment – please specify level of treatment	**0**	0
(iii) To Seawater	**0**	0
- No treatment	**0**	0
- With treatment – please specify level of treatment	**0**	0
(iv) Sent to third-parties	**0**	0
- No treatment	**0**	0
- With treatment – please specify level of treatment	**0**	0
(v) Others	**0**	0
- No treatment	**0**	0
- With treatment – please specify level of treatment	**0**	0
Total water discharged (in kilolitres)	**0**	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. **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 2022-23	FY 2021-22
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.

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	**14419**	779
Total Scope 3 emissions per rupee of turnover		**0.000000065**	0.000000003

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.

5. **With respect to the ecologically sensitive areas reported at Question 10 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.**

N.A.

6. **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
1	Steam saving Activity by Replacement of 13MW turbine.	Energy saving by replacement of Old 12.1 MW Turbine with new designed efficient 12.4 MW Turbine with same input parameters of steam. Same is Published in GHG Report available on IOLCP website.	Scope -1 Emission Reduction MTCO2e **4869.738**
2	Steam saving Activity by Replacement of 4MW turbine.	Energy saving by replacement of Old 4MW Turbine with new designed efficient 4.225MW Turbine with same input parameters of steam. Same is Published in GHG Report available on IOLCP website.	Scope -1 Emission Reduction MTCO2e **4271.98125**

7. **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 organisation. Business Continuity is generally ensured by alternate arrangement of raw material, services & utilities required for smooth operations. Business critical functions have been analyzed for any failure and backup arrangement to uninterrupted supply of goods to the customers. All identified critical functions have been assessed for risk & its criticality to the business to set the priority for the next action to be taken to reduce the impact.

A documented guiding document has been established by IOLCP which can be referred in case of major fire ,data loss, flooding, raw material supply interruption which may occur during performing any business operation.

8. **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.**

N.A.

9. **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

Business Responsibility and Sustainability Report (Contd.)

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.

   Six

   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

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	NIL	NIL

Leadership Indicators

1. Details of public policy positions advocated by the entity: No

Sr. 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
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. 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)
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	**11.01%**	11.46%
Sourced directly from within the district and neighbouring districts	**39.94%**	48.75%

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
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (In INR)
		Not Applicable	

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? N/a

   (c) What percentage of total procurement (by value) does it constitute? N/a

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:

   Not Applicable

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.

   Not Applicable

Business Responsibility and Sustainability Report (Contd.)

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groupsh
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	Benefit of armed force veterans, war widows and their dependents		
5	Promoting education among children		
6	Animal welfare	Animals in and around the activity area	

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   We have a designated team for receiving and resolving any grievances and the respective departments have been devised along with an escalation matrix for unresolved grievances. The complaints, if any, are settled within a stipulated time frame on a priority basis by identifying root cause and taking corrective actions accordingly to the satisfaction of customer.

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 2022-23		Remarks	FY 2021-22		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	N.A.	0	0	N.A.
Advertising	0	0	N.A.	0	0	N.A.
Cyber-security	0	0	N.A.	0	0	N.A.
Delivery of essential services	0	0	N.A.	0	0	N.A.
Restrictive Trade Practices	0	0	N.A.	0	0	N.A.
Unfair Trade Practices	0	0	N.A.	0	0	N.A.
Other	41	34	N.A.	39	39	N.A.

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

	Number	Reasons for recall
Reasons for recall	0	N.A.
Forced recalls	0	N.A.

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 issues 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 issues on safety of the product.

   However, regular reviews are conducted to improve cyber security, the measures to safeguard data privacy are taken and needs are evaluated with reference to best practices and effective measures are adopted in the company.

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web-link, if available).**

   Information relating to all products of the Company are available on the website at https://www.iolcp.com/business/business-overview

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   IOLCP provides Material Safety Data Sheet (MSDS) while dispatching products to its customer which contains information pertaining to safe handling and product storage. Risks/hazards related to product and steps to mitigate risks are incorporated in MSDS.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   The Company provide information to its customers through e-mails and phone calls.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

   Yes, our product labels are in compliance with prevailing regulatory guidelines and mandatory information is displayed on product labels. As per customer requirement additional information is also provided, if any, like TREM card required during material transportation.

   Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes

5. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact**

      0

   b) **Percentage of data breaches involving personally identifiable information of customers**

      0%

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"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 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 judgement, 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.

Key Audit Matter	Auditors' Response
Revenue recognition:	**Principal Audit Procedures:**
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 recognises 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.	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: i) Analysed the terms and conditions of the underlying contract with the customer, and ii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

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 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 judgements 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 judgement 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.

Independent Auditor's Report (Contd.)

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 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 36.

      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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

3. 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

Arvind Jain
Partner
Membership No.: 097549
UDIN: 23097549BGWLCU7234

Place: Ludhiana
Dated: 28th April, 2023

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 31st March, 2023 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 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, 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

Arvind Jain
Partner
Membership No.: 097549
UDIN: 23097549BGWLCU7234

Place: Ludhiana
Dated: 28th April, 2023

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 programme 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 31st March, 2023 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 account.

(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 which 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 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.

Annexure 'B' to the Independent Auditor's Report (Contd.)

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 Customs, 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 Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they become payable.

(b) There are no statutory dues referred to in sub-clause(a) above which have not been deposited on account of a dispute.

(c) 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.

(d) (a) The Company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence, reporting under clause 3(ix)(e) of the Order is not applicable.

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

(e) (a) The Company has not raised any money by way of initial public offer or further public offer (Including Debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

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

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

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

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

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

(h) 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 by the applicable accounting standards.

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

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(j) 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.

(k) (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.

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

(m) 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.

(n) 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 future events or conditions that may cause the Company to cease to continue as a going concern. 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.

(o) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of Section 135(6) of the Act. (Refer Note no. 48)

For and on behalf of
Ashwani & Associates
Chartered Accountants
Firm Registration Number: 000497N
by the hand of

Arvind Jain
Partner
Membership No.: 097549
UDIN: 23097549BGWLCU7234

Place: Ludhiana
Dated: 28th April, 2023

Standalone Balance Sheet

as at 31st March, 2023

in ₹ Crore

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3.1	**750.52**	559.49
(b) Right of use assets	4	**0.14**	0.97
(c) Capital work-in-progress	3.3	**81.40**	102.03
(d) Other Intangible assets	3.2	**0.65**	0.18
(e) Intangible assets under development	3.4	**8.24**	3.17
(f) Financial assets			
(i) Investments	5.1	**17.71**	0.10
(ii) Other financial assets	6	**233.87**	205.34
(g) Other non-current assets	7	**9.01**	10.30
Total non-current assets		**1,101.54**	**881.58**
2 Current assets			
(a) Inventories	8	**325.52**	409.89
(b) Financial assets			
(i) Investments	5.2	**2.56**	2.37
(ii) Trade receivables	9	**505.28**	469.80
(iii) Cash and cash equivalents	10	**0.96**	1.12
(iv) Bank balances other than (iii) above	11	**19.94**	136.76
(v) Other financial assets	12	**22.36**	22.98
(c) Current tax assets (net)	24	**1.75**	0.91
(d) Other current assets	13	**40.70**	34.88
Total current assets		**919.07**	**1,078.71**
TOTAL ASSETS		**2,020.61**	**1,960.29**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**58.71**	58.71
(b) Other equity	15	**1,447.84**	1,331.56
Total equity		**1,506.55**	**1,390.27**
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		**-**	-
(ia) Lease liabilities	16	**-**	0.18
(b) Provisions	17	**1.65**	3.01
(c) Deferred tax liabilities (net)	32	**56.36**	53.18
(d) Other non-current liabilities	18	**0.14**	0.25
Total non-current liabilities		**58.15**	**56.62**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**79.63**	42.75
(ia) Lease liabilities	16	**0.18**	1.02
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		**14.70**	14.10
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		**299.52**	395.19
(iii) Other financial liabilities	21	**36.00**	30.02
(b) Other current liabilities	22	**17.75**	22.98
(c) Provisions	23	**8.13**	7.34
Total current liabilities		**455.91**	**513.40**
Total Equity and Liabilities		**2,020.61**	**1,960.29**
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of standalone financial statements			

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Arvind Jain
Partner
M. No. 097549

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN: 07198109

Sd/-
Abhay Raj Singh
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

in ₹ Crore

	Particulars	Note No.	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Income:				
I	Revenue from operations	25	**2,217.11**	2,184.02
II	Other income	26	**25.57**	32.04
III	**Total income (I+II)**		**2,242.68**	**2,216.06**
IV	**Expenses:**			
	Cost of materials consumed	27	**1,536.07**	1,578.91
	Purchase of stock-in-trade		**29.22**	43.90
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	**(18.20)**	(52.30)
	Employee benefits expense	29	**168.21**	141.30
	Finance cost	30	**16.47**	8.29
	Depreciation and amortisation expense	3	**46.13**	43.26
	Other expenses	31	**275.29**	215.93
	Total expenses (IV)		**2,053.19**	**1,979.29**
V	**Profit before exceptional items and tax (III-IV)**		**189.49**	236.77
VI	**Exceptional items**		**-**	13.93
VII	**Profit before tax (V-VI)**		**189.49**	222.84
VIII	**Tax expense:**			
	Current tax		**46.26**	57.01
	Deferred tax		**3.25**	0.17
	Total tax expense (VIII)	32	**49.51**	**57.18**
IX	**Profit for the period (VII-VIII)**		**139.98**	165.66
X	**Other Comprehensive Income/(loss)**			
A	Items that will not be reclassified to profit or loss			
i)	Remeasurement gain/(loss) of defined benefit obligation		**(0.51)**	(1.32)
ii)	Income tax relating to items that will not be reclassified to profit or loss	32	**0.13**	0.33
B	Items that will be reclassified to profit or loss			
i)	Net movement in effective portion of cash flow hedge reserve		**0.24**	0.51
ii)	Income tax relating to items that will be reclassified to profit or loss	32	**(0.06)**	(0.12)
	Total other comprehensive income/(loss) for the year, net of tax (X)		**(0.20)**	**(0.60)**
XI	**Total Comprehensive Income for the period (IX+X)**		**139.78**	**165.06**
XII	**Earnings per equity share of ₹10/- each**	33		
	- Basic & Diluted ₹		**23.84**	28.22
	Weighted average equity shares used in computing earnings per equity share			
	- Basic & Diluted		**5,87,05,502**	5,87,05,502
	Corporate information	1		
	Significant accounting policies	2		
	See accompanying notes forming part of standalone financial statements			

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Arvind Jain
Partner
M. No. 097549

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN: 07198109

Sd/-
Abhay Raj Singh
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

A. Equity Share capital

(1) Current reporting period from 1st April, 2022 to 31st March, 2023

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 1st April, 2021 to 31st March, 2022

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 1st April, 2022 to 31st March, 2023

Standalone 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	1,101.75	(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) (Refer note no. 37)				(0.38)		(0.38)
Net movement in effective portion of cash flow hedge reserve (net of income tax) {Refer note no. 42(i)}					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 current period	10.76	225.72	1,218.23	(6.85)	(0.02)	1,447.84

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(2) Previous reporting period from 1st April, 2021 to 31st March, 2022

Standalone 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 previous period	10.76	225.72	971.31	(5.48)	(0.59)	1,201.72
Profit for the period transferred from statement of profit and loss			165.66			165.66
Remeasurement gain/(loss) of defined benefit obligation (net of income tax) (Refer note no. 37)				(0.99)		(0.99)
Net movement in effective portion of cash flow hedge reserve (net of income tax) {Refer note no. 42(i)}					0.39	0.39
Total Comprehensive Income for the period	-	-	165.66	(0.99)	0.39	165.06
Dividend paid on equity shares			(35.22)			(35.22)
Balance as at the end of the previous period	10.76	225.72	1,101.75	(6.47)	(0.20)	1,331.56

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

Sd/-
Arvind Jain
Partner
M. No. 097549

Place: Ludhiana
Date: 28th April, 2023

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
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Standalone Cash Flow Statement

for the year ended 31st March, 2023

in ₹ Crore

Particulars	For the year ended 31-Mar-2023		For the year ended 31-Mar-2022	
Cash flow from operating activities				
Profit before tax		189.49		222.84
Adjustments for:				
Depreciation and amortisation expense	46.13		43.26	
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(1.97)		(1.28)	
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.01)		(0.02)	
Subsidy Income amortised	(0.07)		(0.07)	
Interest income on financial assets carried at amortised cost net of rent amortised during the period	(0.06)		(0.08)	
Liabilities no longer required written back	(0.03)		(0.03)	
Lease Liability Provision written back	-		(0.08)	
Net (Gain)/Loss on Property, plant and equipment sold	0.33		0.24	
Loss on Property, plant and equipment discarded	0.26		0.85	
Interest expense	16.47		8.29	
Interest income	(16.63)		(17.96)	
		44.42		33.12
Operating profit before working capital changes		**233.91**		**255.96**
Changes in working capital:				
Increase/(Decrease) in trade payables and other liabilities	(105.34)		183.19	
Decrease/(Increase) in trade and other receivables	(42.70)		(170.78)	
Decrease/(Increase) in inventories	84.37		(114.75)	
		(63.67)		(102.34)
Cash generated from operations		**170.24**		**153.62**
Income tax paid (net)		(47.10)		(62.58)
Net cash flow from/(used in) operating activities (A)		**123.14**		**91.04**
Cash flow from investing activities				
Purchase of property, plant and equipment including intangible assets and Capital work-in-progress	(211.29)		(153.29)	
Proceeds from sale of property, plant and equipment	2.22		1.89	
Purchase of investment	(17.81)		(1.24)	
Interest received	17.71		18.60	
Bank balances not considered as cash and cash equivalents:				
Decrease in deposit with banks, having original maturity more than three months	98.34		23.55	
Increase in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	(8.36)		(10.13)	
Net cash flow from/(used in) investing activities (B)		**(119.19)**		**(120.62)**

Standalone Cash Flow Statement

for the year ended 31st March, 2023

in ₹ Crore

Particulars	For the year ended 31-Mar-2023		For the year ended 31-Mar-2022	
Cash flow from financing activities				
Proceeds/(Repayment) of current borrowings	36.88		42.75	
Interest paid	(16.40)		(8.11)	
Lease rent payments	(1.09)		(1.06)	
Dividend paid on Equity shares	(23.50)		(35.22)	
Net cash flow from/(used in) financing activities (C)		**(4.11)**		**(1.64)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(0.16)		(31.22)
Cash and cash equivalents at the beginning of the period		1.12		32.34
Cash and cash equivalents at the end of the period *		0.96		1.12
* Comprises				
Balances with banks in current account		0.43		0.70
Cash on hand		0.53		0.42
		0.96		1.12
See accompanying notes to the standalone financial statements				

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Arvind Jain
Partner
M. No. 097549

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN: 07198109

Sd/-
Abhay Raj Singh
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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 28th April, 2023.

Note 2 (i): Significant 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 recognised 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 recognised 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 recognised when it becomes unconditional. Generally the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

In case of discounts, rebates, credits, price incentives or similar terms, considerations are determined based on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

VI. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognised when there exist no significant uncertainty with regard to the amount to be realised 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 recognised 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 recognised 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.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

b) Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

c) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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 amortisation 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	First in first out method plus direct expenses.
b)	Stores and Spares	Weighted average method plus direct expenses.
c)	Work-in-progress	Cost of material plus appropriate share of overheads thereon at different stage of completion.
d)	Finished Goods	Cost of material plus conversion cost, packing cost, and other overheads incurred to bring the goods to their present conditions and location.
e)	Material in Transit	Actual cost plus direct expenses to the extent incurred.

XI. Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India a distribution is authorised when it is approved by the shareholders, However, Board of Directors of a Company may declare interim dividend during any financial year out of the surplus in statement of profit and loss and out of the profits of the financial year in which such interim dividend is sought to be declared. A corresponding amount is recognised directly in equity.

XII. Government grants

The government grants are recognised only when there is a reasonable assurance of compliance that conditions attached to such grants shall be complied with and it is reasonably certain that the ultimate collection will be made.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

Government grant in relation to fixed asset is treated as deferred income and is recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

XIII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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 recognises 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 recognises 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 recognised 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 amortised 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 recognised 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.

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forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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 recognised. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVII. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax is recognised using the balance sheet approach on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (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 recognised 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 recognised in the statement of profit or loss.

ii. Subsequent measurement

– **Non-derivative financial instruments**

1. Financial assets carried at amortised cost

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forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognised 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 amortised 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 categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised 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 realised 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

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risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- For fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

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 recognised as a deduction from equity, net of any tax effects.

De-recognition of financial instruments

A financial asset is derecognised 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 derecognised 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, maximising the use of relevant observable inputs and minimising 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 recognises 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 recognised as an impairment gain or loss in statement of profit or loss.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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 recognised 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 recognised for the asset in prior years.

XXI. Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 "Statement of Cash flows" using the indirect method for operating activities.

XXII. Cash and cash equivalent

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less. Other short-term highly liquid investments that are readily convertible into cash and which are subject to 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 recognised 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 recognised 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.

Notes

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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.

Note 2 (iii): Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements -

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

Note 3.1: Property, Plant and Equipment Current period

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	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	238.54
Disposals/ adjustment/ assets held for sale	-	-	(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**
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/ assets held for sale	-	-	(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**
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**

Note 3.2: 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**
Accumulated amount of amortisation as at 01-Apr-2022	0.71	0.55	-	1.26
Amortisation expense for the period	0.11	-	-	0.11
Disposals/adjustments	(0.41)	-	-	(0.41)
Accumulated amount of amortisation as at 31-Mar-2023	**0.41**	**0.55**	**-**	**0.96**
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**

Note 3.3: Capital work-in-progress

in ₹ Crore

Particulars	As at 01-Apr-2022	Additions	Capitalised	As at 31-Mar-2023
Capital work-in-progress	102.03	168.09	188.72	**81.40**

Note 3.4: Intangible assets under development

in ₹ Crore

Particulars	As at 01-Apr-2022	Additions	Capitalised	As at 31-Mar-2023
Intangible assets under development	3.17	5.07	-	**8.24**

* Depreciation/Amortisation for the year 2022-23	45.37
Less: Amount transferred from deferred revenue	(0.07)
Add: Depreciation on Right of use Assets (Refer note no. 38)	0.83
Depreciation/Amortisation charged to statement of profit or loss	46.13

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

Note 3.1: Property, Plant and Equipment Previous period

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 01-Apr-2021	42.27	87.69	531.72	2.37	7.30	1.75	673.10
Additions	13.80	12.40	64.90	0.65	2.50	1.33	95.58
Disposals/ adjustment/ assets held for sale	-	-	(6.82)	-	(1.82)	(0.46)	(9.10)
Gross carrying value as at 31-Mar-2022	**56.07**	**100.09**	**589.80**	**3.02**	**7.98**	**2.62**	**759.58**
Accumulated depreciation as at 01-Apr-2021	-	12.24	146.10	0.85	3.19	0.97	163.35
Depreciation expense for the period	-	3.82	36.91	0.24	0.91	0.44	42.32
Elimination on Disposals/ adjustment/ assets held for sale	-	-	(4.16)	-	(0.99)	(0.43)	(5.58)
Accumulated depreciation as at 31-Mar-2022	**-**	**16.06**	**178.85**	**1.09**	**3.11**	**0.98**	**200.09**
Net carrying value as at 01-Apr-2021	**42.27**	**75.45**	**385.62**	**1.52**	**4.11**	**0.78**	**509.75**
Net carrying value as at 31-Mar-2022	**56.07**	**84.03**	**410.95**	**1.93**	**4.87**	**1.64**	**559.49**

Note 3.2: Intangible assets

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Total
Gross carrying value as at 01-Apr-2021	0.76	0.55	1.31
Additions	0.14	-	0.14
Disposals/adjustments	(0.01)	-	(0.01)
Gross carrying value as at 31-Mar-2022	**0.89**	**0.55**	**1.44**
Accumulated amount of amortisation as at 01-Apr-2021	0.58	0.52	1.10
Amortisation expense for the period	0.13	0.03	0.16
Disposals/adjustments	-	-	-
Accumulated amount of amortisation as at 31-Mar-2022	**0.71**	**0.55**	**1.26**
Net carrying value as at 01-Apr-2021	**0.18**	**0.03**	**0.21**
Net carrying value as at 31-Mar-2022	**0.18**	**-**	**0.18**

Note 3.3: Capital work-in-progress

in ₹ Crore

Particulars	As at 01-Apr-2021	Additions	Capitalised	As at 31-Mar-2022
Capital work-in-progress	48.27	121.01	67.25	**102.03**

Note 3.4: Intangible assets under development

in ₹ Crore

Particulars	As at 01-Apr-2021	Additions	Capitalised	As at 31-Mar-2022
Intangible assets under development	-	3.17	-	**3.17**

* Depreciation/Amortisation for the year 2021-22	42.48
Less amount transferred from deferred revenue	(0.07)
Add: Depreciation on Right of use Assets (Refer note no. 38)	0.85
Depreciation/Amortisation charged to statement of profit or loss	43.26

Notes: No borrowing cost has been capitalised during the current and previous period.

All tangible assets except vehicles have been hypothecated/mortgaged to secure borrowings of the Company (refer note 19).

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

3.3a Capital work-in-progress (CWIP) ageing schedule as on 31st March, 2023

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	**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 31st March, 2023

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

Capital work-in-progress (CWIP) ageing schedule as on 31st March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	85.86	16.17	-	-	102.03
Projects temporarily suspended	-	-	-	-	-
Total	**85.86**	**16.17**	-	-	**102.03**

Capital work-in-progress (CWIP) completion schedule as on 31st March, 2022

	To be completed in				
Projects	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Growth Projects	66.85	-	-	-	66.85
Environment, safety and compliance	-	-	-	-	-
Total	**66.85**	-	-	-	**66.85**

3.4a Intangible assets under development ageing schedule as on 31st 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 31st March, 2023

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

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

Intangible assets under development ageing schedule as on 31st March, 2022

	Amount of Intangible assets under development for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3.17	-			3.17
Projects temporarily suspended	-				-
Total	**3.17**	**-**	**-**	**-**	**3.17**

Intangible assets under development completion schedule as on 31st March, 2022

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

4 Right of use assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Right of use assets (Refer note no. 38)	0.97	2.40
Deletions of rights of use assets	-	(0.58)
Less: Depreciation on right of use asset	(0.83)	(0.85)
	0.14	0.97

5.1 Investments (non-current)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unquoted (fully paid up)		
Investments carried at cost		
Equity instruments in subsidiary company		
Face value of ₹ 10/- each		
IOL-Foundation	0.10	0.10
100000 equity shares (Previous year 100000)		
IOL Life Sciences Limited	0.10	-
100000 equity shares (Previous year Nil)		
IOL Speciality Chemicals Limited	0.10	-
100000 equity shares (Previous year Nil)		
Investment carried at fair value through OCI (FVTOCI)		
Investment in Equity Instruments		
Face value of $ 1/- each		
USpharma Limited		
420 Equity shares (Previous year Nil)	17.41	-
	17.71	0.10
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.71	0.10
Aggregate amount of impairment in value of investment	-	-

5.2 Investments (current)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds		
88491.150 (88491.150 as at 31-Mar-2023) units of ₹10/- each of Principal Balanced Advantage Fund-Regular plan growth	0.23	0.22
Other investments		
Investment in Master Portfolio Services Limited MPSL Irage Absolute Return Strategy	2.33	2.15
Total	**2.56**	**2.37**
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	2.56	2.37
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Security deposit (to related party)	0.87	0.82
Interest receivable	2.26	0.81
Fixed deposits account with remaining maturity of more than twelve months	186.66	185.06
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	44.08	18.65
	233.87	**205.34**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

7 Other Non current assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
Capital advances	2.83	4.31
Advances other than capital advances		
- Security deposit	1.04	0.86
- Lease hold land prepayments	0.15	0.15
- Prepaid expenses	0.21	0.20
Balance and deposits with government department or others *	4.78	4.78
	9.01	**10.30**

*This includes an amount of ₹ 1 crore deposited by the Company towards custom duty under protest as a part of ongoing enquiry by Custom Authorities.

8 Inventories *

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Raw materials and components	134.08	243.26
(including ₹ 60.41 Crore as at 31-Mar-2023 and ₹ 156.62 Crore as at 31-Mar-2022 in transit and at port)		
Work-in-progress	61.85	59.70
Finished Goods (including ₹ 49.93 Crore as at 31-Mar-2023 and ₹ 45.23 Crore as at 31-Mar-2022 in transit)	109.59	92.75
Stores and Spares	19.89	14.18
Stock-in-trade	0.11	-
	325.52	**409.89**

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

Inventories includes ₹ 23.40 Crore as at 31st March, 2023 and ₹ 13.38 Crore as at 31st March, 2022 valued at net realisable value.

Value of inventories above is stated after provisions of ₹ 4.63 Crore as at 31st March, 2023 and ₹ 3.11 Crore as at 31st March, 2022 for write-downs to net realisable value.

Cost of inventory recognised as expense during the current period ₹ 1685.89 Crore (Previous year ₹ 1677.83 Crore)

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

9 Trade receivables

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
From related parties (Refer note no. 41)	-	-
Trade receivables considered good – Unsecured *	506.03	470.53
Less: Allowances for expected credit loss and doubtful receivables	(0.75)	(0.73)
Trade receivables – credit impaired	0.66	0.66
Less: Allowances for credit impaired	(0.66)	(0.66)
	505.28	**469.80**

* Net of bill discounted from banks ₹ 18.23 Crore (Previous year ₹ 21.25 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).

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

Trade receivables ageing schedule as on 31st March, 2023

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	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 & doubtful receivables and credit impaired							**(1.41)**
Total Trade receivables							**505.28**

Trade receivables ageing schedule as on 31st March, 2022

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	351.87	99.20	0.56	0.10	0.08	-	451.81
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good			18.72				18.72
(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	**351.87**	**99.20**	**19.32**	**0.65**	**0.15**	**-**	**471.19**
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(1.39)
Total Trade receivables							**469.80**

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

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Allowances for expected credit loss & doubtful receivables and credit impaired		
- Balance at the beginning of the period	1.39	0.12
- Impairment loss recognised	-	0.66
- Expected credit loss	0.02	0.61
- Balance at the end of the period	**1.41**	**1.39**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

10 Cash and cash equivalents

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with banks		
- In current accounts	0.43	0.70
Cash on hand	0.53	0.42
	0.96	**1.12**

11 Other Bank Balances

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	14.19	83.76
Fixed deposits with original maturity of more than three months but less than twelve months	-	30.37
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	18.97
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	1.01	2.62
Balances with banks in earmarked accounts		
Balances with banks in earmarked accounts for CSR Expenditure	0.35	0.33
Balances with banks in earmarked accounts to the extent of unclaimed dividend	0.90	0.71
	19.94	**136.76**

12 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
Interest receivable	0.89	3.42
Other recoverable	10.91	7.68
Export incentives/other receivables from Government Authorities	9.58	11.11
Loans and advances to employees	0.73	0.45
Derivative instruments carried at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	0.25	0.32
	22.36	**22.98**

13 Other Current Assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good unless otherwise stated)		
Advances other than capital advances		
Advances against supply of goods and services		
- to related party (Refer note no. 41)	-	-
- to others	8.74	5.77
Prepaid expenses	8.19	7.89
Balance and deposits with government department or others	23.36	20.36
Security deposit	0.40	0.29
Lease hold land prepayments	0.01	0.01
Assets held for sale *	-	0.56
	40.70	**34.88**

* Carrying value of Plant and Equipment held for sale

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-2023		As at 31-Mar-2022	
	Number	₹ Crore	Number	₹ 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**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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			
	31-Mar-2023		31-Mar-2022	
	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 40% interim dividend (₹ 4 per equity share of ₹ 10/- each) during the current year ended 31st March, 2023 and 40% (₹ 4 per equity share of ₹ 10/- each) during the previous year ended 31st March, 2022. The Company has also paid 20% Final Dividend (₹ 2 per equity share ₹ 10/- each) for the FY 2021 during the previous year ended 31st March, 2022.

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

in ₹ Crore

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interim dividend	4.00	4.00
Final Dividend FY2021	-	2.00

The Company has incurred a net cash outflow of ₹ 23.50 Crore during the year ended 31st March, 2023 (Previous year ₹35.22 Crore) on account of the interim/final 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-2023		31-Mar-2022	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	1,26,47,402	21.54%	1,00,06,323	17.04%
NM Merchantiles 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%	32,84,393	5.59%

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

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

h) Shareholding of Promoter and Promoter Group

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2023			Shareholding of Promoter and Promoter Group as on 31-Mar-2022		
		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	2.04%	-	11,95,865	2.04%	-
	Promoter Group						
1	Varinder Gupta HUF	1,100	0.00%	-	1,100	0.00%	-
2	Mayadevi Polycot Limited	1,26,47,402	21.54%	4.50%	1,00,06,323	17.04%	-
3	NM Merchantiles Limited	50,75,571	8.65%	-	50,75,571	8.65%	-
4	NCG Enterprises Limited	32,84,393	5.59%	-	32,84,393	5.59%	-
5	Bhudeva Lifesciences Limited	28,73,714	4.90%	-	28,73,714	4.90%	-
6	NCVI Enterprises Limited	28,12,032	4.79%	-	28,12,032	4.79%	-
7	True Value Traders Limited	4,00,000	0.68%	-	4,00,000	0.68%	-
		2,70,94,212	46.15%	4.50%	2,44,53,133	41.65%	-
	Total Shares held by promoter and Promoter Group at the end of the period	2,82,90,077	48.19%	4.50%	2,56,48,998	43.69%	-

15 Other Equity

in ₹ Crore

Particulars		As at 31-Mar-2023	As at 31-Mar-2022
(i)	**Reserves and surplus**		
a)	**Capital reserve (Balance at the beginning and end of the year)**	10.76	10.76
b)	**Securities premium**		
	Opening balance	225.72	225.72
	Add: Securities premium on allotment of equity shares	-	-
	Closing balance	225.72	225.72
c)	**Retained earnings**		
	Opening balance	1,101.75	971.31
	Add: Profit for the year	139.98	165.66
	Less: Interim/final Dividend	(23.50)	(35.22)
	Closing balance	1,218.23	1,101.75
(ii)	**Net movement in effective portion of cash flow hedge reserve [Refer note no. 42(i)]**		
	Opening balance	(0.20)	(0.59)
	Add: Other comprehensive income/ (expense) net of tax impact	0.18	0.39
	Closing balance	(0.02)	(0.20)
(iii)	**Remeasurements of defined benefit obligation (Refer note no. 37)**		
	Opening balance	(6.47)	(5.48)
	Add: Other comprehensive income/ (expense) net of tax impact	(0.38)	(0.99)
	Closing balance	(6.85)	(6.47)
Total		1,447.84	1,331.56

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 utilised 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 Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

Notes

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16 Lease liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease liabilities (Refer note no. 38)	1.20	2.73
Deletions of lease liabilities	-	(0.65)
Interest expense on lease liabilities	0.07	0.18
Payment of lease liabilities	(1.09)	(1.06)
	0.18	**1.20**
The break-up of current and non-current lease liabilities is as follows:		
Current Lease liabilities	0.18	1.02
Non-Current Lease liabilities	-	0.18

17 Provisions - Non-current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for employee benefits:		
- Gratuity (Refer note no. 37)	0.13	1.07
- Compensated absences	1.52	1.94
	1.65	**3.01**

18 Other non-current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Deferred capital grants related to Property, plant and equipment	0.14	0.25
	0.14	**0.25**

19 Borrowings - Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Loan repayable on demand		
- From Banks (secured)	79.63	42.75
	79.63	**42.75**

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 Company.

Terms:

Working capital borrowings from banks are repayable on demand.

20 Trade Payable

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Outstanding dues of micro and small enterprises (Refer note no. 47)	14.70	14.10
Outstanding dues of creditors other than micro and small enterprises	280.63	386.48
Outstanding dues to related parties (Refer note no. 41)	18.89	8.71
	314.22	**409.29**

Trade payables ageing schedule as on 31st March, 2023

in ₹ Crore

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	15.43	2.54	0.04	-	-	18.01
(ii) (a) Others	249.30	28.02	-	-	-	277.32
(ii) (b) Related party	14.14	4.75	-	-	-	18.89
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**278.87**	**35.31**	**0.04**	**-**	**-**	**314.22**

Trade payables ageing schedule as on 31st March, 2022

in ₹ Crore

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	11.75	2.35	-	-	-	14.10
(ii) (a) Others	359.62	26.51	0.32	0.03	-	386.48
(ii) (b) Related party	1.79	6.92	-	-	-	8.71
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others						-
Total	**373.16**	**35.78**	**0.32**	**0.03**	**-**	**409.29**

Notes

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21 Other financial liabilities - Current

in ₹ Crore

Particulars		As at 31-Mar-2023	As at 31-Mar-2022
Unclaimed dividend		0.90	0.71
Payable to employees			
- to related parties (Refer note no. 41)		-	0.59
- to other employees		7.10	6.40
Other liabilities			
- to related parties (Refer note no 41)		-	-
- to other than related parties		11.46	16.58
	(a)	19.46	24.28
Payable on purchase of capital goods	(b)	16.54	5.74
Total	(a+b)	**36.00**	**30.02**

22 Other current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances from customers	7.44	14.07
Advance against assets held for sale	-	0.23
Statutory remittances*	3.90	3.59
Deferred capital grants related to Property, plant and equipment	0.11	0.13
Corporate Social Responsibility (Refer note no. 48)	5.08	4.36
Security deposit	1.22	0.60
	17.75	**22.98**

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source, etc.

23 Current provisions

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for employee benefits:		
- Gratuity (Refer note no 37)	6.84	6.15
- Compensated absences	1.29	1.19
	8.13	**7.34**

24 Current tax liabilities/(assets) (net)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Current tax (net of advance tax)	(1.75)	(0.91)
	(1.75)	**(0.91)**

Gross movement in current tax liabilities/(assets)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Net current tax liabilities/(assets) at the beginning of the year	(0.91)	4.66
Tax adjustments related to earlier years	1.32	(0.22)
Income tax payment of earlier years	(0.41)	(4.44)
Provision for current tax	44.94	57.23
Advance tax paid	(46.69)	(58.14)
Current tax liabilities/(assets)	**(1.75)**	**(0.91)**

25 Revenue from operations

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Sale of products	2,170.93	2,120.31
Other operating revenue		
(i) Export incentives	6.52	3.84
(ii) Miscellaneous sales	8.90	11.81
	2,186.35	**2,135.96**
Sale of traded goods	30.76	48.06
	2,217.11	**2,184.02**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31st March, 2023 and 31st March, 2022 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.

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Details of sale of products		
- Chemicals	904.48	1,112.80
- Pharmaceuticals	1,201.39	977.00
- Others (By-products)	65.06	30.51
	2,170.93	**2,120.31**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

26 Other income

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Interest income (Gross)		
- From bank deposits	16.63	17.96
TDS ₹ 1.69 Crore (Previous year ₹ 1.80 Crore)		
- On financial assets carried at amortised cost	0.06	0.08
Other non-operating income		
Liabilities no longer required written back	0.03	0.03
Rent received	0.02	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.22	0.16
- Gain on fair value changes of financial assets	0.01	0.02
Gain on foreign currency transaction and translation	7.06	10.44
Amortisation of capital subsidy	0.07	0.07
Miscellaneous income	1.47	3.26
	25.57	32.04

27 Cost of material consumed

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Raw material consumed		
Opening Stocks	243.26	181.75
Add: Purchases	1,426.89	1,640.42
Total	1,670.15	1,822.17
Less: Closing stocks	134.08	243.26
Consumption (refer detail below)	1,536.07	1,578.91
Detail of material consumed		
Acetic Acid	338.19	556.08
Acetic Anhydride	77.39	79.56
Specially Denatured Spirit	371.75	313.69
Aluminium Chloride	43.75	35.65
Sodium Di Chromate	83.99	49.16
Di Methyl Amine Hcl	43.89	35.75
Propylene Gas	43.88	29.00
Sodium Metal	49.24	36.47
Others	483.99	443.55
	1,536.07	1,578.91

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

in ₹ Crore

Particulars		For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Inventories at the beginning of the year			
Work-in-progress		59.70	35.73
Finished goods		92.75	63.38
	(A)	152.45	99.11
Change in inventory during trial run			
Work-in-progress		1.05	0.67
Finished goods		(0.15)	0.37
	(B)	0.90	1.04
Inventories at the end of the year			
Work-in-progress		61.85	59.70
Finished goods		109.59	92.75
Stock-in-trade		0.11	-
	(C)	171.55	152.45
	(A+B-C)	(18.20)	(52.30)

29 Employee benefits expense

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Salaries and Wages (including Bonus)	150.19	125.28
Contribution to provident and other funds	11.20	9.77
Staff welfare expenses	6.82	6.25
	168.21	141.30

30 Finance Cost

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Interest expense on:		
- working capital	6.51	1.31
- other borrowings	4.11	0.94
Other borrowing costs	5.78	5.86
Interest expense on Lease Liability	0.07	0.18
	16.47	8.29

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31 Other expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Power and Fuel	131.98	78.18
Consumption of stores and spares	29.62	26.15
Repairs and maintenance		
- Plant and Machinery	8.87	6.92
- Building	3.85	3.23
- Others	0.73	0.56
Rent	0.39	0.23
Insurance charges	5.54	4.25
Auditor's Remuneration	0.27	0.25
Rates and Taxes	0.32	0.39
Loss on Property, plant and equipment sold (net)	0.33	0.24
Loss on Property, plant and equipment discarded	0.26	0.85
Allowance for expected credit loss and doubtful receivables	0.02	1.27
Freight outward	49.65	57.34
Other Selling and distribution expenses	12.20	9.50
Expenditure on corporate social responsibility (Refer note no. 48)	8.94	9.61
Miscellaneous expenses	22.32	16.96
	275.29	215.93

32 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Current tax		
In respect of current period	44.94	57.23
Tax adjustments related to earlier years	1.32	(0.22)
Total (A)	46.26	57.01
Deferred tax		
In respect of current period	3.25	0.17
Total (B)	3.25	0.17
Total Income tax expense (A+B)	49.51	57.18

(b) Income tax recognised in other Comprehensive income

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.13)	(0.33)
Net movement in effective portion of cash flow hedge reserve	0.06	0.12
Total	(0.07)	(0.21)

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Profit before tax	189.49	222.84
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	47.69	56.08
Income tax for earlier years recognised in statement of profit and loss	1.32	(0.22)
Income tax impact of expenses not considered for tax purpose	0.02	0.02
Income tax impact of Income not considered for tax purposes	(0.01)	(0.02)
Income tax impact of expenses availed on payment basis	(1.17)	(0.06)
Income tax impact of allowances of permanent nature	2.45	2.56
Income tax impact of unabsorbed depreciation *	(0.10)	(0.52)
Income tax savings on deductions under Section 80JJAA	(0.69)	(0.66)
Tax expense charged to statement of profit and loss at effective rate of 26.1311% (Previous year 25.6602%)	49.51	57.18

* Includes tax on amount allowed ₹ 0.29 Crore as per assessment order of previous years.

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(d) Movement in deferred tax balances

in ₹ Crore

Particulars	As at 01-Apr-2022	Recognised in statement of 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 liability (net)	(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**

in ₹ Crore

Particulars	As at 01-Apr-2021	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2022
Deferred tax liabilities				
Property, Plant and Equipment	55.73	0.35		56.08
Intangible assets	0.03	(0.03)		-
Fair valuation gain on investments	-	0.01		0.01
Gross deferred tax liabilities (A)	**55.76**	**0.33**	**-**	**56.09**
Deferred tax assets				
Gratuity	(1.77)	0.28	(0.33)	(1.82)
Leave encashment	(0.55)	(0.06)		(0.61)
Lease Liability (net)	-	(0.06)		(0.06)
Expected credit loss	(0.03)	(0.32)		(0.35)
Cash flow hedge	(0.19)	-	0.12	(0.07)
Gross deferred tax assets (B)	**(2.54)**	**(0.16)**	**(0.21)**	**(2.91)**
Net Deferred tax (Asset)/Liabilities (A+B)	**53.22**	**0.17**	**(0.21)**	**53.18**

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

in ₹ Crore

Particulars		For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Total operations for the period			
Profit after tax attributable to equity shareholders (in ₹ Crore)	A	139.98	165.66
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	23.84	28.22
Diluted earnings per share (₹)	A/C	23.84	28.22
Face value per equity share (₹)		10.00	10.00

34 Research and Development expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Research and Development: Revenue expenses		
Raw material consumption	1.27	0.65
Salaries & wages	9.59	6.88
Depreciation	1.77	1.31
Stores & spares and other expenses	3.73	2.05
Cost of utilities	0.39	0.22
	16.75	**11.11**
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	4.71	4.71

The revenue expenses related to research and development is clubbed under respective account heads in profit and loss

35 Exceptional item

The exceptional items amounting to Nil (Previous year ₹ 13.93 Crore) represent one time cost towards Right of Recompense (RoR) payable to the lenders against sacrifices made by them in FY 2014-15 on account of restructuring done under Joint Lenders Forum (JLF) route.

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36 Contingent liabilities and commitments (to the extent not provided for)

in ₹ Crore

	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
A	**Contingent liabilities**		
i	Claims not acknowledged as debts	0.09	0.09
ii	Bank Guarantee issued in favour of others	5.26	0.09
		5.35	**0.18**
B	**Commitments**		
i	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	15.68	11.60
ii	Export obligations under Advance Authorisation/Duty Free Import Authorisation #	45.38	88.43
		61.06	**100.03**

Export obligations relates to duty saved on import of raw materials under the Advance Authorisation Scheme. Under the scheme, the Company is committed to export prescribed times of the value of import of raw materials over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

During the year, the Company has executed bonds for an aggregate amount of ₹ 15.56 Crore (Previous year ₹ 48.35 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.

37 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 31st March, 2023 and 31st March, 2022.

in ₹ Crore

	Particulars		Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
i)	**Changes in the present value of the obligation**			
	Present value of obligation as at the beginning of the year		20.56	17.21
	Interest cost		1.49	1.17
	Current service cost		2.22	1.96
	Benefits paid		(1.05)	(1.16)
	Remeasurement - actuarial (gain)/loss		0.57	1.38
	Present value of obligation as at the end of the year	A	**23.79**	**20.56**
ii)	**Changes in the fair value of plan assets**			
	Fair value of plan assets as at the beginning of the year		13.34	10.15
	Actual return on plan assets		1.03	0.75
	Contributions		3.50	3.60
	Charges deducted		-	-
	Benefits paid		(1.05)	(1.16)
	Fair value of plan assets as at the end of the year	B	**16.82**	**13.34**
	Unfunded Status	(A-B)	6.97	7.22
iii)	**Amount recognised in the Balance Sheet**			
	Present value of the defined benefit obligation as at the end of the year		23.79	20.56
	Fair value of plan assets as at the end of the year		16.82	13.34
	Net asset/(liability) recognised in the Balance Sheet		**(6.97)**	**(7.22)**
iv)	**Expense recognised in the statement of profit and loss**			
	Current service cost		2.22	1.96
	Net interest cost		0.52	0.48
	Expense recognised in the statement of profit and loss		**2.74**	**2.44**
v)	**Re-measurement of the net defined benefit liability/(asset)**			
	Actuarial (gain)/loss for the year on projected benefit obligation (PBO)		0.57	1.38
	Actuarial (gain)/loss for the year on plan assets		(0.06)	(0.06)
	Total Actuarial (gain)/loss at the end of the year		**0.51**	**1.32**
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		(0.21)	(0.85)
	Actuarial (Gain)/loss on arising from change in experience assumption		0.78	2.23
			0.57	**1.38**

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vii) The major categories of plan assets as a percentage of the fair value of total plan assets

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
Investment with the insurer	**100%**	100%

The plan assets are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Company. The same have therefore not been disclosed.

viii) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average):

	As at 31-Mar-2023	As at 31-Mar-2022
Discount rate (per annum)	**7.36%**	7.26%
Rate of increase in compensation levels (per annum)	**5.50%**	5.50%
Average remaining working lives of employees (years)	**27.10**	27.09
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:

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
a) Impact of change in discount rate		
Present value of obligation at the end of the period	**23.79**	20.56
1. Impact due to increase of 0.50%	**(1.00)**	(0.85)
2. Impact due to decrease of 0.50%	**1.09**	0.94
b) Impact of change in salary increase		
Present value of obligation at the end of the period	**23.79**	20.56
1. Impact due to increase of 0.50%	**1.11**	0.95
2. Impact due to decrease of 0.50%	**(1.02)**	**(0.87)**

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

xi) Maturity profile of defined benefit obligation:

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023
Year ending	
a) Mar-2023 to Mar-2024	**6.84**
b) Mar-2024 to Mar-2025	**0.54**
c) Mar-2025 to Mar-2026	**0.56**
d) Mar-2026 to Mar-2027	**0.55**
e) Mar-2027 to Mar-2028	**1.67**
f) Mar-2028 to Mar-2029	**0.76**
g) Mar-2029 onwards	**12.88**

xii) Actuarial risks exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

a) Salary increases - Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk - If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality and disability - Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

xiii) The Company expects to contribute ₹ 2.97 Crore to the gratuity trust during the year 2023-24.

xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
Current liability (amount due within one year)	**6.84**	6.15
Non-current liability (amount due over one year)	**16.95**	14.41
Total PBO at the end of year	**23.79**	**20.56**

B Contribution to Provident Fund

The Company has recognised an expense of ₹ 8.40 Crore (Previous year ₹ 7.21 Crore) in respect of contribution to Provident Fund.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

38 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 31st March, 2023 are as follows :

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Category of ROU Assets	**Buildings**	Buildings
Balance at the beginning	**0.97**	2.40
Additions	-	-
Deletions	-	(0.58)
Depreciation	**(0.83)**	(0.85)
Balance at the end	**0.14**	0.97

The aggregate depreciation expense on Right of use assets (ROU) is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year are as follows :

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning	**1.20**	2.73
Additions	-	-
Finance cost accrued during the year	**0.07**	0.18
Deletions	-	(0.65)
Payment of lease liabilities	**(1.09)**	(1.06)
Balance at the end	**0.18**	1.20

Payment of Lease liabilities during the current year ₹ 1.09 Crore (Previous year ₹ 1.06 Crore)

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Less than one year	**0.33**	1.25
One to five years	**0.01**	0.20
More than five years	**0.16**	0.17
Total	**0.50**	1.62

Lease payments on account of short-term and low value leases are recognised as rental expense on a straight-line basis in the statement of profit and loss over the lease term.

Rental expense recorded under other expenses :

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Rent	**0.31**	0.15

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 31st March, 2023 (Previous year ₹ 0.02 Crore).

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

39 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 31st March, 2023

in ₹ Crore

Particulars	Amortised 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 instruments of subsidiaries (unquoted)	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	22.11					22.11	22.11
Total	**782.46**	**-**	**2.56**	**-**	**17.66**	**802.68**	**802.68**
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
Other financial current liabilities	36.00		-			36.00	36.00
Total	**430.03**	**-**	**-**	**-**	**-**	**430.03**	**430.03**

As at 31st March, 2022

in ₹ Crore

Particulars	Amortised 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 instruments of subsidiary (unquoted)	0.10					0.10	0.10
Other financial non-current assets	205.34					205.34	205.34
Current Investments			2.37			2.37	2.37
Trade receivables	469.80					469.80	469.80
Cash and cash equivalents	1.12					1.12	1.12
Other Bank Balances	136.76					136.76	136.76
Foreign exchange forward contracts					0.32	0.32	0.32
Other financial current assets	22.66					22.66	22.66
Total	**835.78**	**-**	**2.37**	**-**	**0.32**	**838.47**	**838.47**
Financial Liabilities:							
Short-term borrowings	42.75					42.75	42.75
Trade Payables	409.29					409.29	409.29
Lease liabilities Current	1.02					1.02	1.02
Lease liabilities non current	0.18					0.18	0.18
Other financial current liabilities	30.02		-			30.02	30.02
Total	**483.26**	**-**	**-**	**-**	**-**	**483.26**	**483.26**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

(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 31st March, 2023

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	0.23		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**	**-**	

As at 31st March, 2022

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	0.22		0.22		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.15		2.15		Value as provided by the portfolio manager.
Foreign exchange forward contracts at fair value through OCI	0.32		0.32		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	**2.69**	**-**	**2.69**	**-**	

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

40 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, 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 organised 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.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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 *	**953.71**	1,174.87	**1,258.53**	1,002.66	**4.87**	6.49			**2,217.11**	2,184.02
Inter Segment transfer	**241.14**	143.38	-	-	-	-	**(241.14)**	(143.38)	-	-
Interest income					**16.63**	17.96			**16.63**	17.96
Other Income	-	4.25	-	5.66	**8.94**	4.17			**8.94**	14.08
Total Revenue	**1,194.85**	**1,322.50**	**1,258.53**	**1,008.32**	**30.44**	**28.62**	**(241.14)**	**(143.38)**	**2,242.68**	**2,216.06**
Segment Results	**19.57**	59.26	**171.53**	162.92					**191.10**	222.18
Unallocated Income (net of unallocated Expenses)					**14.86**	22.88			**14.86**	22.88
Profit before tax and interest									**205.96**	245.06
Finance cost					**16.47**	8.29			**16.47**	8.29
Profit before Tax & Extraordinary items									**189.49**	236.77
Exceptional items									-	13.93
Tax expense					**49.51**	57.18			**49.51**	57.18
Profit after Tax									**139.98**	165.66
Other Information										
Segment Assets	**442.02**	537.77	**1,104.07**	945.34	-	-			**1,546.09**	1,483.11
Unallocated assets	-	-	-	-	**474.52**	477.18			**474.52**	477.18
Total Assets	**442.02**	**537.77**	**1,104.07**	**945.34**	**474.52**	**477.18**			**2,020.61**	**1,960.29**
Segment Liabilities	**157.18**	272.74	**180.43**	179.72	-	-			**337.61**	452.46
Unallocated Liabilities	-	-	-	-	**96.82**	74.81			**96.82**	74.81
Short-term borrowings					**79.63**	42.75			**79.63**	42.75
Total Liabilities	**157.18**	**272.74**	**180.43**	**179.72**	**176.45**	**117.56**			**514.06**	**570.02**
Capital Expenditure	**68.76**	6.53	**93.67**	123.45	**61.13**	22.67			**223.56**	152.65
Depreciation and Amortisation	**13.40**	13.38	**26.91**	25.65	**5.82**	4.23			**46.13**	43.26

Detail of secondary business segment

Geographical information

in ₹ Crore

		Domestic sale	Export sale	Total
Particulars	Year ended	India	Rest of the world	
Net revenue from sale of products	31-Mar-2023	1,583.51	633.60	2,217.11
	31-Mar-2022	1,638.13	545.89	2,184.02

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

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

41 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. 3rd April, 2023) & Executive Director (Up to 2nd April, 2023)
		Mr. Abhiraj Gupta	Executive Director (w.e.f. 3rd April, 2023)
		Mr. Kushal Kumar Rana	Director Works
		Dr. Sanjay Chaturvedi	Executive Director & CEO (w.e.f. 30th May, 2022 up to 3rd April, 2023)
ii	Non-Executive Directorss	Mr. Rajendra Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director
		Mr. Sharad Tyagi	Independent Director (w.e.f. 30th May, 2022)
iii	Chief Executive Officer	Mr. Vikas Vij	(w.e.f. 3rd April, 2023)
		Mr. Sanjay Chaturvedi	(up to 29th May, 2022)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

Nature of relationship	Name of related party	
i. Subsidary	IOL- Foundation	
	IOL Life Sciences Limited	
	IOL Speciality Chemicals Limited	
ii. Overseas Subsidiary	IOL Global Limited	
iii. Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchantiles Limited	
	Mayadevi Polycot Limited	
	NCG Enterprises Limited	
	True Value Traders Limited	
	NCVI Enterprises Limited	
	Bhudeva Lifesciences Limited	
	Varinder Gupta (HUF)	
iv. Relative of Key Management Personnel:	Mrs. Dimple Gupta	General Manager (up to 31st December, 2021)
	Mr. Abhiraj Gupta	General Manager (up to 2nd April, 2023)
v. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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

		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	
Sr. No..	Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022
1	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Sale of Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchase of goods and services:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NCVI Enterprises Limited	-	-	**35.13**	54.15	-	-	-	-	-	-	-	-	**35.13**	54.15
	Mayadevi Polycot Limited	-	-	**61.72**	-	-	-	-	-	-	-	-	-	**61.72**	-
4	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Purchase of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	* Managerial remuneration (including incentives)	-	-	-	-	**16.86**	14.44	-	-	**0.73**	1.32	-	-	**17.59**	15.76
7	Sitting fees to non-executive directors of the Company	-	-	-	-	-	-	**0.29**	0.10	-	-	-	-	**0.29**	0.10
8	Rent received	-	-	-	-	**0.02**	0.02	-	-	-	-	-	-	**0.02**	0.02
9	Rent paid	-	-	**0.30**	0.12	**0.54**	0.52	-	-	**0.54**	0.52	-	-	**1.38**	1.16
10	Equity Investment													-	-
	IOL-Foundation	-	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10
	IOL Life Sciences Limited	**0.10**	-	-	-	-	-	-	-	-	-	-	-	**0.10**	-
	IOL Speciality Chemicals Limited	**0.10**	-	-	-	-	-	-	-	-	-	-	-	**0.10**	-
11	Contribution towards CSR exp	**2.03**	2.01	-	-	-	-	-	-	-	-	-	-	**2.03**	2.01
12	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	**3.50**	3.60	**3.50**	3.60

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount receivable on the last day the year															
1	Security deposit receivable	-	-	-	-	**0.45**	0.45	-	-	**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**	-
	- IOL Speciality Chemicals Limited	**0.10**	-	-	-	-	-	-	-	-	-	-	-	**0.10**	-
4	Balance Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Advances against purchases of goods:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount payable on the last day of the year															
1	Trade payables against purcahse of goods:														
	NCVI Enterprises Limited	-	-	**9.93**	8.71	-	-	-	-	-	-	-	-	**9.93**	8.71
	Mayadevi Polycot Limited	-	-	**8.96**	-	-	-	-	-	-	-	-	-	**8.96**	-
2	* Managerial remuneration	-	-	-	-	-	0.57	-	-	-	0.02	-	-	-	0.59
3	Sitting fees to non-executive directors of the Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

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forming part of the standalone financial statements as at and for the year ended 31st March, 2023

42 Financial Risk Management

The financial assets of the Company include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The financial liabilities of the Company, other than derivatives, include loans and borrowings, trade payables, lease liabilities and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

The Company is mainly exposed to the following risks that arise from financial instruments:

(i) Market risk

(ii) Liquidity risk

(iii) Credit risk

The Company's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The Company imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the Company is exposed to foreign currency risk and the results of the Company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognised 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:

Financial Assets

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	**1,27,34,227**	**104.68**	97,22,693	73.36
- In EURO	**7,33,800**	**6.57**	2,86,123	2.40
Trade Payables				
- In USD	**1,02,07,454**	**83.84**	1,52,41,143	115.97
In EURO	-	-	-	-
Net exposure				
- In USD	**25,26,773**	**20.84**	(55,18,450)	(42.61)
- In EURO	**7,33,800**	**6.57**	2,86,123	2.40

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	**97,99,227**	**80.29**	37,57,693	27.60
- In EURO	**7,33,800**	**6.57**	2,86,123	2.40
Trade Payables				
- In USD	**82,42,417**	**67.71**	1,52,41,143	115.97
In EURO	-	-	-	-
Net exposure				
- In USD	**15,56,811**	**12.58**	(1,14,83,450)	(88.37)
- In EURO	**7,33,800**	**6.57**	2,86,123	2.40

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:

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forming part of the standalone financial statements as at and for the year ended 31st March, 2023

in ₹ Crore

Particulars	31-Mar-2023 Strength-ening	31-Mar-2023 Weakening	31-Mar-2022 Strength-ening	31-Mar-2022 Weakening
2% Strengthening/ weakening of USD against INR	**0.25**	**(0.25)**	(1.77)	1.77
2% Strengthening/ weakening of EURO against INR	**0.13**	**(0.13)**	0.05	(0.05)

Foreign currency forward contracts held by the Company as on reporting date:

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
In USD	**49,00,038**	59,65,000
in ₹ Crore	**40.52**	45.76

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 31st March, 2023 and previous year ended 31st 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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Opening balance of cash flow hedge reserve	**(0.20)**	(0.59)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	**(0.08)**	(0.37)
Amount reclassified to profit or loss	**0.32**	0.88
Tax effect	**(0.06)**	(0.12)
Closing balance of cash flow hedge reserve	**(0.02)**	(0.20)

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31-Mar-2023 USD	As at 31-Mar-2023 in ₹ Crore	As at 31-Mar-2022 USD	As at 31-Mar-2022 in ₹ Crore
Not later than one month	**10,35,458**	**8.48**	27,65,000	21.21
Later than one month and not later than three months	**38,64,580**	**32.04**	32,00,000	24.55
Later than three months and not later than one year	-	-		-
	49,00,038	**40.52**	**59,65,000**	**45.76**

(b) Interest Rate Risk

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

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

in ₹ Crore

Variable rate instruments	Carrying amount Financial Year 2022-23	Carrying amount Financial Year 2021-22
Long-term borrowings	-	-
Current maturities of long-term debt	-	-
Short-term borrowings	**79.63**	42.75

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Increase/(decrease) in 100 basis point	**0.80**	0.43

(ii) Liquidity Risk

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short-term borrowings	**79.63**	42.75
Less than 1 year	**79.63**	42.75
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	**314.22**	409.29
Less than 1 year	**314.22**	409.29
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	**36.00**	30.02
Less than 1 year	**36.00**	30.02
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	Financial Year 2022-23	Financial Year 2021-22
(a) Revenue from top five customers		
- % of total sales of top 1 customer	**4.22%**	3.83%
- % of total sales of top 5 customers	**15.68%**	15.05%

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

43 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 maximise 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.

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Borrowings including current maturities and interest accrued but not due	79.63	42.75
Less: Cash & cash equivalent and other bank balances	250.39	340.55
Net debt (A)	(170.76)	(297.80)
Total equity (B)	1,506.55	1,390.27
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 31st March, 2023 and 31st March, 2022.

44 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.

45 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 17th March, 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 1st April, 2017.

in ₹ Crore

Particulars	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 amortised	-	-
Closing balance of Financial liabilities as on 31-Mar-2023 coming under the financing activities of Cash Flow Statement	**79.63**	**-**

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2021coming under the financing activities of Cash Flow Statement	-	-
Changes during the year		
a) Changes from financing cash flow	42.75	-
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 amortised	-	-
Closing balance of Financial liabilities as on 31-Mar-2022 coming under the financing activities of Cash Flow Statement	42.75	-

46 Auditor's Remunerations

in ₹ Crore

	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Statutory Audit Fee	0.13	0.12
Tax audit fee	0.04	0.03
Taxation matters	0.08	0.08
Other services including certification	0.02	0.02
	0.27	**0.25**

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

47 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:

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	18.01	14.10
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting period	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	-	-
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	0.03	-
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	-	-

48 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.

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Amount required to be spent on CSR by the Company during the year	8.94	9.61
Amount of expenditure incurred	3.90	3.50
Amount contributed to IOL-Foundation as a part on ongoing projects as per Company's CSR Policy	-	2.01
Shortfall at the end of the year[1] (unspent amount allocated to ongoing project)	5.04	4.10
Total of previous years shortfall	**0.72**	**0.26**
Reasons of shortfall	The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2022-23	The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2021-22
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]	2.03	2.01

[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 31st March, 2023 and previous year as at 31st March, 2022 has been transferred to the unspent CSR account within 30 days from the end of financial year in accordance with the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company has deposited ₹ 5.04 Crore in unspent CSR account on28th April, 2023 relating to shortfall for FY 2022-23, which will be spent in coming years on ongoing projects.

[2] Represents contribution to IOL-Foundation as a part on ongoing projects as per Company's CSR Policy.

49 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

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

v. The Company has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.

vi. The Company does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Company as at 31st March, 2023 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 thereunder.

xi. As at 31st March, 2023, the Company have wholly-owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd., IOL Life Sciences Limited and IOL Global 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.

50 Financial Ratios:

The following are analytical ratios for the year ended 31st March, 2023 and 31st March, 2022:

Ratios	Numerator	Denominator	Current year	Previous year	Change	Note
Current ratio (in times)	Current assets	Current liabilities	**2.02**	2.10	-4%	
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Shareholder's Equity	**0.05**	0.03	67%	[1]
Debt service coverage ratio (in times)	EBITDA	Interest and lease payments + Principal repayments of long-term borrowings	**21.03**	85.46	-75%	[2]
Return on Equity ratio (in %)	Profit after Tax	Average Total Equity	**9.66%**	12.50%	-23%	[3]
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	**4.99**	5.05	-1%	
Trade receivables turnover ratio (in times)	Net Sale (Revenue from Operation - export incentive)	Average receivables	**4.53**	5.66	-20%	[4]
Trade payables turnover ratio (in times)	Purchases	Average payables	**4.46**	5.50	-19%	
Net capital turnover ratio (in times)	Sales revenue	Net working capital (Current Asset - Current Liability)	**4.79**	3.86	24%	[5]
Net profit ratio (in %)	Profit after Tax	Net Sale (Revenue from Operation - export incentive)	**6.31%**	7.58%	-17%	
Return on Capital employed (in %)	EBIT (PBT before exceptional items + Finance cost)	Capital employed (Tangible Net Worth+Total Debt+ Deferred Tax Liability)	**12.25%**	16.12%	-24%	[6]
Return on investment (in %)	Income generated from invested funds	Average invested funds	**5.18%**	5.19%	0%	

Notes:
[1] Impact of increase in Shareholders Equity and Debt
[2] Impact of lower operating profits and increase in interest
[3] Impact of decline in profit margins and increase in average Equity
[4] Impact of increase in average receivables
[5] Impact of decline in net working capital
[6] Impact of decline in operating margins and increase in capital employed

Notes

forming part of the standalone financial statements as at and for the year ended 31st March, 2023

51 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).

52 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 31st March, 2023 and 31st March, 2022.

53 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 15th December, 2022 and shall be applicable till 30-Sep-2023, vide Notification dated 7th December, 2022. Accordingly, the Company had accrued the benefits under the aforesaid scheme amounting to ₹ 1.20 Crore on eligible export sales for the period from 15th December, 2022 to 31st March, 2023.

54 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Company will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.

55 Figures in bracket indicate deductions.

56 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/-
Arvind Jain
Partner
M. No. 097549

Place: Ludhiana
Date: 28th April, 2023

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
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

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** CIN-(L24116PB1986PLC007030) ("the Company"), and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2023, 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, and a summary of the significant 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 31st March, 2023 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 judgement, 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.

Key Audit Matter	Auditors' Response
Revenue recognition:	**Principal Audit Procedures:**
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 recognises 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.	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: i) Analysed the terms and conditions of the underlying contract with the customer, and ii) Verified evidence for transfer of control of the goods prior to the balance sheet date or otherwise from relevant supporting documents.

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 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 judgements 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 judgement and maintain professional scepticism 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.

Independent Auditor's Report (Contd.)

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, 2023 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 31st March, 2023 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 36

      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 it's 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 it's 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from 1st April, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

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

Arvind Jain
Partner
Membership No.: 097549
UDIN: 23097549BGWLCV3351

Place: Ludhiana
Dated: 28th April, 2023

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 31st March, 2023 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 31st March, 2023, 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

Arvind Jain
Partner
Membership No.: 097549
UDIN: 23097549BGWLCV3351

Place: Ludhiana
Dated: 28th April, 2023

Consolidated Balance Sheet

as at 31st March, 2023

in ₹ Crore

Particulars	Note No.	As at 31-Mar-2023	As at 31-Mar-2022
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	**751.02**	559.49
(b) Right of use assets	4	**0.14**	0.97
(c) Capital work-in-progress	3.3	**81.40**	102.03
(d) Other Intangible assets	3.2	**0.65**	0.18
(e) Intangible assets under development	3.4	**8.24**	3.17
(f) Financial assets			
(i) Investments	5.1	**17.41**	-
(ii) Other financial assets	6	**233.87**	205.34
(g) Other non-current assets	7	**9.01**	10.30
Total non-current assets		**1,101.74**	**881.48**
2 Current assets			
(a) Inventories	8	**325.52**	409.89
(b) Financial assets			
(i) Investments	5.2	**2.56**	2.37
(ii) Trade receivables	9	**505.28**	469.80
(iii) Cash and cash equivalents	10	**1.39**	3.23
(iv) Bank balances other than (iii) above	11	**20.44**	136.76
(v) Other financial assets	12	**22.38**	22.98
(c) Current tax assets (net)	24	**1.75**	0.91
(d) Other current assets	13	**41.07**	34.88
Total current assets		**920.39**	**1,080.82**
Total Assets		**2,022.13**	**1,962.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	**58.71**	58.71
(b) Other equity	15	**1,449.01**	1,333.57
Total equity		**1,507.72**	**1,392.28**
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		**-**	-
(ia) Lease liabilities	16	**-**	0.18
(b) Provisions	17	**1.65**	3.01
(c) Deferred tax liabilities (net)	32	**56.36**	53.18
(d) Other non-current liabilities	18	**0.14**	0.25
Total non-current liabilities		**58.15**	**56.62**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**79.63**	42.75
(ia) Lease liabilities	16	**0.18**	1.02
(ii) Trade payables	20	**314.22**	409.29
(iii) Other financial liabilities	21	**36.34**	30.02
(b) Other current liabilities	22	**17.76**	22.98
(c) Provisions	23	**8.13**	7.34
Total current liabilities		**456.26**	**513.40**
Total Equity and Liabilities		**2,022.13**	**1,962.30**
Corporate information	1		
Significant accounting policies	2		
See accompanying notes forming part of consolidated financial statements			

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Arvind Jain
Partner
M. No. 097549

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN: 07198109

Sd/-
Abhay Raj Singh
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

in ₹ Crore

	Particulars	Note No.	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
	Income:			
I	Revenue from operations	25	**2,217.11**	2,184.02
II	Other income	26	**25.61**	32.04
III	**Total income (I+II)**		**2,242.72**	**2,216.06**
IV	**Expenses:**			
	Cost of materials consumed	27	**1,536.07**	1,578.91
	Purchase of stock-in-trade		**29.22**	43.90
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	**(18.20)**	(52.30)
	Employee benefits expense	29	**168.21**	141.30
	Finance cost	30	**16.47**	8.29
	Depreciation and amortisation expense	3	**46.16**	43.26
	Other expenses	31	**276.14**	213.92
	Total expenses (IV)		**2,054.07**	**1,977.28**
V	**Profit before exceptional items and tax (III-IV)**		**188.65**	238.78
VI	**Exceptional items**		**-**	13.93
VII	**Profit before tax (V-VI)**		**188.65**	224.85
VIII	**Tax expense:**			
	Current tax		**46.26**	57.01
	Deferred tax		**3.25**	0.17
	Total tax expense (VIII)	32	**49.51**	**57.18**
IX	**Profit for the period (VII-VIII)**		**139.14**	167.67
X	**Other Comprehensive Income / (loss)**			
A	Items that will not be reclassified to profit or loss			
i)	Remeasurement gain/(loss) of defined benefit obligation		**(0.51)**	(1.32)
ii)	Income tax relating to items that will not be reclassified to profit or loss	32	**0.13**	0.33
B	Items that will be reclassified to profit or loss			
i)	Net movement in effective portion of cash flow hedge reserve		**0.24**	0.51
ii)	Income tax relating to items that will be reclassified to profit or loss	32	**(0.06)**	(0.12)
	Total other comprehensive income/(loss) for the year, net of tax (X)		**(0.20)**	**(0.60)**
XI	**Total Comprehensive Income for the period (IX+X)**		**138.94**	**167.07**
XII	**Earnings per equity share of ₹10/- each**	33		
	- Basic & Diluted ₹		**23.70**	28.56
	Weighted average equity shares used in computing earnings per equity share			
	- Basic & Diluted		**5,87,05,502**	5,87,05,502
	Corporate information	1		
	Significant accounting policies	2		
	See accompanying notes forming part of consolidated financial statements			

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

For and on behalf of the Board of Directors

Sd/-
Arvind Jain
Partner
M. No. 097549

Sd/-
Varinder Gupta
Managing Director
DIN: 00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN: 07198109

Sd/-
Abhay Raj Singh
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

A. Equity Share capital

(1) Current reporting period from 1st April, 2022 to 31st March, 2023

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 1st April, 2021 to 31st March, 2022

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 1st April, 2022 to 31st March, 2023

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	1,103.76	(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) (Refer note no. 37)				(0.38)		(0.38)
Net movement in effective portion of cash flow hedge reserve (net of income tax) {Refer note no. 42(i)}					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 current period	**10.76**	**225.72**	**1,219.40**	**(6.85)**	**(0.02)**	**1,449.01**

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(2) Previous reporting period from 1st April, 2021 to 31st March, 2022

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 previous period	10.76	225.72	971.31	(5.48)	(0.59)	1,201.72
Profit for the year transferred from statement of profit and loss			167.67			167.67
Remeasurement gain/(loss) of defined benefit obligation (net of income tax) (Refer note no. 37)				(0.99)		(0.99)
Net movement in effective portion of cash flow hedge reserve (net of income tax) {Refer note no. 42(i)}					0.39	0.39
Total Comprehensive Income for the period	-	-	167.67	(0.99)	0.39	167.07
Dividend paid on equity shares			(35.22)			(35.22)
Balance as at the end of the previous period	**10.76**	**225.72**	**1,103.76**	**(6.47)**	**(0.20)**	**1,333.57**

As per our report of even date attached
For **Ashwani & Associates**
Chartered Accountants
Firm Registration Number: 000497N

Sd/-
Arvind Jain
Partner
M. No. 097549

Place: Ludhiana
Date: 28th April, 2023

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
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

in ₹ Crore

Particulars	For the year ended 31-Mar-2023		For the year ended 31-Mar-2022	
Cash flow from operating activities				
Profit before tax		188.65		224.85
Adjustments for:				
Depreciation and amortisation expense	46.16		43.26	
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	(1.97)		(1.28)	
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	(0.01)		(0.02)	
Subsidy Income amortised	(0.07)		(0.07)	
Interest income on financial assets carried at amortised cost net of rent amortised during the period	(0.06)		(0.08)	
Liabilities no longer required written back	(0.03)		(0.03)	
Lease Liability Provision written back	-		(0.08)	
Net (Gain)/Loss on Property, plant and equipment sold	0.33		0.24	
Loss on Property, plant and equipment discarded	0.26		0.85	
Interest expense	16.47		8.29	
Interest income	(16.67)		(17.96)	
		44.41		33.12
Operating profit before working capital changes		**233.06**		**257.97**
Changes in working capital:				
Increase/(Decrease) in trade payables and other liabilities	(104.99)		183.19	
Decrease/(Increase) in trade and other receivables	(43.07)		(170.78)	
Decrease/(Increase) in inventories	84.37		(114.75)	
		(63.69)		(102.34)
Cash generated from operations		**169.37**		**155.63**
Income tax paid (net)		(47.10)		(62.58)
Net cash flow from/(used in) operating activities (A)		**122.27**		**93.05**
Cash flow from investing activities				
Purchase of property, plant and equipment including intangible assets and Capital work-in-progress	(211.82)		(153.29)	
Proceeds from sale of property, plant and equipment	2.22		1.89	
Purchase of investment	(17.61)		(1.14)	
Interest received	17.73		18.60	
Bank balances not considered as cash and cash equivalents:				
Decrease in deposit with banks, having original maturity more than three months	97.84		23.55	
Increase in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments	(8.36)		(10.13)	
Net cash flow from/(used in) investing activities (B)		**(120.00)**		**(120.52)**

Consolidated Cash flow statement

for the year ended 31st March, 2023

in ₹ Crore

Particulars	For the year ended 31-Mar-2023		For the year ended 31-Mar-2022	
Cash flow from financing activities				
Proceeds/(Repayment) of current borrowings	36.88		42.75	
Interest paid	(16.40)		(8.11)	
Lease rent payments	(1.09)		(1.06)	
Dividend paid on Equity shares	(23.50)		(35.22)	
Net cash flow from/(used in) financing activities (C)		**(4.11)**		**(1.64)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(1.84)		(29.11)
Cash and cash equivalents at the beginning of the period		3.23		32.34
Cash and cash equivalents at the end of the period *		1.39		3.23
* Comprises				
Balances with banks in current account		0.86		2.81
Cash on hand		0.53		0.42
		1.39		3.23

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/-
Arvind Jain
Partner
M. No. 097549

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
VP & Company Secretary

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Sd/-
Vikas Vij
Chief Executive Officer

Place: Ludhiana
Date: 28th April, 2023

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

Note 1: Corporate information

IOL Chemicals and Pharmaceuticals Limited ("the Parent 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 Parent 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 Parent Company and its Subsidiaries (collectively referred to as 'the Group') is engaged in the manufacturing and selling of Pharmaceutical and Chemical products. The Group caters to both domestic and international market.

The registered office of the Parent Company is situated at Village & Post Office Handiaya, Fatehgarh Chhanna Road, Barnala – 148107, Punjab.

The consolidated financial statements are approved for issuance by the Board of Directors on 28th April, 2023.

Note 2 (i): Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries and associates. 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 Parent Company considers all relevant facts and circumstances in assessing whether 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 group.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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-Mar-2023	31-Mar-2022
IOL-Foundation	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%
IOL Life Sciences Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	-
IOL Speciality Chemicals Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	-
IOL Global Limited	Overseas Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	-

Note 2 (ii): Significant accounting policies/critical accounting estimates and judgements

I. Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the group is Indian rupee (INR). The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of consolidated financial statements, in conformity with Ind AS requires the group to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these consolidated financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognised 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 recognised 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 recognised 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

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on its most likely amount, which is assessed at each reporting period.

ii) Export incentives

The revenue in respect of export benefits is recognised on post export basis at the rate at which the entitlements accrue.

VI. Other income

i) Dividend

Dividend income from investment is recognised when the right to receive the payment is established.

ii) Interest

Interest from customer

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and rate applicable.

Other interest

Interest income is recognised using effective interest rate (EIR).

iii) Insurance and other claims

Insurance and other claims are recognised when there exist no significant uncertainty with regard to the amount to be realised 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 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 recognised 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 recognised 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:

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.

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b) Subsequent expenditures relating to property, plant and equipment is capitalised 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.

c) Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any, the obligation for which an entity incurs either where the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

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 amortisation 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	First in first out method plus direct expenses
b)	Stores and Spares	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.

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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 recognises 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 recognises 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 recognised 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 amortised 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 recognised 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 recognised. If there were multiple payments or receipts in advance, multiple dates of

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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 Group 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 Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

XVII. Earnings per share

Basic earnings per share are computed by dividing the consolidated net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

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 recognised 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 recognised in the statement of profit or loss.

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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 recognised 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 amortised 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 categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realised 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

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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 derecognised 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 derecognised 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, maximising the use of relevant observable inputs and minimising 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 recognises 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 recognised 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

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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 recognised 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 recognised 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 recognised 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 recognised 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.

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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.

Note 2 (iv): Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

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Note 3.1: Property, Plant and Equipment Current year

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/ assets held for sale	-	-	(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**
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/ assets held for sale	-	-	(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**
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**

Note 3.2: 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**
Accumulated amount of amortisation as at 01-Apr-2022	0.71	0.55	-	1.26
Amortisation expense for the period	0.11	-	-	0.11
Disposals/adjustments	(0.41)	-	-	(0.41)
Accumulated amount of amortisation as at 31-Mar-2023	**0.41**	**0.55**	**-**	**0.96**
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**

Note 3.3: Capital work-in-progress

in ₹ Crore

Particulars	As at 01-Apr-2022	Additions	Capitalised	As at 31-Mar-2023
Capital work-in-progress	102.03	168.09	188.72	**81.40**

Note 3.4: Intangible assets under development

in ₹ Crore

Particulars	As at 01-Apr-2022	Additions	Capitalised	As at 31-Mar-2023
Intangible assets under development	3.17	5.07	-	**8.24**

* Depreciation/Amortisation for the year 2022-23	45.40
Less: Amount transferred from deferred revenue	(0.07)
Add: Depreciation on Right of use Assets (Refer note no. 38)	0.83
Depreciation/Amortisation charged to statement of profit or loss	46.16

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

Note 3.1: Property, Plant and Equipment Previous year

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 01-Apr-2021	42.27	87.69	531.72	2.37	7.30	1.75	673.10
Additions	13.80	12.40	64.90	0.65	2.50	1.33	95.58
Disposals/ adjustment/ assets held for sale	-	-	(6.82)	-	(1.82)	(0.46)	(9.10)
Gross carrying value as at 31-Mar-2022	**56.07**	**100.09**	**589.80**	**3.02**	**7.98**	**2.62**	**759.58**
Accumulated depreciation as at 01-Apr-2021	-	12.24	146.10	0.85	3.19	0.97	163.35
Depreciation expense for the period	-	3.82	36.91	0.24	0.91	0.44	42.32
Elimination on Disposals/ adjustment/ assets held for sale	-	-	(4.16)	-	(0.99)	(0.43)	(5.58)
Accumulated depreciation as at 31-Mar-2022	**-**	**16.06**	**178.85**	**1.09**	**3.11**	**0.98**	**200.09**
Net carrying value as at 01-Apr-2021	**42.27**	**75.45**	**385.62**	**1.52**	**4.11**	**0.78**	**509.75**
Net carrying value as at 31-Mar-2022	**56.07**	**84.03**	**410.95**	**1.93**	**4.87**	**1.64**	**559.49**

Note 3.2: Intangible assets

in ₹ Crore

Particulars	Computer Softwares	Technical Knowhow	Total
Gross carrying value as at 01-Apr-2021	0.76	0.55	1.31
Additions	0.14	-	0.14
Disposals/adjustments	(0.01)	-	(0.01)
Gross carrying value as at 31-Mar-2022	**0.89**	**0.55**	**1.44**
Accumulated amount of amortisation as at 01-Apr-2021	0.58	0.52	1.10
Amortisation expense for the period	0.13	0.03	0.16
Disposals/adjustments	-	-	-
Accumulated amount of amortisation as at 31-Mar-2022	**0.71**	**0.55**	**1.26**
Net carrying value as at 01-Apr-2021	**0.18**	**0.03**	**0.21**
Net carrying value as at 31-Mar-2022	**0.18**	**-**	**0.18**

Note 3.3: Capital work-in-progress

in ₹ Crore

Particulars	As at 01-Apr-2021	Additions	Capitalised	As at 31-Mar-2022
Capital work-in-progress	48.27	121.01	67.25	**102.03**

Note 3.4: Intangible assets under development

in ₹ Crore

Particulars	As at 01-Apr-2021	Additions	Capitalised	As at 31-Mar-2022
Intangible assets under development	-	3.17	-	**3.17**

* Depreciation/Amortisation for the year 2021-22	42.48
Less amount transferred from deferred revenue	(0.07)
Add: Depreciation on Right of use Assets (Refer note no. 38)	0.85
Depreciation/Amortisation charged to statement of profit or loss	43.26

Notes: No borrowing cost has been capitalised during the current and previous period.

All tangible assets except vehicles have been hypothecated/mortgaged to secure borrowings of the Group (refer note 19).

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

3.3a Capital work-in-progress (CWIP) ageing schedule as on 31st March, 2023

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	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 31st March, 2023

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

Capital work-in-progress (CWIP) ageing schedule as on 31st March, 2022

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	85.86	16.17	-	-	102.03
Projects temporarily suspended	-	-	-	-	-
Total	**85.86**	**16.17**	**-**	**-**	**102.03**

Capital work-in-progress (CWIP) completion schedule as on 31st March, 2022

	To be completed in				
Projects	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Growth Projects	66.85	-	-	-	66.85
Environment, safety and compliance	-	-	-	-	-
Total	**66.85**	**-**	**-**	**-**	**66.85**

3.4a Intangible assets under development ageing schedule as on 31st 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 31st March, 2023

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

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

Intangible assets under development ageing schedule as on 31st March, 2022

	Amount of Intangible assets under development for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	3.17	-	-	-	3.17
Projects temporarily suspended	-	-	-	-	-
Total	**3.17**	**-**	**-**	**-**	**3.17**

Intangible assets under development completion schedule as on 31st March, 2022

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

4 Right of use assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Right of use assets (Refer note no. 38)	0.97	2.40
Deletions of rights of use assets	-	(0.58)
Less: Depreciation on right of use asset	(0.83)	(0.85)
	0.14	0.97

5.1 Investments (non-current)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
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 Nil)	17.41	-
	17.41	**-**
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.41	-
Aggregate amount of impairment in value of investment	-	-

5.2 Investments (current)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds		
88491.150 (88491.150 as at 31-Mar-2022) units of ₹10/- each of PNB Principal Balanced Advantage Fund- Regular plan growth	0.23	0.22
Other investments		
Investment in Master Portfolio Services Limited MPSL Irage Absolute Return Strategy	2.33	2.15
Total	**2.56**	**2.37**
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	2.56	2.37
Aggregate amount of impairment in value of investment	-	-

6 Other financial assets - Non-Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Security deposit (to related party)	0.87	0.82
Interest receivable	2.26	0.81
Fixed deposits account with remaining maturity of more than twelve months	186.66	185.06
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	44.08	18.65
	233.87	205.34

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

7 Other Non-current assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
Capital advances	2.83	4.31
Advances other than capital advances		
- Security deposit	1.04	0.86
- Lease hold land prepayments	0.15	0.15
- Prepaid expenses	0.21	0.20
Balance and deposits with government department or others *	4.78	4.78
	9.01	10.30

* This includes an amount of ₹ 1 Crore deposited by the group towards customs duty under protest as a part of ongoing enquiry by Custom Authorities.

8 Inventories*

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Raw materials and components	134.08	243.26
(including ₹ 60.41 Crore as at 31-Mar-2023 and ₹ 156.62 Crore as at 31-Mar-2022 in transit and at port)		
Work-in-progress	61.85	59.70
Finished Goods (including ₹ 49.93 Crore as at 31-Mar-2023 and ₹ 45.23 Crore as at 31-Mar-2022 in transit)	109.59	92.75
Stores and Spares	19.89	14.18
Stock-in-trade	0.11	-
	325.52	409.89

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

Inventories includes ₹ 23.40 Crore as at 31st March, 2023 and ₹ 13.38 Crore as at 31st March, 2022 valued at net realisable value.

Value of inventories above is stated after provisions of ₹ 4.63 Crore as at 31st March, 2023 and ₹ 3.11 Crore as at 31st March, 2022 for write-downs to net realisable value.

Cost of inventory recognised as expense during the current period ₹ 1,685.89 Crore (Previous year ₹ 1,677.83 Crore).

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

9 Trade receivables

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
From related parties (Refer note no. 41)	-	-
Trade receivables considered good - Unsecured *	506.03	470.53
Less: Allowances for expected credit loss and doubtful receivables	(0.75)	(0.73)
Trade receivables- credit impaired	0.66	0.66
Less: Allowances for credit impaired	(0.66)	(0.66)
	505.28	469.80

* Net of bill discounted from banks ₹ 18.23 Crore (Previous year ₹ 21.25 Crore)

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward-looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix.

All book debts of Parent Company have been hypothecated to secure borrowings of the Parent Company (refer note 19).

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

Trade receivables ageing schedule as on 31st March, 2023

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	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 & doubtful receivables and credit impaired							(1.41)
Total Trade receivables							505.28

Trade receivables ageing schedule as on 31st March, 2022

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	351.87	99.20	0.56	0.10	0.08	-	451.81
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good			18.72				18.72
(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	351.87	99.20	19.32	0.65	0.15	-	471.19
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(1.39)
Total Trade receivables							469.80

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

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the period	1.39	0.12
- Impairment loss recognised	-	0.66
- Expected credit loss	0.02	0.61
- Balance at the end of the period	1.41	1.39

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

10 Cash and cash equivalents

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with banks		
- In current accounts	0.86	2.81
Cash on hand	0.53	0.42
	1.39	**3.23**

11 Other Bank Balances

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	14.69	83.76
Fixed deposits with original maturity of more than three months but less than twelve months	-	30.37
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	18.97
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	1.01	2.62
Balances with banks in earmarked accounts		
Balances with banks in earmarked for CSR expenditure	0.35	0.33
Balances with banks in earmarked accounts to the extent of unclaimed dividend	0.90	0.71
	20.44	**136.76**

12 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good)		
Interest receivable	0.91	3.42
Other recoverable	10.91	7.68
Export incentives/ other receivables from Government Authorities	9.58	11.11
Loans and advances to employees	0.73	0.45
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	0.25	0.32
	22.38	**22.98**

13 Other Current Assets

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(Unsecured considered good unless otherwise stated)		
Advances other than capital advances		
Advances against supply of goods and services		
- to related party (Refer note no. 41)	-	-
- to others	9.10	5.77
Prepaid expenses	8.20	7.89
Balance and deposits with government department or others	23.36	20.36
Security deposit	0.40	0.29
Lease hold land prepayments	0.01	0.01
Assets held for sale *	-	0.56
	41.07	**34.88**

* Carrying value of Plant and Equipment held for sale

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-2023		As at 31-Mar-2022	
	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**

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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			
	31-Mar-2023		31-Mar-2022	
	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 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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The parent company has paid 40% interim dividend (₹ 4 per equity share of ₹ 10/- each) during the current year ended 31st March, 2023 and 40% (₹ 4 per equity share of ₹ 10/- each) during the previous year ended 31st March, 2022. The parent company has also paid 20% Final Dividend (₹ 2 per equity share ₹ 10/- each) for the FY 2021 during the previous year ended 31st March, 2022.

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

in ₹ Crore

Particulars	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Interim dividend	4.00	4.00
Final Dividend FY2021	-	2.00

The parent Company has incurred a net cash outflow of ₹ 23.50 Crore during the year ended 31st March, 2023 (Previous year ₹ 35.22 Crore) on account of the interim/ final dividend.

Rights attached to preference shares

The parent 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-2023		31-Mar-2022	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	1,26,47,402	21.54%	1,00,06,323	17.04%
NM Merchantiles 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%	32,84,393	5.59%

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.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

h) Shareholding of Promoter and Promoter Group

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2023 No. of Shares	% of total shares	% Change during the period	Shareholding of Promoter and Promoter Group as on 31-Mar-2022 No. of Shares	% of total shares	% Change during the period
	Promoter						
1	Varinder Gupta	11,95,865	2.04%	-	11,95,865	2.04%	-
	Promoter Group						
1	Varinder Gupta HUF	1,100	0.00%	-	1,100	0.00%	-
2	Mayadevi Polycot Limited	1,26,47,402	21.54%	4.50%	1,00,06,323	17.04%	-
3	NM Merchantiles Limited	50,75,571	8.65%	-	50,75,571	8.65%	-
4	NCG Enterprises Limited	32,84,393	5.59%	-	32,84,393	5.59%	-
5	Bhudeva Lifesciences Limited	28,73,714	4.90%	-	28,73,714	4.90%	-
6	NCVI Enterprises Limited	28,12,032	4.79%	-	28,12,032	4.79%	-
7	True Value Traders Limited	4,00,000	0.68%	-	4,00,000	0.68%	-
		2,70,94,212	**46.15%**	**4.50%**	**2,44,53,133**	**41.65%**	**-**
	Total Shares held by promoter and Promoter Group at the end of the period	**2,82,90,077**	**48.19%**	**4.50%**	**2,56,48,998**	**43.69%**	**-**

15 Other Equity

in ₹ Crore

	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
(i)	**Reserves and surplus**		
a)	**Capital reserve (Balance at the beginning and end of the year)**	10.76	10.76
b)	**Securities premium**		
	Opening balance	225.72	225.72
	Add: Securities premium on allotment of equity shares	-	-
	Closing balance	**225.72**	**225.72**
c)	**Retained earnings**		
	Opening balance	1,103.76	971.31
	Add: Profit for the year	139.14	167.67
	Less: Interim/final Dividend	(23.50)	(35.22)
	Closing balance	**1,219.40**	**1,103.76**
(ii)	**Net movement in effective portion of cash flow hedge reserve {refer note 42(i)}**		
	Opening balance	(0.20)	(0.59)
	Add: Other comprehensive income/ (expense) net of tax impact	0.18	0.39
	Closing balance	**(0.02)**	**(0.20)**
(iii)	**Remeasurements of defined benefit obligation (refer note 37)**		
	Opening balance	(6.47)	(5.48)
	Add: Other comprehensive income/ (expense) net of tax impact	(0.38)	(0.99)
	Closing balance	**(6.85)**	**(6.47)**
Total		**1,449.01**	**1,333.57**

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 utilised 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.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

16 Lease liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Lease liabilities (Refer note no. 38)	1.20	2.73
Deletions of lease liabilities	-	(0.65)
Interest expense on lease liabilities	0.07	0.18
Payment of lease liabilities	(1.09)	(1.06)
	0.18	**1.20**
The break-up of current and non-current lease liabilities is as follows:		
Current Lease liabilities	0.18	1.02
Non-Current Lease liabilities	-	0.18

17 Provisions - Non-current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for employee benefits:		
- Gratuity (Refer note no. 37)	0.13	1.07
- Compensated absences	1.52	1.94
	1.65	**3.01**

18 Other non-current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Deferred capital grants related to Property, plant and equipment	0.14	0.25
	0.14	**0.25**

19 Borrowings - Current

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Loan repayable on demand		
- From Banks (secured)	79.63	42.75
	79.63	**42.75**

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

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Outstanding dues of creditors to others	295.33	400.58
Outstanding dues to related parties (Refer note no. 41)	18.89	8.71
	314.22	**409.29**

Trade payables ageing schedule as on 31st March, 2023

in ₹ Crore

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) (a) Others	264.73	30.56	0.04	-	-	295.33
(i) (b) Related party	14.14	4.75	-	-	-	18.89
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	**278.87**	**35.31**	**0.04**	**-**	**-**	**314.22**

Trade payables ageing schedule as on 31st March, 2022

in ₹ Crore

Particulars	Outstanding for following periods from due date of payment: Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) (a) Others	371.37	28.86	0.32	0.03	-	400.58
(i) (b) Related party	1.79	6.92	-	-	-	8.71
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	**373.16**	**35.78**	**0.32**	**0.03**	**-**	**409.29**

21 Other financial liabilities - Current

in ₹ Crore

Particulars		As at 31-Mar-2023	As at 31-Mar-2022
Unclaimed dividend		0.90	0.71
Payable to employees			
- to related parties (Refer note no. 41)		-	0.59
- to other employees		7.10	6.40
Other liabilities			
- to related parties (Refer note no. 41)		-	-
- to other than related parties		11.80	16.58
	(a)	19.80	24.28
Payable on purchase of capital goods	(b)	16.54	5.74
Total	(a+b)	**36.34**	**30.02**

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

22 Other current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Advances from customers	7.44	14.07
Advance against assets held for sale	-	0.23
Statutory remittances*	3.91	3.59
Deferred capital grants related to Property, plant and equipment	0.11	0.13
Other payable	5.08	4.36
Security deposit	1.22	0.60
	17.76	22.98

* Statutory remittance includes contribution to provident fund, ESI, punjab labour welfare fund and tax deducted at source, etc.

23 Current provisions

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for employee benefits:		
- Gratuity (Refer note no. 37)	6.84	6.15
- Compensated absences	1.29	1.19
	8.13	7.34

24 Current tax liabilities/(assets) (net)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Provision for Current tax (net of advance tax)	(1.75)	(0.91)
	(1.75)	(0.91)

Gross movement in current tax liabilities/(assets)

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Net current tax liabilities/(assets) at the beginning of the year	(0.91)	4.66
Tax adjustments related to earlier years	1.32	(0.22)
Income tax payment of earlier years	(0.41)	(4.44)
Provision for current tax	44.94	57.23
Advance tax paid	(46.69)	(58.14)
Current tax liabilities/(assets)	(1.75)	(0.91)

25 Revenue from operations

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Sale of products	2,170.93	2,120.31
Other operating revenue		
(i) Export incentives	6.52	3.84
(ii) Miscellaneous sales	8.90	11.81
	2,186.35	2,135.96
Sale of traded goods	30.76	48.06
	2,217.11	2,184.02

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the period ended 31st March, 2023 and 31st March, 2022 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.

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Details of sale of products		
- Chemicals	904.48	1,112.80
- Pharmaceuticals	1,201.39	977.00
- Others (By-products)	65.06	30.51
	2,170.93	2,120.31

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

26 Other income

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Interest income (Gross)		
- From bank deposits	16.67	17.96
TDS ₹ 1.69 Crore (Previous year ₹ 1.80 Crore)		
- On financial assets carried at amortised cost	0.06	0.08
Other non-operating income		
Liabilities no longer required written back	0.03	0.03
Rent received	0.02	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.22	0.16
- Gain on fair value changes of financial assets	0.01	0.02
Net gain on foreign currency transaction and translation	7.06	10.44
Amortisation of capital subsidy	0.07	0.07
Miscellaneous income	1.47	3.26
	25.61	32.04

27 Cost of material consumed

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Raw material consumed		
Opening Stocks	243.26	181.75
Add: Purchases	1,426.89	1,640.42
Total	1,670.15	1,822.17
Less: Closing stocks	134.08	243.26
Consumption (refer detail below)	1,536.07	1,578.91
Detail of material consumed		
Acetic Acid	338.19	556.08
Acetic Anhydride	77.39	49.16
Specially Denatured Spirit	371.75	313.69
Aluminium Chloride	43.75	36.47
Sodium Di Chromate	83.99	79.56
Di Methyl Amine Hcl	43.89	35.75
Propylene Gas	43.88	29.00
Sodium Metal	49.24	35.65
Others	483.99	443.55
	1,536.07	1,578.91

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

in ₹ Crore

Particulars		For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Inventories at the beginning of the year			
Work-in-progress		59.70	35.73
Finished goods		92.75	63.38
	(A)	152.45	99.11
Change in inventory during trial run			
Work-in-progress		1.05	0.67
Finished goods		(0.15)	0.37
	(B)	0.90	1.04
Inventories at the end of the year			
Work-in-progress		61.85	59.70
Finished goods		109.59	92.75
Stock-in-trade		0.11	-
	(C)	171.55	152.45
	(A+B-C)	(18.20)	(52.30)

29 Employee benefits expense

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Salaries and Wages (including Bonus)	150.19	125.28
Contribution to provident and other funds	11.20	9.77
Staff welfare expenses	6.82	6.25
	168.21	141.30

30 Finance Cost

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Interest expense on:		
- Term loans and working capital	6.51	1.31
- other borrowings	4.11	0.94
Other borrowing costs	5.78	5.86
Interest expense on Lease Liability	0.07	0.18
	16.47	8.29

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

31 Other expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Power and Fuel	131.98	78.18
Consumption of stores and spares	29.62	26.15
Repairs and maintenance		
- Plant and Machinery	8.87	6.92
- Building	3.85	3.23
- Others	0.73	0.56
Rent	0.39	0.23
Insurance charges	5.54	4.25
Auditor's Remuneration	0.29	0.25
Rates and Taxes	0.32	0.39
Loss on Property, plant and equipment sold (net)	0.33	0.24
Loss on Property, plant and equipment discarded	0.26	0.85
Allowance for expected credit loss and doubtful receivables	0.02	1.27
Freight outward	49.65	57.34
Other Selling and distribution expenses	12.20	9.50
Miscellaneous expenses	32.09	24.56
	276.14	213.92

32 Current tax and deferred tax

(a) Income tax recognised in statement of profit and loss

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Current tax		
In respect of current period	44.94	57.23
Tax adjustments related to earlier years	1.32	(0.22)
Total (A)	**46.26**	**57.01**
Deferred tax		
In respect of current period	3.25	0.17
Total (B)	**3.25**	**0.17**
Total Income tax expense (A+B)	49.51	57.18

(b) Income tax recognised in other Comprehensive income

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	(0.13)	(0.33)
Net movement in effective portion of cash flow hedge reserve	0.06	0.12
Total	**(0.07)**	**(0.21)**

(c) Reconciliation of tax expense and the profit before tax multiplied by statutory tax rate

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Profit before tax	188.65	224.85
Income tax expense at tax rates applicable to individual entities	47.69	56.08
Income tax for earlier years recognised in statement of profit and loss	1.32	(0.22)
Income tax impact of expenses not considered for tax purpose	0.02	0.02
Income tax impact of Income not considered for tax purposes	(0.01)	(0.02)
Income tax impact of expenses availed on payment basis	(1.17)	(0.06)
Income tax impact of allowances of permanent nature	2.45	2.56
Income tax impact of unabsorbed depreciation *	(0.10)	(0.52)
Income tax savings on deductions under Section 80JJAA	(0.69)	(0.66)
Tax expense charged to statement of profit and loss at effective rate of 26.2463% (Previous year 25.4312%)	**49.51**	**57.18**

* Includes tax on amount allowed ₹ 0.29 Crore as per assessment order of previous years.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

(d) Movement in deferred tax balances

in ₹ Crore

Particulars	As at 01-Apr-2022	Recognised in statement of 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 liability (net)	(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**

in ₹ Crore

Particulars	As at 01-Apr-2021	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2022
Deferred tax liabilities				
Property, Plant and Equipment	55.73	0.35		56.08
Intangible assets	0.03	(0.03)		-
Fair valuation gain on investments	-	0.01		0.01
Gross deferred tax liabilities (A)	**55.76**	**0.33**	**-**	**56.09**
Deferred tax assets				
Gratuity	(1.77)	0.28	(0.33)	(1.82)
Leave encashment	(0.55)	(0.06)		(0.61)
Lease Liability (net)	-	(0.06)		(0.06)
Expected credit loss	(0.03)	(0.32)		(0.35)
Cash flow hedge	(0.19)	-	0.12	(0.07)
Gross deferred tax assets (B)	**(2.54)**	**(0.16)**	**(0.21)**	**(2.91)**
Net Deferred tax (Asset)/Liabilities (A+B)	**53.22**	**0.17**	**(0.21)**	**53.18**

33 Earning per share

The earning Per Share (EPS) as disclosed in the statement of profit and loss has been calculated as under:

in ₹ Crore

Particulars		For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Total operations for the period			
Profit after tax attributable to equity shareholders (₹ Crore)	A	139.14	167.67
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	23.70	28.56
Diluted earnings per share (₹)	A/C	23.70	28.56
Face value per equity share (₹)		10.00	10.00

34 Research and Development expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2023	For the year ended 31-Mar-2022
Research and Development: Revenue expenses		
Raw material consumption	1.27	0.65
Salaries & wages	9.59	6.88
Depreciation	1.77	1.31
Stores and spares	3.73	2.05
Cost of utilities	0.39	0.22
	16.75	11.11
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	4.71	4.71

The revenue expenses related to research and development is clubbed under respective account heads in profit and loss

35 Exceptional item

The exceptional items amounting to Nil (₹ 13.93 Crore previous year) represent one time cost towards Right of Recompense (RoR) payable to the lenders against sacrifices made by them in FY 2014-15 on account of restructuring done under Joint Lenders Forum (JLF) route.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

36 Contingent liabilities and commitments (to the extent not provided for)

in ₹ Crore

	Particulars	As at 31-Mar-2023	As at 31-Mar-2022
A	**Contingent liabilities**		
i	Claims not acknowledged as debts	**0.09**	0.09
ii	Bank Guarantee issued in favour of others	**5.26**	0.09
		5.35	**0.18**
B	**Commitments**		
i	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	**15.68**	11.60
ii	Export obligations under Advance Authorisation/Duty Free Import Authorisation #	**45.38**	88.43
		61.06	**100.03**

Export obligations relates to duty saved on import of raw materials under the Advance Authorisation 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 ₹ 15.56 Crore (Previous year ₹ 48.35 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.

37 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 statement as at 31st March, 2023 and 31st March, 2022.

in ₹ Crore

Particulars		Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
i) Changes in the present value of the obligation			
Present value of obligation as at the beginning of the year		**20.56**	17.21
Interest cost		**1.49**	1.17
Current service cost		**2.22**	1.96
Benefits paid		**(1.05)**	(1.16)
Remeasurement - actuarial (gain)/loss		**0.57**	1.38
Present value of obligation as at the end of the year	(A)	**23.79**	**20.56**
ii) Changes in the fair value of plan assets			
Fair value of plan assets as at the beginning of the year		**13.34**	10.15
Actual return on plan assets		**1.03**	0.75
Contributions		**3.50**	3.60
Charges deducted		**-**	-
Benefits paid		**(1.05)**	(1.16)
Fair value of plan assets as at the end of the year	(B)	**16.82**	**13.34**
Unfunded Status	(A–B)	**6.97**	7.22
iii) Amount recognised in the Balance Sheet			
Present value of the defined benefit obligation as at the end of the year		**23.79**	20.56
Fair value of plan assets as at the end of the year		**16.82**	13.34
Net asset/(liability) recognised in the Balance Sheet		**(6.97)**	**(7.22)**
iv) Expense recognised in the statement of profit and loss			
Current service cost		**2.22**	1.96
Net interest cost		**0.52**	0.48
Expense recognised in the statement of profit and loss		**2.74**	**2.44**
v) Re-measurement of the net defined benefit liability/(asset)			
Actuarial (gain)/loss for the year on projected benefit obligation (PBO)		**0.57**	1.38
Actuarial (gain)/loss for the year on plan assets		**(0.06)**	(0.06)
Total Actuarial (gain)/loss at the end of the year		**0.51**	**1.32**
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		**(0.21)**	(0.85)
Actuarial (Gain)/loss on arising from change in experience assumption		**0.78**	2.23
		0.57	**1.38**

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

vii) The major categories of plan assets as a percentage of the fair value of total plan assets

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
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):

	As at 31-Mar-2023	As at 31-Mar-2022
Discount rate (per annum)	**7.36%**	7.26%
Rate of increase in compensation levels (per annum)	**5.50%**	5.50%
Average remaining working lives of employees (years)	**27.10**	27.09
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:

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
a) Impact of change in discount rate		
Present value of obligation at the end of the period	**23.79**	20.56
1. Impact due to increase of 0.50%	**(1.00)**	(0.85)
2. Impact due to decrease of 0.50%	**1.09**	0.94
b) Impact of change in salary increase		
Present value of obligation at the end of the period	**23.79**	20.56
1. Impact due to increase of 0.50%	**1.11**	0.95
2. Impact due to decrease of 0.50%	**(1.02)**	**(0.87)**

As per Actuarial certificate, sensitivities due to mortality and withdrawals are insignificant and hence impact of change has not been calculated.

xi) Maturity profile of defined benefit obligation:

in ₹ Crore

		Gratuity (Funded) 31-Mar-2023
Year ending		
a)	Mar-2023 to Mar-2024	**6.84**
b)	Mar-2024 to Mar-2025	**0.54**
c)	Mar-2025 to Mar-2026	**0.56**
d)	Mar-2026 to Mar-2027	**0.55**
e)	Mar-2027 to Mar-2028	**1.67**
f)	Mar-2028 to Mar-2029	**0.76**
g)	Mar-2029 onwards	**12.88**

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:

a) Salary increases – Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment risk – If plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality and disability – Actual death and disability cases proving lower or higher than assumed in the valuation can impact the liabilities

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact Plan's liability.

xiii) The Group expects to contribute ₹ 2.97 Crore to the gratuity trust during the year 2023-24.

xiv) Bifurcation of Projected Benefit Obligation (PBO) at the end of the year in current and non-current

in ₹ Crore

	Gratuity (Funded) 31-Mar-2023	Gratuity (Funded) 31-Mar-2022
Current liability (amount due within one year)	**6.84**	6.15
Non-current liability (amount due over one year)	**16.95**	14.41
Total PBO at the end of year	**23.79**	**20.56**

B Contribution to Provident Fund

The Group has recognised an expense of ₹ 8.40 Crore (Previous year ₹ 7.21 Crore) in respect of contribution to Provident Fund.

38 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.

Notes

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The changes in the carrying value of ROU assets for the year ended 31st March, 2023 are as follows:

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Category of ROU Assets	**Buildings**	Buildings
Balance at the beginning	**0.97**	2.40
Additions	-	-
Deletions	-	(0.58)
Depreciation	**(0.83)**	(0.85)
Balance at the end	**0.14**	0.97

The aggregate depreciation expense on Right of use assets (ROU) is included under depreciation and amortisation expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year are as follows:

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Balance at the beginning	**1.20**	2.73
Additions	-	-
Finance cost accrued during the year	**0.07**	0.18
Deletions	-	(0.65)
Payment of lease liabilities	**(1.09)**	(1.06)
Balance at the end	**0.18**	1.20

Payment of Lease liabilities during the current year ₹ 1.09 Crore (Previous year ₹ 1.06 Crore).

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Less than one year	**0.33**	1.25
One to five years	**0.01**	0.20
More than five years	**0.16**	0.18
Total	**0.50**	1.63

Lease payments on account of short-term and low value leases are recognised as rental expense on a straight-line basis in the statement of profit and loss over the lease term.

Rental expense recorded under other expenses:

in ₹ Crore

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
Rent	**0.31**	0.15

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 31st March, 2023 (Previous year ₹ 0.02 Crore).

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

39 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 31st March, 2023

in ₹ Crore

Particulars	Amortised 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
Other Bank Balances	20.44					20.44	20.44
Foreign exchange forward contracts					0.25	0.25	0.25
Other financial current assets	22.13					22.13	22.13
Total	**783.11**	**-**	**2.56**	**-**	**17.66**	**803.33**	**803.33**
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
Other financial current liabilities	36.34		-			36.34	36.34
Total	**430.37**	**-**	**-**	**-**	**-**	**430.37**	**430.37**

As at 31st March, 2022

in ₹ Crore

Particulars	Amortised 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:							
Other financial non-current assets	205.34					205.34	205.34
Current Investments			2.37			2.37	2.37
Trade receivables	469.80					469.80	469.80
Cash and cash equivalents	3.23					3.23	3.23
Other Bank Balances	136.76					136.76	136.76
Foreign exchange forward contracts					0.32	0.32	0.32
Other financial current assets	22.66					22.66	22.66
Total	**837.79**	**-**	**2.37**	**-**	**0.32**	**840.48**	**840.48**
Financial Liabilities:							
Short-term borrowings	42.75					42.75	42.75
Trade Payables	409.29					409.29	409.29
Lease liabilities Current	1.02					1.02	1.02
Lease liabilities non-current	0.18					0.18	0.18
Other financial current liabilities	30.02		-			30.02	30.02
Total	**483.26**	**-**	**-**	**-**	**-**	**483.26**	**483.26**

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forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

(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 31st March, 2023

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	0.23		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**	-	

As at 31st March, 2022

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	0.22		0.22		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.15		2.15		Value as provided by the portfolio manager.
Foreign exchange forward contracts at fair value through OCI	0.32		0.32		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	**2.69**	-	**2.69**	-	

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40 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 organised 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.

Notes

forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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 *	**953.71**	1,174.87	**1,258.53**	1,002.66	**4.87**	6.49			**2,217.11**	2,184.02
Inter Segment transfer	**241.14**	143.38	-	-	-	-	**(241.14)**	(143.38)	-	-
Interest income	-	-	-	-	**16.67**	17.96			**16.67**	17.96
Other Income	-	4.25	-	5.66	**8.94**	4.17			**8.94**	14.08
Total Revenue	**1,194.85**	**1,322.50**	**1,258.53**	**1,008.32**	**30.48**	**28.62**	**(241.14)**	**(143.38)**	**2,242.72**	**2,216.06**
Segment Results	**19.57**	59.26	**171.53**	162.92					**191.10**	222.18
Unallocated Income (net of unallocated Expenses)					**14.02**	24.89			**14.02**	24.89
Profit before tax and interest									**205.12**	247.07
Finance cost					**16.47**	8.29			**16.47**	8.29
Profit before Tax & Extraordinary items									**188.65**	238.78
Exceptional items									-	13.93
Tax expense					**49.51**	57.18			**49.51**	57.18
Profit after Tax									**139.14**	167.67
Other Information										
Segment Assets	**442.02**	537.77	**1,104.08**	945.34	-	-			**1,546.10**	1,483.11
Unallocated assets	-	-	-	-	**476.03**	479.19			**476.03**	479.19
Total Assets	**442.02**	**537.77**	**1,104.08**	**945.34**	**476.03**	**479.19**			**2,022.13**	**1,962.30**
Segment Liabilities	**157.18**	272.74	**180.43**	179.72	-	-			**337.61**	452.46
Unallocated Liabilities	-	-	-	-	**97.17**	74.81			**97.17**	74.81
Short-term borrowings					**79.63**	42.75			**79.63**	42.75
Total Liabilities	**157.18**	**272.74**	**180.43**	**179.72**	**176.80**	**117.56**			**514.41**	**570.02**
Capital Expenditure	**68.76**	6.53	**93.67**	123.45	**61.66**	22.67			**224.09**	152.65
Depreciation and Amortisation	**13.40**	13.38	**26.91**	25.65	**5.85**	4.23			**46.16**	43.26

Detail of secondary business segment

Geographical information

in ₹ Crore

		Domestic sale	Export sale	Total
Particulars	Year ended	India	Rest of the world	
Net revenue from sale of products	31-Mar-2023	1,583.51	633.60	2,217.11
	31-Mar-2022	1,638.13	545.89	2,184.02

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/ cost and tax expense. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, excludes the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amount therefore, form part of the unallocated assets and liabilities.

(ii) There is no customer contributing more than 10% of the total revenue of the Group.

(iii) The Group does not have manufacturing facilities outside India therefore all non-current assets are located in India.

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41 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. 3rd April, 2023) & Executive Director (up to 2nd April, 2023)
		Mr. Abhiraj Gupta	Executive Director (w.e.f. 3rd April, 2023)
		Dr. Sanjay Chaturvedi	Executive Director & CEO (w.e.f. 30th May, 2022) (up to 3rd April, 2023)
		Mr. Kushal Kumar Rana	Director Works
ii	Non-Executive Directors	Mr. Rajendra Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director
		Mr. Sharad Tyagi	Independent Director (w.e.f. 30th May, 2022)
iii	Chief Executive Officer	Mr. Sanjay Chaturvedi	(up to 29th May, 2022)
		Mr. Vikas Vij	(w.e.f. 3rd April, 2023)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

Nature of relationship	Name of related party	
i. Overseas Subsidiary	IOL Global Limited	
ii. Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchantiles Limited	
	Mayadevi Polycot Limited	
	NCG Enterprises Limited	
	True Value Traders Limited	
	NCVI Enterprises Limited	
	Bhudeva Lifesciences Limited	
	Varinder Gupta (HUF)	
iii. Relative of Key Management Personnel:	Mrs. Dimple Gupta	General Manager (up to 31st December, 2021)
	Mr. Abhiraj Gupta	General Manager (up to 2nd April, 023)
iv. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	

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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 Directorss		Relatives of KMP		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022
1	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Sale of Capital goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchase of goods and services:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NCVI Enterprises Limited	-	-	**35.13**	54.15	-	-	-	-	-	-	-	-	**35.13**	54.15
	Mayadevi Polycot Limited	-	-	**61.72**	-	-	-	-	-	-	-	-	-	**61.72**	-
4	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Purchase of land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	* Managerial remuneration (including incentives)	-	-	-	-	**16.86**	14.44	-	-	**0.73**	1.32	-	-	**17.59**	15.76
7	Sitting fees to non-executive directors of the group	-	-	-	-	-	-	**0.29**	0.10	-	-	-	-	**0.29**	0.10
8	Rent received	-	-	-	-	**0.02**	0.02	-	-	-	-	-	-	**0.02**	0.02
9	Rent paid	-	-	**0.30**	0.12	**0.54**	0.52	-	-	**0.54**	0.52	-	-	**1.38**	1.16
10	Equity Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	-	-	**3.50**	3.60	**3.50**	3.60

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forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022	Year ended 31-Mar-2023	Year ended 31-Mar-2022
Amount receivable on the last day the year															
1	Security deposit receivable	-	-	-	-	**0.45**	0.45	-	-	**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:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount payable on the last day of the year															
1	Trade payables against purchse of goods:														
	NCVI Enterprises Limited	-	-	**9.93**	8.71	-	-	-	-	-	-	-	-	**9.93**	8.71
	Mayadevi Polycot Limited	-	-	**8.96**	-	-	-	-	-	-	-	-	-	**8.96**	-
2	* Managerial remuneration	-	-	-	-	-	0.57	-	-	-	0.02	-	-	-	0.59
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.

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42 Financial Risk Management

The financial assets of the Group include investments, loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The financial liabilities of the Group, other than derivatives, include loans and borrowings, trade payables, lease liabilities and other payables, and the main purpose of these financial liabilities is to finance the day to day operations of the Group.

The Group is mainly exposed to the following risks that arise from financial instruments:

(i) Market risk

(ii) Liquidity risk

(iii) Credit risk

The Group's senior management oversees the management of these risks and that advises on financial risks and the appropriate financial risk governance framework for the Group.

This note explains the risks which the Group is exposed to and policies and framework adopted by the Group to manage these risks:

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: foreign currency risk and interest rate risk.

(a) Foreign currency risk

The Group imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognised 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:

Financial Assets

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	1,27,34,227	104.68	97,22,693	73.36
- In EURO	7,33,800	6.57	2,86,123	2.40
Trade Payables				
- In USD	1,02,07,454	83.84	1,52,41,143	115.97
- In EURO	-	-	-	-
Net exposure				
- In USD	25,26,773	20.84	(55,18,450)	(42.61)
- In EURO	7,33,800	6.57	2,86,123	2.40

Of the above foreign currency exposures, the following exposures are not hedged by a derivative.

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	97,99,227	80.29	37,57,693	27.60
- In EURO	7,33,800	6.57	2,86,123	2.40
Trade Payables				
- In USD	82,42,417	67.71	1,52,41,143	115.97
- In EURO	-	-	-	-
Net exposure				
- In USD	15,56,811	12.58	(1,14,83,450)	(88.37)
- In EURO	7,33,800	6.57	2,86,123	2.40

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:

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in ₹ Crore

Particulars	31-Mar-2023		31-Mar-2022	
	Strength-ening	Weakening	Strength-ening	Weakening
2% Strengthening/ weakening of USD against INR	0.25	(0.25)	(1.77)	1.77
2% Strengthening/ weakening of EURO against INR	0.13	(0.13)	0.05	(0.05)

Foreign currency forward contracts held by the Group as on reporting date:

Particulars	As at 31-Mar-2023	As at 31-Mar-2022
In USD	49,00,038	59,65,000
in ₹ Crore	40.52	45.76

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 31st March, 2023 and previous year ended 31st March, 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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Opening balance of cash flow hedge reserve	(0.20)	(0.59)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(0.08)	(0.37)
Amount reclassified to profit or loss	0.32	0.88
Tax effect	(0.06)	(0.12)
Closing balance of cash flow hedge reserve	(0.02)	(0.20)

The following table includes the maturity profile of the foreign exchange forward contracts:

Particulars	As at 31-Mar-2023		As at 31-Mar-2022	
	USD	in ₹ Crore	USD	in ₹ Crore
Not later than one month	10,35,458	8.48	27,65,000	21.21
Later than one month and not later than three months	38,64,580	32.04	32,00,000	24.55
Later than three months and not later than one year	-	-		-
	49,00,038	40.52	59,65,000	45.76

(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:

in ₹ Crore

Variable rate instruments	Carrying amount: Financial Year 2022-23	Carrying amount: Financial Year 2021-22
Long -term borrowings	-	-
Current maturities of long-term debt	-	-
Short-term borrowings	79.63	42.75

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

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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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Increase/ (decrease) in 100 basis point	**0.80**	0.43

(ii) Liquidity Risk

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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short-term borrowings	**79.63**	**42.75**
Less than 1 year	79.63	42.75
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	**314.22**	**409.29**
Less than 1 year	314.22	409.29
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	**36.34**	**30.02**
Less than 1 year	36.34	30.02
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 2022-23	Financial Year 2021-22
(a) Revenue from top five customers		
- % of total sales of top 1 customer	**4.22%**	3.83%
- % of total sales of top 5 customers	**15.68%**	15.05%

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

43 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 maximise 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.

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forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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:

in ₹ Crore

Particulars	Financial Year 2022-23	Financial Year 2021-22
Borrowings including current maturities and interest accrued but not due	**79.63**	42.75
Less: Cash & cash equivalent and other bank balances	**251.32**	342.66
Net debt (A)	**(171.69)**	(299.91)
Total equity (B)	**1,507.72**	1,392.28
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 31st March, 2023 and 31st March, 2022.

44 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.

45 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 17th March, 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 1st April, 2017.

in ₹ Crore

Particulars	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 amortised	-	-
Closing balance of Financial liabilities as on 31-Mar-2023 coming under the financing activities of Cash Flow Statement	**79.63**	**-**

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2021 coming under the financing activities of Cash Flow Statement	-	-
Changes during the year		
a) Changes from financing cash flow	42.75	-
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 amortised	-	-
Closing balance of Financial liabilities as on 31-Mar-2022 coming under the financing activities of Cash Flow Statement	42.75	-

46 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.

Notes
forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

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 31st March, 2023 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 does not have any relationship with any struck off Company.

ix. As at 31st March, 2023, the Parent Company have wholly-owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd., IOL Life Sciences Limited and IOL Global Limited. The Parent Company is in compliances of requirement of number of layer of companies.

x. There is no scheme of Arrangement approved during the year.

xi. The Group has neither received any share premium amount nor the Group has availed any term loan during the year. The working capital borrowing has been utilised by the Group in its own business, the Group has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.

xii. The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

xiii. There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act, 1961.

47 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of Entity	Share in Net Assets: As % of consolidated Net Asset	Share in Net Assets: Amount in ₹ Crore	Share in Profit/(Loss): As % of consolidated Profit/(Loss)	Share in Profit/(Loss): Amount in ₹ Crore	Share in Other Comprehensive Income: As % of consolidated OCI	Share in Other Comprehensive Income: Amount in ₹ Crore	Share in Total Comprehensive Income: As % of consolidated Total OCI	Share in Total Comprehensive Income: Amount in ₹ Crore
Parent								
IOL Chemicals and Pharmaceuticals Ltd.	99.90%	2,020.30	102.06%	142.00	100.00%	(0.20)	102.06%	141.80
Indian Subsidiaries								
IOL-Foundation	0.08%	1.63	-2.04%	(2.84)	-	-	-2.04%	(2.84)
IOL Life Sciences Ltd.	0.01%	0.10	-0.01%	(0.01)	-	-	-0.01%	(0.01)
IOL Speciality Chemicals Ltd.	0.01%	0.10	-0.01%	(0.01)	-	-	-0.01%	(0.01)
Total	**100.00%**	**2022.13**	**100.00%**	**139.14**	**100.00%**	**(0.20)**	**100.00%**	**138.94**

Notes
forming part of the consolidated financial statements as at and for the year ended 31st March, 2023

48 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 31st March, 2023 and 31st March, 2022.

49 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 15th December, 2022 and shall be applicable till 30th September, 2023, vide Notification dated 7th December, 2022. Accordingly, the Group had accrued the benefits under the aforesaid scheme amounting to ₹ 1.20 Crore on eligible export sales for the period from 15th December, 2022 to 31st March, 2023.

50 The Code on Social Security, 2020 ('SS Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The SS Code has been published in the Gazette of India. However, the date on which the SS Code will come into effect has not been notified. The Group will assess the impact of the SS Code when it comes into effect and will record any related impact in the period when the SS Code becomes effective.

51 Figures in bracket indicate deductions.

52 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/-
Arvind Jain
Partner
M. No. 097549

Place: Ludhiana
Date: 28th April, 2023

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
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 36th Annual General Meeting of members of **IOL Chemicals and Pharmaceuticals Limited** (the "Company") will be held on **Thursday, the 10th day of August, 2023 at 11:30 a.m.** ("IST"), through Video Conferencing or Other Audio-Visual Means ("VC or OAVM") Facility to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2023 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, 2023 together with Reports of the Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted".

2. To appoint a director in place of Mr. Kushal Kumar Rana (DIN: 09189020), who retires by rotation and being eligible, offers himself for re-appointment; and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kushal Kumar Rana (DIN: 09189020), 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".

3. To re-appoint Statutory Auditors of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Section 139, Section 142 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(s) thereof, M/s. Ashwani & Associates (Firm Registration No. 000497N), Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company, on the basis of recommendations of Audit Committee and Board of directors, for a second term of five years to hold office from the conclusion of this 36th Annual General Meeting till the conclusion of 41st Annual General Meeting on such terms and conditions including remuneration, as may be mutually agreed upon between the Board of Directors and the Statutory Auditors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution."

Special Business:

4. To re-appoint Mr. Varinder Gupta as Managing Director of the Company

To consider and if thought fit, pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subject to the approval of any concerned authority, if required, the consent of the Company be and is hereby accorded for re-appointment of Mr. Varinder Gupta (DIN: 00044068) as Managing Director of the Company, for a period of five years with effect from 1st September, 2023 to 31st August, 2028, as recommended by Nomination and Remuneration Committee and approved by the Board of Directors, upon terms and conditions as set out in the explanatory statement including remuneration as given below:

Basic Salary	₹ 28,80,000 per month.
Perquisites and allowances	Not exceeding 150% of the Basic Salary
Variable	Not exceeding 20% of Gross salary

RESOLVED FUTHER THAT Mr. Varinder Gupta shall also be eligible for contribution to the provident fund, payment of gratuity, encashment of earned leaves in accordance with the applicable laws and rules applicable to the Company and any other perquisites or benefits 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 authorised 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 2023-24 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. Varinder Gupta as Managing Director 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. Varinder Gupta, the aforesaid remuneration including the annual increments for such financial years, as approved by the Board, without seeking any further approval of the Shareholders in the general meeting.

RESOLVED FURTHER THAT the Board of Directors or Nomination & Remuneration Committee or any other Committee of the Board, be and are hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions".

5. To ratify the remuneration of the Cost Auditor for the financial year ending 31st March, 2024

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 and such other permissions as may be necessary, the remuneration of ₹ 1,65,000/- plus applicable taxes and out-of-pocket expenses in connection with the audit, payable to M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi, who has been appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March, 2024, be and is hereby ratified by 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
Vice President & Company Secretary

Place: Ludhiana
Date: 29th June, 2023

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 and 10/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022, respectively, ("MCA Circulars") allowing, *inter alia*, conducting of AGMs through Video Conferencing/Other Audio-Visual Means ("VC / OAVM") facility on or before 30th September, 2023, 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 36th 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. In view of the prevailing situation pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 36th AGM and the Annual Report for the FY 2022-23 including therein the Audited Financial Statements for FY 2022-23, 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 36th AGM and the Annual Report for the FY 2022-23 and all other communication sent by the Company, from time to time, can get their e-mail 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 e-mail 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 **4th August, 2023** to **10th August, 2023** (both days inclusive) for the purpose of AGM.

9. 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 dematerialised form with a depository. Members of the Company who hold securities in physical form and intend to transfer their securities after 1st April, 2019, can do so only in dematerialised form. Therefore, Members holding shares in physical form are requested to consider converting their holding to dematerialised 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 dematerialise their shares. Members can contact the Company or RTA for assistance in this regard.

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. and relevant evidences.

11. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31st October, 2023 vide its circular dated 3rd November, 2021. 14th December, 2021 and 16th March, 2023 Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars Alankit Assignments Limited at rta@alankit.com. The forms for updating the same are available at https://www.iolcp.com/investors/kyc-nomination-forms.

12. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

13. 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 2022-23.

14. As per the provisions of Section 72 of the Act, the facility of making nominations 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. Members are requested to submit the said details to their respective DP in case the shares are held by them in electronic form and to the Company/RTA, in case the shares are held in physical form.

15. 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.

16. 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.

17. Members may also note that Annual Report is available on the Company's website www.iolcp.com for their download. For any communication, the members may also send requests to the Company's investor email id: investor@iolcp.com

18. All activities for transmission of shares, dematerialisation of shares, change of address etc. are carried out by the Company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi – 110 055**.

19. **General instructions for accessing and participating in the 36th 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 authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

   (iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

   (iv) The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

   (v) Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

   (vi) In line with the MCA Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.iolcp.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

(vii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars

20. **The instructions for shareholders for remote e-voting and joining virtual meetings are as under:**

(i) The voting period begins on **7th August, 2023** at **9:00 a.m.** and ends on **9th August, 2023** at **5:00 p.m**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date (record date) of 3rd August, 2023**, 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 **SEBI circular dated 9th December, 2020**, Individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

(v) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(vi) **Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Methods
Individual Shareholders holding shares in Demat mode with **CDSL**	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 and then use your existing my easi username & password. 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.

Type of shareholders	Login Methods
Individual Shareholders holding shares in demat mode with **NSDL**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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 above-mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 or 022-23058738 and 022-23058542/43
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.: 1800 1020 990 and 1800 22 44 30 or 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) – 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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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. – 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 scrutiniser 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 scrutiniser 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 authorised signatory who are authorised to vote, to the Scrutiniser 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 scrutiniser to verify the same.

21. **Instructions for shareholders attending the AGM through VC / OAVM & e-voting during meeting are as under:**

(i) The procedure for attending AGM and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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

(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 36th 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 36th 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.

22. **Process for those shareholders whose e-mail/ 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 e-mail ID.

(ii) For Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP)

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

23. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

24. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

25. All the documents referred to in the accompanying Notice of the 36th 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 up to the date of AGM. Members seeking inspection can send an email at investor@iolcp.com.

26. The Company has appointed Mr. Vinay Kohli partner, M/s. K. K. Kapoor & Associates, Chartered Accountants as scrutiniser for conducting the e-voting process in fair and transparent manner.

27. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutiniser'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. 4

The present term of Mr. Varinder Gupta as the Managing Director of the Company expires on 31st August, 2023. Mr. Gupta, being promoter is associated with the Company since incorporation and his able leadership, entrepreneurial and innovative approach has been instrumental in driving the innovation and excellence in the organisation while achieving various milestones.

Considering the rich and long business experience of Mr. Varinder Gupta and his knowledge about various aspects of the Company's affairs, the Board of Directors, on 28th April, 2023, based on recommendations of Nomination and Remuneration Committee, re-appointed Mr. Varinder Gupta as Managing Director for another term of 5 years with effect from 1st September, 2023 to 31st August, 2028 at his existing remuneration as the same was to be appraised as annual appraisal along with appraisal of the other senior management executives of the Company and therefore, the Board of directors in its meeting held on 29th June, 2023 on the recommendations of the Nomination and Remuneration Committee reviewed the remuneration of Mr. Varinder Gupta and recommended the remuneration as provided in the resolution no. 4 of this notice for the approval of the shareholders.

Further, Mr. Varinder Gupta meets all the conditions as set out in Part-I of Schedule V and Section 196(3) of the Act and he is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013. The information as required to be disclosed pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the director's seeking appointment/re-appointment are provided in this notice.

The terms of appointment of Mr. Varinder Gupta as Managing Director are as follows:

a) Nature of Job: Under the supervision of the Board of Directors, Mr. Varinder Gupta shall have substantial powers of management of the affairs of the Company, including a power to delegate any such power or authority to any director or official of the Company or any advisor, consultants etc and shall exercise such powers and responsibilities in the best interest of the Company and its stakeholders.

b) Remuneration: As per resolution set out at item No 4 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. Varinder Gupta as Managing Director, the Company shall continue to pay him the remuneration as approved by the Board for any such financial year, for a period not exceeding to 3 years, without seeking any further approval of the Shareholders.

f) 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. Varinder Gupta, as the Managing Director of the Company under the first proviso of sub-section (4) of Section 196 read with Section 190 of the Companies Act, 2013.

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of appointment of Mr. Varinder Gupta as Managing Director 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:

in ₹ Crore

Particulars	FY 2022-23	FY 2021-22
Revenue from operations	2,217.11	2,184.02
Profit before tax	189.49	236.77
Profit after tax	139.98	165.66

5. Foreign Investments or Collaborations, if any: NIL

II. Information about the appointee:

1. **Background details:**

Mr. Varinder Gupta, Managing Director, being promoter is associated with the Company since its incorporation. He has an experience of about 4 decades of chemical and pharmaceuticals industry. His comprehensive and innovative approach with operational initiatives has been a major factor driving innovation and business excellence in the organisation. Under his leadership the Company is achieving various business milestones.

2. **Past remuneration:**

The remuneration paid for financial year 2022-23 was as follow:

Salary	Other perquisites & allowances and Bonus	Contribution to Provident & other Funds	Total
2.98	4.12	0.36	7.46

3. **Recognition or awards:** Nil

4. **Job Profile and his suitability:**

Under the supervision of the Board of Directors, Mr. Varinder Gupta, being Managing Director shall have substantial powers of management of the affairs of the Company and exercise his powers and responsibilities in the best interest of the Company and its stakeholders. His current term as a Managing Director of the Company expires on 31st August, 2023 and therefore, considering his knowledge of chemical and API business coupled with long business experience, the Board of Directors is of the opinion that re-appointment of Mr. Varinder Gupta for another term of 5 years shall be beneficial to the Company.

5. **Remuneration proposed**

Details of remuneration proposed for approval of the shareholders is provided in the Special Resolution as set out at Item No. 4 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 and shareholding in the Company, Mr. Varinder Gupta does not have any pecuniary relationship with the Company. However, he is related with Mr. Vikas Gupta, Joint Managing Director and Mr. Abhiraj Gupta, Executive Director.

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. Varinder Gupta 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. Varinder Gupta is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board recommends the Special Resolution as set out at Item No. 4 of the Notice for approval by the members for the appointment and payment of remuneration to Mr. Varinder Gupta.

Except for Mr. Varinder Gupta, being the appointee, Mr. Vikas Gupta, Joint Managing Director and Mr. Abhiraj Gupta, Executive Director being related to Mr. Varinder Gupta, none of the directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed resolution as set out at item 4.

Item No. 5

On the recommendation of the Audit Committee, the Board in its meeting held on 28th April, 2023, 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, 2024 at a remuneration of

₹ 1,65,000/- 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 2023-24 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 or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution. Your Board recommends the passing of Ordinary Resolution set out at Item No. 5 of the Notice

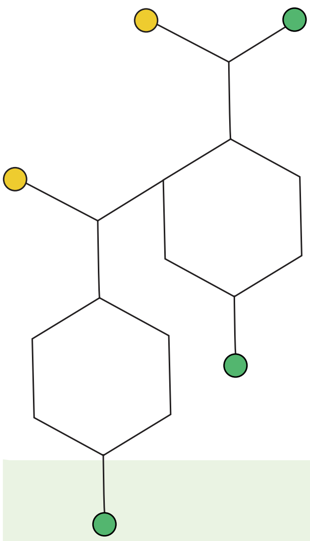
Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Mr. Varinder Gupta	Mr. Kushal Kumar Rana
DIN	00044068	09189020
Date of Birth	6th December, 1962	15th September , 1969
Date of Appointment	1st September, 2018	4th June, 2021
Brief resume of the director	Mr. Varinder Gupta is having experience of about 4 decades of chemical and pharmaceuticals industry. His comprehensive and innovative approach with operational initiatives has been a major factor driving innovation and business excellence in the organisation. Under his leadership the Company is performing well achieving the various business milestones.	Mr. Kushal Kumar Rana having 30 years of experience in the pharmaceutical industry. He has joined the organisation 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
Expertise in specific functional area	Industrialist	Commercial activities of the Chemicals and Pharmaceuticals Products
Total experience	37 years	32 years
Present profession	Managing Director	Director (Works)
Qualification	Under graduate	M. Sc. (Chemistry) From Vinayaka Mission University
Directorships in other public companies (excluding private, foreign and Section 8 companies)	1. Mayadevi Polycot Limited 2. NM Merchantiles Limited 3. NCG Enterprises Limited 4. Bhudeva Lifesciences Limited 5. IOL Life Sciences Limited 6. 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	11,95,865 Equity Shares	Nil
Relationships between directors *inter-se*	Mr. Varinder Gupta is father of Mr. Vikas Gupta, Joint Managing Director and 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
Vice President & Company Secretary

Place: Ludhiana
Date: 29th June, 2023



IOL Chemicals and Pharmaceuticals Limited

CIN: L24116PB1986PLC007030

Corporate Office

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