SANMAR

Chemplast Sanmar Limited

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E-mail: csl@sanmargroup.com
www.chemplastsanmar.com
CIN L24230TN1985PLC011637

13th July, 2024

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Symbol – CHEMPLASTS

Dear Sir/Madam,

Sub: Annual Report 2023-24

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the Financial Year 2023-24 which has been sent to the Members, who have registered their e-mail addresses with the Registrar and Share Transfer Agent / Depositories through electronic mode.

The Annual Report 2023-24 is also available on the Company's website www.chemplastsanmar.com

This is for your information and records.

Thanking You,

Yours faithfully,
For CHEMPLAST SANMAR LIMITED

RAMAN MAHADEVAN
Digitally signed by RAMAN MAHADEVAN
Date: 2024.07.13 12:37:47 +05'30'

M RAMAN
Company Secretary and Compliance Officer
Memb No. ACS 6248

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

NAVIGATING **CHALLENGES** BUILDING **RESILIENCE**

SANMAR

CHEMPLAST SANMAR LIMITED

ANNUAL REPORT 2023-24

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For more investor-related information, please visit:
https://www.chemplastsanmar.com/quarterly-financial-results.php

Investor Information

Market Capitalisation as of March 31, 2024	:	₹ 7,115 Crores
CIN	:	L24230TN1985PLC011637
BSE Code	:	543336
NSE Symbol	:	CHEMPLASTS
AGM Date	:	August 8, 2024
AGM Venue	:	Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

Cover page: Chemplast Sanmar Limited, Speciality Paste PVC facility, Cuddalore – night view

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

Navigating Challenges

BUILDING RESILIENCE

Chemplast Sanmar stands as a stalwart in the Indian chemical industry, boasting a legacy of over five-decades of product excellence. As the leading manufacturer of Speciality Paste PVC resin and the second-largest producer of Suspension PVC in India, the Company consistently demonstrates its leadership through strategic foresight and operational excellence.

However, the journey for the year was dotted with challenges, marked by global uncertainties and diminished global demand, further intensified by low-priced dumping from China and other countries, leading to a sectoral slowdown. These testing times only serve to boost Chemplast Sanmar's determination, prompting a focussed effort to streamline resources and fine-tune strategies. This proactive approach reflects the Company's ability to navigate challenges effectively, emerging from adversity with renewed vigour.

Throughout the year, Chemplast Sanmar showed remarkable resilience, capitalising on its technical expertise, and solid customer relationships, supported by strong domestic demand. The seamless execution of all planned expansion projects and the timely progression of future initiatives symbolise the Company's capability to thrive even in challenging times. Collaborations with global agrochemical leaders and a strong product pipeline further accentuate Chemplast Sanmar's enduring reputation, and commitment to excellence.

Looking ahead, the Company is confident in its ability to achieve sustainable growth and deliver robust performance in an ever-evolving landscape. By strengthening its capabilities and nurturing key relationships, Chemplast Sanmar is poised for continued success in the years to come, always staying on course by 'Navigating Challenges. Building Resilience.'

₹ 3,923 Crores
Revenue in 2023-24

₹ 26 Crores
EBITDA 2023-24

₹ 170 Crores
Employee Remuneration

57
Years in the Industry

About the Company

Leading with Unshakeable Resolve

The Sanmar Group is amongst the most esteemed and prominent corporate groups in South India

The largest producer of Speciality Paste PVC resin in the country

Leading player in customer manufactured chemicals

One of the pioneering manufacturers of Chloromethanes in India

#1
Manufacturer of S-PVC in South India & 2nd largest in India*

Leading player in custom manufactured chemicals catering to global agrochemical innovators

#1
Manufacturer of Hydrogen Peroxide in South India

#4
Manufacturer of Caustic Soda in South India

Serves **>25** States in India

Exports to **9** Countries

4
Manufacturing Sites with a High Degree of Backward Integration**

Chemplast Sanmar Limited (henceforth referred to as 'Chemplast Sanmar' or 'Chemplast' or 'the Company' is an integral part of The Sanmar Group, a distinguished corporate powerhouse rooted in South India. Backed by the formidable support of Fairfax India Holdings Corporation, Chemplast stands as a major player in the chemical industry, carving a niche for itself through persistence and perseverance. Renowned as a leading producer of speciality chemicals in India, Chemplast's core expertise lies in manufacturing top-notch Speciality Paste PVC resin. Moreover, the Company excels in offering tailored manufacturing solutions for starting materials and intermediates for multiple sectors, including pharmaceutical, agrochemical, and fine chemicals. A host of other offerings that boosts its portfolio include Suspension PVC, Chloromethanes, Caustic Soda, Hydrogen Peroxide and Refrigerant Gas. All the products are meticulously crafted to cater to the dynamic needs of a plethora of industries.

Chemplast Sanmar exemplifies excellence in corporate governance and technological innovation. Renowned for its commitment to sustainable practices, environmental stewardship and safety, the Company cultivates a strong sense of social responsibility in its business endeavours. Over the decades, the Company has positioned itself as a pivotal entity in the chemical sector.

Chemplast is distinguished by its closed manufacturing loop, environmentally conscious practices, and a pioneering role in the realm of speciality chemicals. The Company's operational footprint encompasses integrated manufacturing facilities, strategically located in Tamil Nadu and the Union Territory of Puducherry. Additionally, Chemplast's wholly-owned subsidiary, Chemplast Cuddalore Vinyls Limited ('CCVL') holds the prestigious distinction of being the second-largest producer of Suspension PVC resin in India, while being the foremost leader in South India.

****S-PVC (Suspension PVC): Through its wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited***

****For significant portion of its operations***

VISION

Combining integrity with excellence to ensure prosperity to all stakeholders on a continuous basis

SANMAR STANDARDS

- Enhance stakeholder value
- Follow fair business practices
- Foster Sanmar culture

GUIDING PRINCIPLES

- Shareholders: Increase shareholder value by focussing on optimal usage of resources
- Customers: Inculcate professional excellence to exceed customer expectations
- Employees: Enhance skills, provide opportunities for growth and a safe work environment
- Society: Serve as a good corporate citizen and a responsible member of the community
- Work Ethics: Ensure intellectual honesty in every aspect of work and monitor ethical status of the Company continuously

CREDIBILITY

- Recognising Chemplast's formidable financial footing, CRISIL Ratings re-affirmed its long-term rating for the Company's banking facilities at 'CRISIL AA-/Stable', while maintaining the short-term rating at 'CRISIL A1+', denoting the highest rating for short-term debt
- Chemplast stood out among 19 global contenders as one of the two recipients of the esteemed 'Sustainability Award for Carbon Reduction' presented by a leading global innovator and a key customer of the Custom Manufactured Chemicals Division ('CMCD')

CERTIFICATIONS

All the manufacturing facilities of the Company, including Berigai, Cuddalore, Karaikal and Mettur are ISO-certified in environment, quality, occupational health and management safety systems. Various plants of the Company also received the prestigious Sword of Honour award and the Five Star rating from the British Safety Council. Both Chemplast and its subsidiary CCVL earned the right to use the Responsible Care logo, a distinction granted to only a select few chemical companies in India.

Powering Progress with Diverse Solutions

Speciality Chemicals

Speciality Paste PVC Resin

- Chemplast is one of only two companies in India, manufacturing Speciality Paste PVC resin
- Chemplast now commands approximately 83% of the domestic production capacity, following its 41 ktpa expansion, while holding around 66% of the market share
- With over 60% of the Paste PVC production process backward integrated, it offers operational flexibility and reduces reliance on external suppliers, insulating against supply chain disruptions

1,07,000 mtpa

Footwear | Auto & Furniture Upholstery | Artificial Leather Products | Mats

Custom Manufactured Chemicals Division

- Chemplast specialises in custom manufacture of starting materials, advanced intermediates, and active ingredients for leading global innovator companies
- Chemplast boasts a strong execution record and enduring partnerships, valuing the intellectual property of its customers and following a 'One Product to One Customer' approach
- The first phase of the multi-purpose block has been commissioned in 2023-24 while second phase will be completed in 2024-25
- The Company complements its varied product portfolio with comprehensive services across the value chain, including process research, development, scale-up, analytical studies, plant engineering, and commercial-scale manufacturing

3,068 mtpa

Pharma | Agrochemicals | Fine Chemicals

Chemplast Cuddalore Vinyls Limited

- It is the second-largest manufacturer of Suspension PVC in India and the largest manufacturer in South India
- 100% subsidiary of Chemplast
- A captive import terminal that facilitates the import of VCM for S-PVC production
- CCVL draws traction from the growth enablers of the sector, including low per capita consumption of PVC in India, and increasing demand in end-user industries, coupled with ample infrastructure facilities to support future expansion initiatives

3,31,000 mtpa

Irrigation | Urban Infrastructure | Real Estate

Value-added Chemicals

Caustic Soda

1,19,000 mtpa

- Manufactured alongside Chlorine, this versatile industrial chemical boasts a wide array of applications
- It is sold at 48-50% concentration

Paper | Textiles | Alumina | Organic and Inorganic Chemicals

Hydrogen Peroxide

34,000 mtpa

- It is produced as a value-added product from the byproduct of the Caustic Soda production process
- Chemplast is the biggest manufacturer of Hydrogen Peroxide in South India

Paper | Textiles | Effluent Treatment at Refineries | Disinfectants

Chloromethanes

35,000 mtpa

- Manufactured as a value-added product from the byproduct of the Caustic Soda production process
- Comprises a group of products such as Methyl Chloride, Methylene Di Chloride, Chloroform and Carbon Tetra Chloride

Pharma | Agrochemicals | Refrigerants (HFOs)

Soaring High through a

Resilient Journey

1962
- Incorporation of erstwhile Chemicals and Plastics India Limited

1967
- Commencement of PVC resin manufacturing at the Mettur facility

1997
- Expansion of PVC resin production capacity to 60,000 mtpa

2003
- Acquisition of Kothari Petrochemicals' Caustic Soda facility at Karaikal

2007
- Commissioning of Marine Terminal facility and EDC Plant at Karaikal

2009
- Establishment of greenfield Suspension PVC facility at Cuddalore

2013

- Augmentation of Speciality Paste PVC capacity to 66,000 mtpa at Mettur, and that of Suspension PVC to 3,00,000 mtpa at Cuddalore

2019

- Setting up of Hydrogen Peroxide plant at Mettur
- Demerger of Suspension PVC undertaking of the Company at Cuddalore, into CCVL
- Merger of Sanmar Speciality Chemicals Limited with the Company

2021

- Movement of CCVL as a wholly-owned subsidiary of the Company, with its listing on Indian Stock Exchanges post IPO

2022

- Enhancement of Suspension PVC capacity to 3,31,000 mtpa through debottlenecking

2023

- Commissioning of Phase 1 of the new multi-purpose block within the Custom Manufactured Chemicals Division

2024

- Inauguration of the new Paste PVC facility having a capacity of 41,000 mtpa at Cuddalore

DRIVING SUCCESS *with* STRATEGIC PRESENCE

Chemplast Sanmar takes pride in its manufacturing facilities, located strategically at Mettur, Karaikal, Berigai, Cuddalore, and Vedaranyam. Renowned for their cutting-edge infrastructure, zero liquid discharge systems and sustainable practices, these facilities epitomise the Company's commitment to excellence and environmental responsibility. Standing as the backbone of the Company's operations, these manufacturing units reinforce our position as an industry leader.

Mettur
TAMIL NADU

Total annual installed capacity as of March 31, 2024

- Speciality Paste PVC resin: 66 ktpa
- Chloromethanes: 35 ktpa
- Hydrogen Peroxide: 34 ktpa
- Refrigerant Gas: 1.7 ktpa
- Caustic Soda: 119 ktpa (combined capacity of Mettur and Karaikal)

- **The site has four plants, manufacturing a variety of chemicals, with a high degree of integration**
- **Ensures that all liquid effluent is treated and reused in a closed loop, with no discharge to land or any water body, through the implementation of a Zero Liquid Discharge facility**
- **Reduces energy costs and enhances energy efficiency by sourcing power from a 48.5 MW captive power plant**
- **Leverages its proximity to the captive salt pans at Vedaranyam, a crucial raw material in its production process**

Karaikal
PUDUCHERRY

Total annual installed capacity as of March 31, 2024

- Caustic Soda: 119 ktpa (combined capacity of Mettur and Karaikal)
- EDC: 84 ktpa (captive purpose)

- **Produces EDC, a key raw material for the production of Speciality Paste PVC, in-house**
- **Houses a desalination plant for operational water requirements, along with a Zero Liquid Discharge facility, reducing its dependence on freshwater**
- **Harbours a captive terminal with a 1.3 km long trestle platform for ease of transportation of raw materials and finished products**
- **Draws power from the two captive power plants of 8.5 MW and 3.5 MW, installed at the site**
- **Utilises a double-walled insulated cryogenic storage tank with a capacity of 4 kt to store Ethylene used in the production of EDC**
- **Benefits from the proximity to the captive salt pans at Vedaranyam, a crucial raw material in the production process**

Berigai
TAMIL NADU

Total annual installed capacity as of March 31, 2024

- Custom Manufactured Chemicals Division: 3,068 mtpa

- **Boasts fully equipped capabilities to help manufacture a wide range of starting materials, advanced intermediates and active ingredients**
- **Commands world-class process research and engineering, along with development capabilities such as Cyanation, Hydrogenation and Liquid Purification, catering to both laboratory and pilot-scale development of projects**
- **Stands fully automated, with distributed control systems and state-of-the-art technologies**
- **Houses a pilot plant facility equipped with GLR, SSR, and Hastelloy reactors, as well as Hydrogenators**
- **Completion of Phase 2 of expansion in the multi-purpose block, slated for 2024-25, with Phase 1 already commissioned in September 2023**

Cuddalore
TAMIL NADU

Total annual installed capacity as of March 31, 2024

- Suspension PVC: 331 ktpa (through a wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited)
- Speciality Paste PVC resin: 41 ktpa

- **Leverages a captive marine terminal for seamless and efficient transportation of raw materials and finished products in this shore-based facility**
- **Houses two refrigerated storage tanks with a capacity of 7,500 MT each for storing Vinyl Chloride Monomer (VCM), a key material in the manufacturing processes**
- **Integrates a desalination plant for operational water requirements, along with a Zero Liquid Discharge facility, reducing its dependence on freshwater**
- **A new 41 ktpa Speciality Paste PVC facility has been commissioned at Cuddalore in 2023-24**

Vedaranyam
TAMIL NADU

Total annual installed capacity as of March 31, 2024

- Industrial Salt: 400 ktpa

- **Manufactures salt from the captive salt pans for manufacturing Caustic Soda and Chlorine at Mettur and Karaikal**
- **Promotes sustainable practices by minimising the dependence on freshwater resources, reducing waste and optimising resource usage**
- **Through effective brine treatment, the facility reduces sludge, thereby enhancing operational efficiency**
- **The washing facility works to minimise the calcium and magnesium content present in industrial salt**
- **Collaborates with Bombay Natural History Society to promote bird conservation and ecological awareness, attracting bird watchers, promoting tourism and contributing to the local economy**

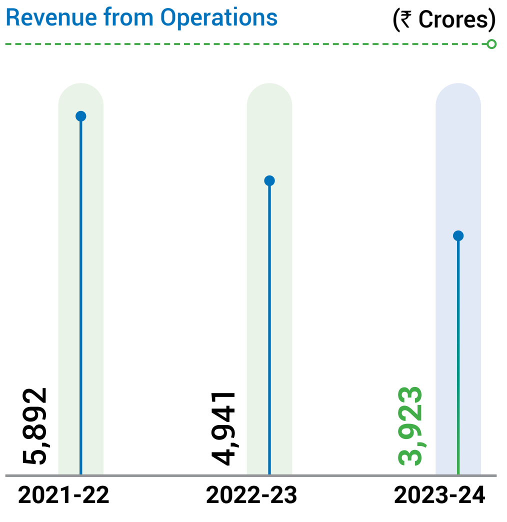
****ktpa stands for kilo tonnes per annum***
****mtpa stands for metric tonnes per annum***

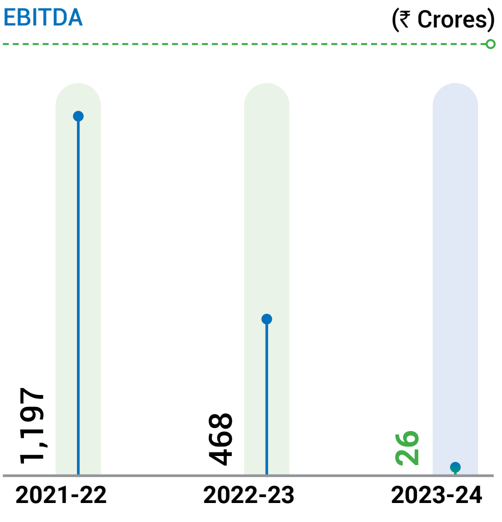
Surging Ahead with a

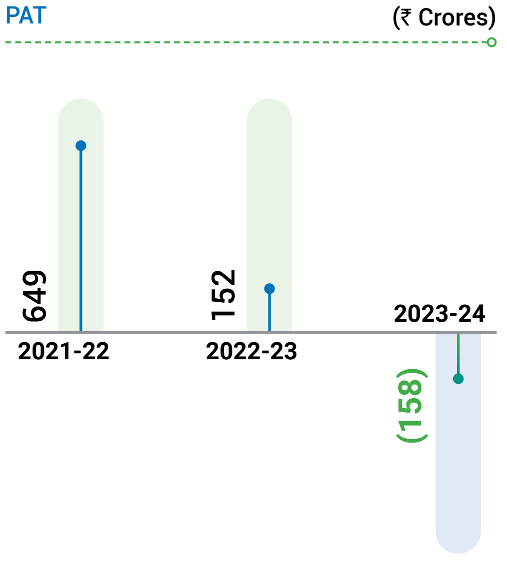
Resilient Performance

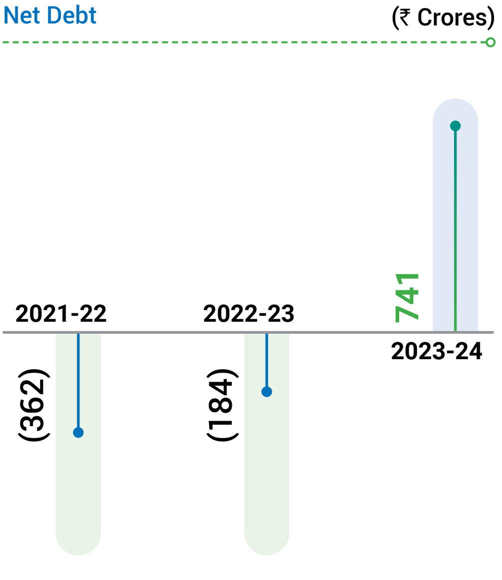
Chemplast Sanmar emphasises economic management as a core pillar for sustainable business operations. Propelled by strategic investments, prudent monetary management, and a commitment to fiscal responsibility, the Company is empowered to drive innovation, foster growth, and create lasting value for its stakeholders, highlighting its holistic leadership in the industry.

Consolidated Performance





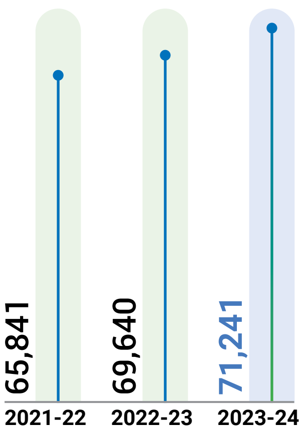




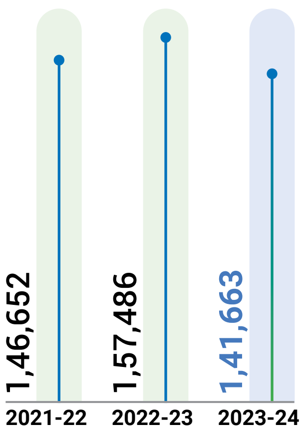
Product Group-wise Performance

Sales Volume (mtpa)

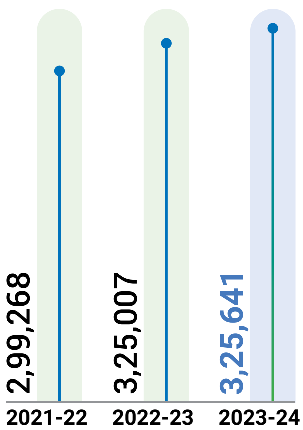
Speciality Chemicals



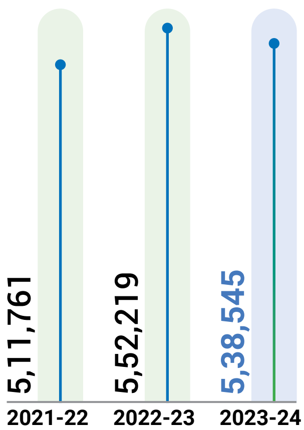
Value-added Chemicals



Suspension PVC

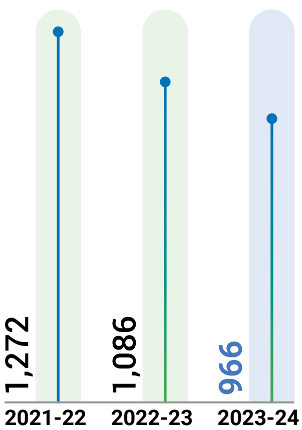


Overall Sales Volume

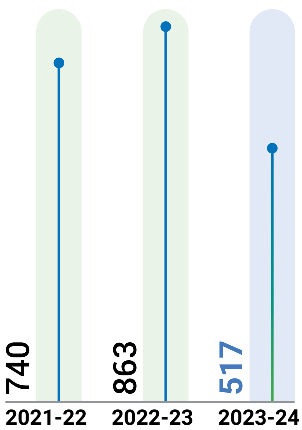


Revenue (₹ Crores)

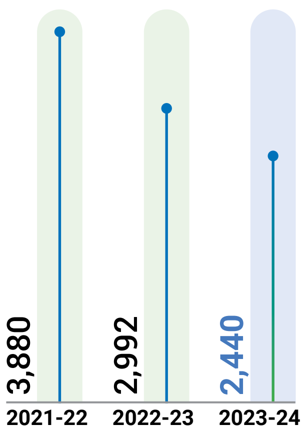
Speciality Chemicals



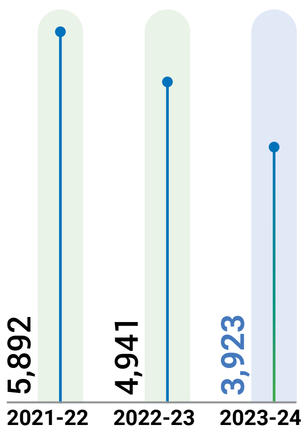
Value-added Chemicals



Suspension PVC



Total Revenue



Message from the Chairman's Desk

We have laid the foundation to capitalise on the long-term prospects of each of our businesses by building new capacities and are confident of delivering a stronger performance in the coming years.

Dear Stakeholders,

I am pleased to present the Annual Report for Chemplast Sanmar Limited for the financial year 2023-24. While numerous challenges posed by global economic turbulence affected the financial performance this year, the Company has displayed resilience in meeting these challenges and is resolutely preparing for the expected turnaround in economic conditions in the years ahead.

This turbulent period was marked by recessionary pressures and exacerbated by events like significant inflation in the European Union, muted recovery in the Chinese economy post the Covid-19 pandemic, geopolitical tensions across various regions, and the Red Sea crisis, among others. The impact of the aftermath of the global pandemic on the economies of various countries resonated in the Indian context also. By strategically navigating these complexities, we have demonstrated our resilience and ability to prepare and seize opportunities, even in the worst of conditions, which will serve the Company well in the years ahead.

During this difficult period, we have been resilient and focused on setting up capacities and capabilities which will serve the Company well with expected improvement in market conditions. We Commissioned the 41,000 tonne Specaility Paste PVC expansion project during Q4 of 2023-24. This will further cement our position as the leading producer in India, taking up our capacity to around 107,000 tonnes per annum. This capacity is aimed at fulfilling domestic demand through import substitution. The domestic demand for Speciality Paste PVC remains robust, with a strong demand from the end-user segments spanning footwear, automobile and furniture sectors. The regulatory authorities have taken note of the dumping of Speciality Paste PVC into India and have already announced anti-dumping measures to address this. Collectively, these factors bode well for the Speciality Paste PVC business and we are confident that we would see a turnaround in the performance of this business in 2024-25.

In our Custom Manufactured Chemicals Division, we commissioned phase one of the CMCD expansion project during the year; the construction of phase two is underway and is expected to get completed in 2024-25. Further, the product pipeline continues to be very healthy. We commercialised three new products this year, and a number of products are under various stages of development. Recently, the CMCD has signed another LoI with an agrochemical innovator for an advanced intermediate for a new active ingredient. This will be manufactured in the new capacity that we will be commissioning in 2024-25. The Company is thus progressing as planned on its charted path of growth and we are confident that the Custom Manufactured Chemicals Division will register significant growth in the years ahead.

The Suspension PVC demand in India continues to grow at a rapid clip and has crossed 4 million mtpa in 2023-24. With the domestic supply only around 1.5 million mtpa, this meant that imports of Suspension PVC into India are now at around 2.5 million mtpa. While the demand has been strong, the profitability of this business has been affected during 2023-24 due to rampant dumping of this product from China and other countries at very low prices. The industry has represented this problem to the regulatory authorities and we are confident that this will be addressed in the current year. Recent trends indicate that the period of strife for the PVC industry is coming to an end and we expect to turn the corner with a better performance from 2024-25.

The value-added chemicals business also faced challenges during the year due to excess capacity in the country caused by commissioning of new plants during 2023-24, resulting in a drop in prices and therefore margins. This impact on prices and margins is expected to continue for a few more quarters till the supply-demand balance is restored with demand catching up in the country. During the year under review, we completed the restoration of Caustic Soda capacity at Karaikal which increased product availability by around 20,000 mtpa. We are constantly looking for growth in this business by exploring newer project opportunities.

While the short-term challenges persist, we have laid the foundation to capitalise on the long-term prospects of each of our businesses by building new capacities and are confident of delivering a stronger performance in the coming years. We have built the ability to handle complex chemistries and chemicals, aided by our process technology, process improvement, and product development capabilities. We also have world-class research and development capabilities combined with a broad range of chemical technologies at production scale.

We commissioned the 41,000 tonne Speciality Paste PVC expansion project during Q4 of 2023-24. This will further cement our position as the leading paste PVC producer in India, taking up our capacity to around 107,000 tonnes per annum.

Our commitment to sustainability, environmental, and safety stewardship is well known, and we take pride in our highly qualified engineers and chemists. Our strong focus on sustainability includes a zero liquid discharge policy, desalination plants at coastal facilities to avoid usage of groundwater, rainwater harvesting and groundwater recharging capacities. All this, coupled with the new capacities being built and the improving market conditions, provide a good platform for growth for the Company in the years ahead.

In conclusion, we are grateful for the trust and support shown by our stakeholders. Despite the challenges, we have made significant strides in positioning ourselves for future growth and success. We are confident in our ability to navigate the complexities of the global market and deliver sustainable, long-term value.

Thank you.

Sincerely,

Vijay Sankar
Chairman

Message from the
Managing Director's Desk

We firmly believe in the enduring potential of our business and have positioned ourselves, through these expansions, to seize long-term opportunities.

Dear Shareholders,

I would like to take this opportunity to express my heartfelt gratitude for your relentless support. We place utmost importance on the welfare of our shareholders, clients, employees, suppliers, and the broader community and are dedicated to their well-being. As we venture into a new era of expansion, we promise to uphold our foundational principles and credibility, along with shaping a brighter and stronger future.

Industry Dynamics

This year has been one of the toughest years in recent times for Chemplast Sanmar. With price corrections due to excessive dumping from China and excess supply situation in India, geopolitical tensions disrupting supply chains and low global demand, our business encountered significant challenges. While prices fell sharply due to the above factors, our PVC products continued to experience robust demand, driven by a surge in the infrastructure and real estate sectors. In 2023-24, we have achieved a revenue of ₹ 3,923 Crores and an EBITDA of ₹ 26 Crores.

Despite the challenges, the Company has demonstrated resilience and remained committed to establishing capacities and capabilities poised to yield benefits as the overall situation progresses. While we are facing headwinds in the short run, we are confident of delivering on our promises and our business outlook remains robust for the medium to long term.

Expanding our Capabilities

Notwithstanding the hurdles encountered, our expansion projects have been progressing as per expected timelines. We have successfully augmented our Speciality Paste PVC capacity by 41 ktpa, strategically targeting domestic demand through import substitution, with plans for full ramp-up in 2024-25. This capacity expansion further cements our position as the leading manufacturer in India. Phase 1 of the new multi-purpose block of our Custom Manufactured Chemicals Division was successfully completed and commissioned in September 2023, with an investment of around ₹ 270 Crores. Phase 2 is on track to be completed in 2024-25. Having secured 2 LOIs this year along with a robust pipeline of additional products, we anticipate reaching peak utilisation of this capacity within the next 2 to 3 years. A 4th LOI has been recently signed, indicating a flourishing Custom Manufactured Chemicals business. With steady state capacity utilisation of the new multi-purpose production block, we foresee reaching ₹ 1,000 Crores in revenue from this business within the next 3 years.

Beyond Business

Through the years, we have been striving to reduce our carbon footprint at Chemplast Sanmar. To reduce our dependence on precious water resources at our coastal facilities, we have desalination plants which draw water from the ocean. We also supply potable drinking water to our surrounding communities through our CSR activities. The implementation of Zero Liquid Discharge systems at all our sites ensures no waste is discharged into the surroundings. Rainwater harvesting and groundwater recharge capabilities have also been implemented at our Mettur plant.

We have voluntarily subjected our operations to rigorous global certifications concerning safety and workplace hygiene, with certifications from the British Safety Council, EcoVadis, and Responsible Care. Additionally, we have been publishing our sustainability reports aligned with GRI standards and assured by a Big Four firm. We have launched 'SANSAFE', an initiative where we have partnered with Dupont Safety Systems to enhance safety mechanisms and promote process safety management together with behaviour-based safety. We have been awarded the Sword of Honour from the British Safety Council in 2023 for our Karaikal Plant and Mettur Plants 1 and 4, while our Cuddalore Plant and Mettur Plant 2 had received it in 2020 and 2021, respectively. As we enter another year, we are determined to uphold our credibility and our commitment towards our core principles and practices.

Future Strategic Priorities

With a good domestic demand for our PVC products and a robust pipeline for our Custom Manufactured Chemicals Division, we look forward to a brighter and promising future. While continuing with our stride of expanding our facilities and aspiring to enter new markets, we intend to broaden our portfolio and excel in our business. With the loyalty and trust of our customers and our expertise in the chemical industry, we look forward to reaching new heights and achieving success.

Despite facing one of the most arduous years for the Company, we have demonstrated resilience in overcoming challenges and honoured all our commitments, staying true to our core values. Emphasising our strong belief in the future of our business, we commissioned expansions in our speciality chemicals business during the year. We firmly believe in the enduring potential of our business and have positioned ourselves, through these expansions, to seize long-term opportunities. With a solid foundation laid for each division, we are optimistic about delivering a stronger performance in the future.

With best wishes,

Ramkumar Shankar
Managing Director

Key Achievements

Added 41 ktpa capacity to our Speciality Paste PVC facility

Completed and commissioned Phase 1 of the new multi-purpose block in Custom Manufactured Chemicals Division

Received a total of 4 LOIs* from global agrochemical innovator companies

Three of our plants were accredited with the Sword of Honour by the British Safety Council

***4th LOI was signed in May '24**

Message from the Deputy Managing Director – CMCD

In the last 18 months, we have signed 4 LOIs related to the manufacture of new products.

Dear Stakeholders,

In recent times, India has emerged as a global manufacturing epicentre, given its good manufacturing capabilities, robust process engineering expertise, ample availability of skilled labour, adherence to global quality standards, and strict environmental compliance. This augurs well for the agrochemical and pharmaceutical sector, driving demand for custom manufactured chemicals, fuelling the company's expansion.

Key Strategies

- The Custom Manufactured Chemicals Division (CMCD) manufactures starting materials, advanced intermediates and active ingredients for global agrochemical, pharmaceutical, and fine chemical innovators, adhering to the **'One Product to One Customer'** strategy.
- The Sanmar Group's history and experience of partnerships has been instrumental in forging strong relationships with our customers.
- Our track record of Sustainability, Environment and Safety stewardship ensures that we get preference when our customers seek out for partners.
- In-house process research, process engineering & process technology and large-scale manufacturing capabilities make our Company a preferred partner for our customers. We are able to offer end-to-end

solutions to our customers, from development to scale up to commercial production.

- Our division boasts of a wide range of chemistry capabilities such as **Cyanation, Hydrogenation, Halogenation and liquid purification** with proven proficiency in handling hazardous chemicals. We have expertise in handling complex multi-step synthesis requiring high level of process automation.

Financial year 2023-24 witnessed significant milestones supporting our growth strategy, in spite of a tough year with slowdown in global agrochemicals industry and the consequent inventory rationalisation.

People, our biggest asset

We are focussed on investing in people and have been successful in attracting & retaining talent of qualified R&D personnel, including Engineers, Scientists & Chemists. CMCD also enjoys the advantage of tapping into the expertise from our existing ecosystem in other manufacturing sites of the Company.

Bagging multiple LOIs – traction on the ground

All the above investments have started bearing fruit. In the last 18 months, we have signed 4 LOIs related to the manufacture of new products. One of them is an active ingredient which signifies an important milestone in our journey. Out of these 4 new products, two were commercialised in 2023-24 and we expect to commercialise the remaining in the coming quarters. In total we commercialised 3 new products this year, taking the overall product count to 11.

> **We are focussed on investing in people and have been successful in attracting & retaining talent of qualified R&D personnel, including Engineers, Scientists & Chemists.**

Multi-purpose Production block

The first phase of the new multi-purpose production block project was completed within a short period of time in Sep ‘2023 at an investment of ₹ 270 Crores. This demonstrates Chemplast's ability to build and bring on-stream, a multi-purpose production facility that meets the highest global standards. The new production block is designed and constructed based on best-in-class safety standards. The block is fully automated and also incorporates various sustainability initiatives to reduce water consumption. Phase-2 of this expansion project is on track for commissioning in 2024-25.

R&D lab and Pilot plant

A new state-of-the-art R&D block was inaugurated in January ’24, which augments to our existing capabilities. This facility sets us up on a strong wicket to support our customers on product development. Similarly, another new automated pilot plant is on track for commissioning in Q2 2024-25.

Robust Product pipeline and exciting times ahead

Our pipeline remains robust in a highly competitive environment. With the global agrochemical market looking up, we are energised about the coming year. While we continue to take strides in expanding our facilities and aspire to enter new markets, we also intend to broaden our portfolio and excel in our business. With the loyalty and trust of our customers and our expertise in the chemical industry, we are poised for sustained growth and market leadership.

With best wishes,

Krishna Kumar Rangachari, Ph.D.
Deputy Managing Director – CMCD

Message from the Chief Financial Officer's Desk

Our strategic initiatives and capacity expansion projects position us well to capitalise on emerging opportunities. We expect a recovery in demand and an improvement in profitability in the coming years, driven by higher volumes and better pricing dynamics.

Dear Stakeholders,

At the onset, we would like to highlight that the Company navigated one of the toughest years in recent times, thanks to our strong resilience and solid foundation. Despite a challenging year for the industry, our Company registered revenues from operations of ₹ 3,923 Crores for the fiscal year 2023-24 and EBITDA of ₹ 26 Crores. At PAT level, we incurred a loss of ₹ 158 Crores. The lower performance compared to previous year was primarily due to a significant drop in the prices of all our products - rampant dumping of PVC from China and the slowdown in the agrochemical industry were the key contributors.

While these numbers reflect the significant adversities we faced during the year, we remain optimistic about the future. We anticipate an improvement in profitability and a recovery in demand in the coming years. We expect better performance in 2024-25, driven by improvements in PVC prices and higher volumes from our Speciality Paste PVC and CMCD projects.

Revenue and Sales Breakdown

In terms of revenue split for the year, Speciality Chemicals contributed ₹ 966 Crores, Value-added Chemicals ₹ 517 Crores, and Suspension PVC ₹ 2,440 Crores. The sales distribution was 25% from Speciality Chemicals, 13% from Value-added Chemicals, and 62% from Suspension PVC.

With the continuous drop seen in prices, the margins of the Company and its subsidiary were affected due to the impact of inventory. However with the improvement in PVC prices, the higher Speciality Paste PVC volumes and the strong order book in the CMCD business, the performance is expected to be much better this year.

Term debt & Credit Rating

Our overall term debt and liquidity position remained comfortable. Despite a tough year, we ended with adequate cash on hand of ₹ 801 Crores as of March 31, 2024.

CRISIL Ratings have also reaffirmed in their long-term rating for the Company's banking facilities at 'CRISIL AA-/Stable', while maintaining the short-term rating at 'CRISIL A1+', denoting the highest rating for short-term debt.

locally manufactured goods, aligning with national goals and strengthening our market position. These investments in the Speciality Paste PVC and CMCD projects are vital for capturing a larger market share and boosting our competitive edge.

These expansion initiatives offer substantial revenue growth opportunities by allowing us to meet the rising demand for Speciality Paste PVC and custom-manufactured chemicals. We anticipate that our capital investments will lead to improved market conditions and profitability as these projects reach full capacity and new products are commercialised. This strategic focus will drive sustainable growth and enhance our financial performance in the coming years.

Our efforts to enhance production capacity, substitute imports, and strengthen our market position are integral to our long-term growth strategy. We are confident that these initiatives will drive sustainable growth and profitability in the years to come.

Project Updates and Capacity Expansion

Our new Speciality Paste PVC plant has successfully met the quality expectations of our customers. We are on track to ramp up to a 100% operating rate during 2024-25. We also commissioned phase one of the CMCD expansion project during the year and production of new products has commenced. Additionally, the construction of the second phase of our CMCD expansion project is progressing well and is expected to be completed in the current year, i.e., 2024-25. This project is part of our broader strategy to enhance our production capacity and cater to the expanding product pipeline.

Strategic Benefits of Capex Plans

Our strategic expansion of the Speciality Paste PVC plant is key to meeting domestic demand, reducing import dependence, and enhancing self-sufficiency in the chemical sector. By increasing our production capacity, we are poised to substitute imports with

Looking Ahead

Despite the challenges faced in 2023-24, we are confident about our future. Our strategic initiatives and capacity expansion projects position us well to capitalise on emerging opportunities. We expect a recovery in demand and an improvement in profitability in the coming years, driven by higher volumes and better pricing dynamics.

We remain committed to our strategic vision and will continue to focus on delivering value to our stakeholders. As we navigate the challenges, we remain optimistic about all our business segments and confident in our journey ahead. We are deeply grateful for the continued support from our dedicated team and valued stakeholders.

Warm regards,

N. Muralidharan
Chief Financial Officer

Embedding Resilience through Dynamic Strategies

At the helm of the Company's success, amidst even the most challenging times, lie meticulously crafted key strategies infused with foresight and vision. An array of growth drivers complement these strategies, which Chemplast aims to harness as catalysts, propelling its journey towards a better tomorrow.

Key Strategies

Strategic Plant Locations

Chemplast Sanmar has strategically built its manufacturing facilities in South India, catering to the end-user industries in South and East India, while also ensuring competitive freight costs. Two of its facilities are located near the coastline, along with marine terminal facilities, for efficient and cost-effective transportation of raw materials and finished goods.

Capacity Expansion

Addressing the burgeoning domestic demand for Speciality Paste PVC, the Company has completed the expansion of its manufacturing facility at Cuddalore, thereby, taking its total Paste PVC capacity to 107 ktpa from 66 ktpa. Furthermore, it has extended its footprint in the Custom Manufactured Chemicals Division, with Phase 1 of expansion at Berigai completed in 2023-24 and Phase 2 set for completion in 2024-25. The Company believes that after bagging four LOIs from global agrochemical innovators, this expansion facility will be utilised effectively. Additionally, the Company owns vacant industrial land at most of its existing sites which will aid in its brownfield expansion strategies.

Backward Integration

The Company believes that its success is largely attributed to its integrated business model. By manufacturing EDC, VCM, Chlorine and Hydrogen internally at the manufacturing facilities, raw material costs and transportation expenses are effectively reduced. Captive salt pans ensure a stable salt supply for Caustic Soda production, further driving down raw material expenses. Additionally, self-generated power and steam from internal power plants help minimise utility costs, ultimately boosting profit margins.

Enhancing Operational Efficiency

All networks at Chemplast are effectively managed, with sites closely monitored for quality control, supported by dedicated IT systems and robust reporting tools, enabling information sharing and internal benchmarking. Regular internal training is provided to employees across all levels and divisions, aiming to nurture the development of various skill sets, thereby facilitating more efficient utilisation of the workforce. All manufacturing facilities are regularly audited to ensure efficiency and business continuity.

Growth Drivers

Addressing India's Growing Demand

A significant proportion of India's demand for Speciality Paste PVC resin is currently satisfied through imports. As the largest manufacturer of Speciality Paste PVC resin in the country, Chemplast holds considerable potential to address this demand thereby reducing reliance on imports. To accommodate this growing demand, the Company has also expanded its Speciality Paste PVC facility. Furthermore, with no new entrants in this market in India for several years, primarily due to challenges related to the availability of raw materials and advanced technology, Chemplast stands to benefit from this opportunity.

Customer Loyalty

A substantial portion of the Company's revenue is derived from customers having long-standing relationships. Consistent product delivery has been instrumental in nurturing these long-term partnerships. Given the custom manufacturing sector presents formidable entry barriers, including customer validation, process innovation, cost reduction, stringent quality standards, supplier approval and other regulatory compliances, it promotes customer stickiness. The dedicated team at Chemplast collaborates closely with both existing and prospective clients, offering tailored, cost-effective solutions while upholding high-quality standards. This customer-centric approach has allowed us to build a broad customer base, characterised by enduring relationships, which continues to drive business growth.

Growing Industry Demand

Given various factors, including India's low per capita consumption of Speciality Paste PVC resin compared to other nations, its competitive edge over available substitutes, projected growth in industries like leather footwear, automotive upholstery, and governmental initiatives aimed at reducing import dependency, and stimulating investment in artificial leather production— which is a key end-user for the Company— the demand for Speciality Paste PVC resin is bound to grow. The Company believes high barriers to entry and limited competition in this sector along with its expertise, ability to handle complex chemicals and its position as a renowned manufacturing company will aid in propelling its growth trajectory forward in this field.

China+1 Strategy

In recent times, companies are diversifying their supply chains away from China, seeking alternative countries for raw material sourcing and manufacturing. India emerges as a promising and reliable option due to its skilled workforce available at competitive rates compared to developed economies. The agro and pharmaceutical industries, in particular, are anticipated to drive demand for custom manufacturing, fuelling the Company's expansion. Additionally, the slowdown witnessed in China's speciality chemicals sector has prompted global players to turn to India. Few countries possess the requisite scale, technology, raw materials, and governmental support to seize this opportunity besides India. With this strategic shift, Chemplast Sanmar is poised to capitalise on the burgeoning potential and drive growth.

MEASURING PROGRESS *through* ESG METRICS

ENVIRONMENT

4,487 GJ
Green Energy Sourced

1,306 mt
Hazardous Waste Recovered and Recycled

₹ 27.45 Crores
Environmental Expenditure

SOCIAL

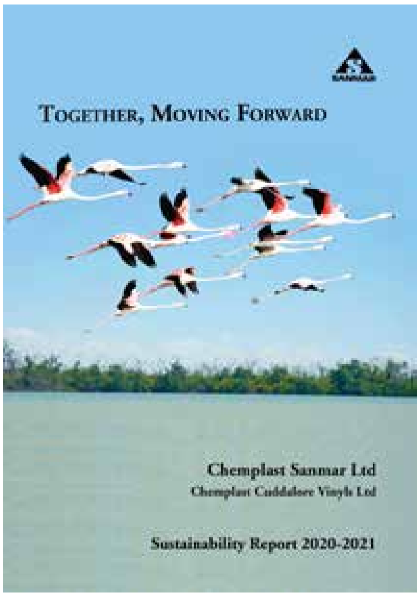
316
Employees Upskilled

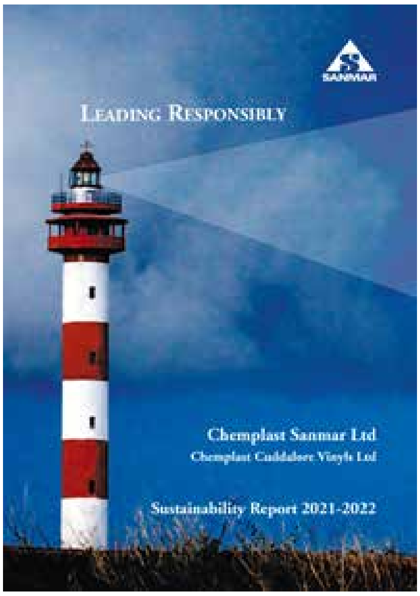
GOVERNANCE

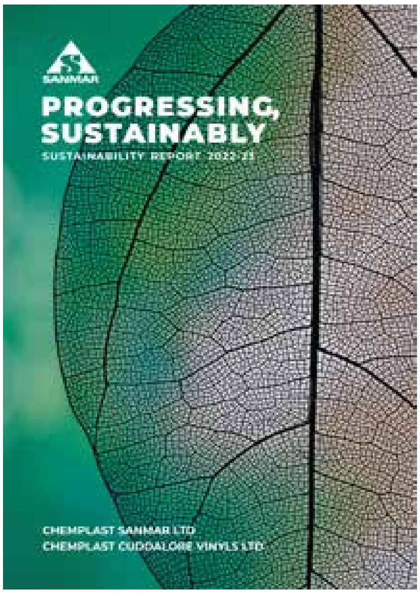
6
Board Committees

273
Training Programmes Conducted

SUSTAINABILITY REPORTS PUBLISHED FOR OVER A DECADE







Building Resilience for a

Sustainable Future

Chemplast Sanmar, a front-runner in environmental responsibility, integrates sustainability across its operations and value chain. In a landmark achievement in September 2009, the Company emerged as the first chemical manufacturer to implement 100% Zero Liquid Discharge (ZLD) across all its plants. With a focus on resource recovery, responsible waste management practices and building a sustainable supply chain, the Company demonstrates its commitment to sustainability, positioning itself as an industry leader in environmental stewardship.

86,025
tonnes of CO_2 Equivalent
Avoided Emissions

1,26,160 GJ
Green Fuel Used
(Hydrogen + Briquettes + Sawdust)

18,490 tonnes
Waste Reused (Hazardous & Non-Hazardous)

32 kl
Used Oil Recycled Safely

Alternative Fuels

Chemplast Sanmar, with its foundational belief in sustainability, consistently undertakes a multitude of initiatives towards shifting from fossil fuels to greener sources of energy. At the Mettur plant, the Company has implemented the usage of bio-briquettes in boilers along with coal since January 2023. This fusion offers a more cost-effective solution than coal alone. Additionally, compressed sawdust is utilised at the Cuddalore plant. To further enhance sustainability efforts, the Company uses a captive incinerator at the Mettur plant, with hydrogen as fuel. All these endeavours highlight Chemplast Sanmar's commitment to nurture a greener future for generations to come.

Energy Saving Initiatives

Chemplast Sanmar persistently pursues emissions reduction in its operations. In line with this objective, the Company undertakes several energy-saving initiatives. The initiatives undertaken are as follows:

- Installing microturbines at the coal power plant in Mettur to reduce the amount of energy consumption
- Encouraging employees to participate in vehicle pooling for commuting between their residence and workplace
- Implementing initiatives for retrofitting electrical equipment, installing Variable Frequency Drives (VFDs), cooling tower fans, and vacuum pumps
- Replacing IE2 (high-efficiency) motors with IE3 (premium efficiency) motors in Berigai
- Installing Energy Management System (EnMS) at Karaikal
- Installing Sulphate Recovery System (SRS) in Mettur Plant III

Waste Management

Chemplast Sanmar adopts proficient and systematic processes for comprehensive waste management, covering a wide spectrum from e-waste to hazardous waste, including registration in the EPR portal of CPCB. With these steps, the Company strives to live up to its commitment to a sustainable tomorrow.

Responsible Waste Disposal

Chemplast Sanmar takes active initiatives across all its manufacturing plants to ensure the waste generated is treated directly at its facilities. This approach ensures adherence to environmental regulations, while furthering the adoption of responsible waste disposal practices. In cases where on-site treatment is not feasible, the Company diligently arranges for the transfer of waste
to authorised recyclers. The initiatives undertaken are as follows:

Hazardous Waste

- Incinerating R-23 in a captive incinerator, mitigating its contribution to global warming
- Disposing off empty barrels and containers, contaminated with hazardous chemicals or wastes, in accordance with regulatory compliances
- Discarding spent solvents & spent catalyst, generated from the production process at the Berigai location, through authorised recyclers
- Sending chemical sludge from the effluent treatment plants at multiple locations to an authorised Common Treatment, Storage and Disposal Facility for secure landfilling

Non-Hazardous waste

- Ensuring proper disposal of the brine sludge produced during salt purification at an authorised Common Treatment, Storage and Disposal Facility
- Repurposing fly ash and bottom ash by selling these to brick manufacturers
- Selling metal and wood wastes, generated during plant operations to recycling facilities
- Operating a reed bed at the Karaikal facility for the treatment of sewage and wastewater

Reusing and Reclaiming Waste

Chemplast Sanmar strives to incorporate its byproducts and waste generated at the sites back into its processes. This is in sync with the Company's sustained focus on upholding sustainability.
The initiatives undertaken are as follows:

- Utilising Chlorine generated at the Caustic Soda plant in Mettur in the chloromethane production process at the same plant
- Employing Chlorine produced at the Karaikal plant in the manufacturing of Ethylene Dichloride (EDC) within the same facility
- Repurposing Chloroform, generated at the Chloromethanes plant in Mettur, as a recycled input material for the production of R-22
- Recycling residues from the ZLD plants as raw material for brine preparation

Water Conservation

Chemplast Sanmar is aware of its water-intensive processes, given the nature of chemical manufacturing. Being a responsible corporate entity, the Company adopts a host of measures to reduce its water consumption and optimise its water use efficiency. Investments in state-of-the-art technologies such as Zero Liquid Discharge systems, desalination units and water recycling systems, exemplify Chemplast's commitment to minimise its water footprint and reduce reliance on external water sources. The Company's focus on water stewardship also prevents competition with neighbouring communities for precious groundwater. In instances where support is needed, the Company actively contributes to neighbouring communities by supplying potable water.

Zero Liquid Discharge

Chemplast Sanmar emphasises its commitment to environmental sustainability through its pioneering adoption of Zero Liquid Discharge (ZLD) plants. Having achieved the remarkable distinction of being the first chemical manufacturing company in India to implement ZLD systems across all its facilities as early as 2009, Chemplast continues to demonstrate proactive leadership in environmental stewardship.

Responsible Water Consumption

Chemplast Sanmar is highly appreciative of the scarce nature of this invaluable resource, water. Therefore, the Company prioritises the implementation of efficient water management practices throughout its operations. Through meticulous monitoring and optimisation of processes, judicious and effective water usage at every production stage is ensured. The comprehensive water conservation strategies of Chemplast extend dual benefits; on the one hand they mitigate environmental impacts, and on the other, safeguard the availability of clean water for future generations.

Desalination Plants

Chemplast Sanmar acknowledges the impact of desalination plants in removing salt and other impurities from seawater or brackish water to produce freshwater, suitable for drinking, irrigation, or industrial use. The Company derives the benefits of desalination plants by installing them at Karaikal and Cuddalore facilities, that draw water from the Bay of Bengal. This process minimises reliance on external water sources such as third-party water, groundwater and freshwater sources. Moreover, the Company ensures that the water that is not utilised in its operations, is released back into the sea.

77%
Water Sourced from the Sea

Water Recycle and Reuse

Chemplast Sanmar harnesses rainwater harvesting and groundwater recharging capacities, established at the Mettur plant. Additionally, treated water from the Sewage Treatment Plant is used for gardening purposes at the green belt created around the manufacturing plants.

5,43,522 kl
Total Volume of Water Recycled and Reused

NO RELEASE OF WASTEWATER INTO THE SURROUNDINGS

Sustainable Supply Chain

Chemplast Sanmar stands firm on sustainable sourcing, exemplified by its enduring relationships with its suppliers. To uphold this commitment, the Company conducts regular awareness programmes for its value chain partners. It strives to foster a supply chain grounded in business integrity, health, safety, human rights, and environmental protection. Through its stakeholder engagement programme, Chemplast diligently assesses and evaluates the social, economic, and environmental impact of its procurement operations.

The Company's manufacturing facilities in South India are strategically located to efficiently serve end-user industries in both South and East India, offering competitive freight costs. The Cuddalore and Karaikal plants, situated near the coastline, are equipped with marine terminal facilities. This advantageous location allows for the cost-effective transportation of raw materials, including Ethylene and VCM, as well as finished products such as Caustic Soda.

Nurturing Future through

Holistic Endeavours

Chemplast Sanmar upholds the principle of valuing all stakeholders equally. Recognising the invaluable contributions of its employees to the Company's success, it integrates employee development as a foundational principle. Chemplast is committed to nurturing professional growth and personal fulfilment through a variety of initiatives, including comprehensive training programmes and mentorship opportunities. Moreover, the well-being of its employees takes centre stage, with the Company implementing comprehensive wellness initiatives and maintaining a safe workplace environment. Chemplast extends its commitment beyond the workplace to embrace a larger role through its CSR activities, aiming to uplift communities and promote sustainability.

1,374

Team Strength as of March 31, 2024

Our People

Chemplast upholds a robust commitment to diversity, cultivating an inclusive workplace where opportunities flourish irrespective of gender, age, or ethnicity. Embracing diverse perspectives, Chemplast nurtures innovation and creativity. With a diverse workforce of regular and contractual employees, the Company prioritises sustainable growth and talent enrichment.

Employee Training & Development

Chemplast consistently focusses on fostering a nurturing work environment conducive to employee growth and fulfilment. To achieve this objective, the Company implements a variety of engagement strategies, including training programmes, mentorship, and performance reviews. These initiatives actively address employee concerns and ensure compliance with regulations, while simultaneously fostering a positive work environment. With a focus on continuous learning, Chemplast offers regular training on emergency handling, workplace safety, and environment management, accessible to all employees. Additionally, the Company conducts in-person and virtual training sessions on safety, environment, soft skills, and career development across all locations. To further build on these endeavours, Chemplast regularly evaluates the efficacy of such initiatives and gathers insights for future purposes by assessing departmental needs, trainer feedback, and performance appraisals.

10,044

Training Hours

Occupational Health & Safety

Chemplast places utmost importance on the health and safety of its workforce. The Company has put in place a comprehensive Process Safety Management System, ensuring the overall robustness of the system and minimising incidents. This commitment is further fortified by a comprehensive emergency preparedness plan and regular mock drills. Furthermore, Chemplast consistently invests in periodic training programmes for employees, contractors, and transporters, imparting crucial knowledge on chemical handling and safe practices during emergencies.

TWO

LTI (Lost Time Injury)

ZERO

Fatalities

Safety at Chemplast Sanmar

- **Certifications:** Chemplast prioritises safety, exemplified through ISO 9001, ISO 14000, ISO 45001 and Responsible Care certifications.
- **Audit Vigilance:** Chemplast conducts rigorous audits and continuous monitoring to ensure a secure work environment.
- **Risk Management:** Chemplast follows comprehensive programmes, including Hazard Identification and Risk Assessment (HIRA) and Hazard and Operability Study (HAZOP).

Employee Benefits

Chemplast ensures that employees and contractors have seamless access to non-occupational medical and healthcare services, upholding its commitment to the holistic well-being of the workforce. Moreover, the plant medical centre of the Company is overseen by certified physicians during general shifts and supported by 24x7 nursing staff, providing comprehensive coverage. In addition, Chemplast proactively pursues a holistic approach to include pre-employment and periodic medical examinations, reinforcing its dedication to safeguarding the health of every team member.

Diversity and Inclusion (D&I)

Chemplast is committed to fostering a workplace culture that values diversity and inclusivity, ensuring equitable treatment and opportunities for all employees, free from discrimination. The Company's ethics manual stands as a robust guide for addressing ethics-related concerns, encompassing a comprehensive Code of Conduct and business practices that champion equal opportunities for employees. These ensure equal treatment for all, regardless of their gender identity, age, nationality, ethnicity, colour, religion, sexual orientation, disability, or marital status. Chemplast firmly believes that embracing inclusivity fosters a spectrum of perspectives that drive innovation and nurture a dynamic work environment.

Grievance Redressal Mechanism

Chemplast believes in fostering an environment where employees feel heard and supported. To achieve this, the Human Resources department of the Company follows a structured procedure for addressing the concerns of both employees and workers. This process allows complaints to be lodged with either the HR head or the plant head, through email or suggestion boxes. Additionally, this framework also ensures accountability and transparency within the organisation. Central to this effort is the implementation of a Whistleblower Policy, empowering employees to report any perceived misconduct or irregularities without fear of repercussions.

Empowering Communities. Driving Change.

Chemplast Sanmar is dedicated to making a positive impact through its Corporate Social Responsibility (CSR) initiatives. From organising health camps, empowering local women through skill development, providing clean water infrastructure, to supporting schools and enhancing medical facilities, the Company is committed to make a positive change in the communities it operates in and serves.

₹ 4.17 Crores

CSR Spend

CSR ACTIVITIES DURING THE YEAR 2023-24

EDUCATION

Mettur

Installation of RO System at Sampalli Government School, Pudusampalli

To ensure access to safe and pure drinking water, a UV water purifier system with a capacity of 500 LPH and a 1,000 litre SS storage tank was installed at the government school.

600

Students Benefitted

Cuddalore

Support to Semmankuppam Government Middle School and Ambedkar Government Primary School

Infrastructure development such as construction of restrooms, installation of drinking water tanks along with taps, handrails and ramps is being carried out at the schools. Additionally, Chemplast has also undertaken the painting of Semmankuppam school and the renovation of the Ambedkar school building along with the construction of a pathway at the school.

Karaikal

Contributed towards the education programme 'Learn to Read' to improve English reading and speaking skills of government primary school students near our Karaikal plant.

₹ 3 Lakhs

Total Spend

Berigai

Installed a 1,000 litre RO Water Plant at the Government Higher Secondary School and undertook the construction of restrooms and an auditorium along with the painting of the whole school at Pannapalli Government Middle School.

HEALTHCARE

Mettur

Mega Health Camp at VHSS

In partnership with Sri Gokulam Hospital, Salem, a mega health camp was conducted at VHSS, Mettur, where beneficiaries were screened for various ailments, with 359 beneficiaries undergoing ECG screening and 110 beneficiaries undergoing ECHO screening.

500
Total Beneficiaries

Support to Government District HQ's Hospital

Government hospitals are crucial in upholding the healthcare system and serving as a lifeline for underserved populations. They represent the only affordable medical treatment option available to the poor. To boost the medical infrastructure and operational support at a local hospital, Chemplast has donated medical equipment such as Multipara Monitors and a photocopy machine, aimed at enhancing service quality.

4
Multipara Monitors Donated

Support to ESI Hospital, Salem

ESI Hospital provides comprehensive medical care, including treatment, medications, specialist consultations, and hospitalisation, to insured individuals and their families under the Employees State Insurance Corporation. To support them in their endeavour, Chemplast has donated a surgical diathermy machine and an air conditioner facility for their operation theatre. This initiative aims to enhance the hospital's medical infrastructure and facilities.

Conducting Eye Camps

In partnership with Aravind Eye Hospital, Salem Chemplast conducted eye camps at the government primary & high school, Pudusampalli and the government primary school, Thipampatti.

706
Students Screened

38
Spectacles Distributed to Needy Students

Karaikal

Recognising the nutritional needs of Tuberculosis patients in the local communities, Chemplast has contributed to providing nutritious meals for them.

₹ 2 Lakhs
Total Spend

ANIMAL WELFARE

Mettur

Veterinary Camp at Thipampatti Village, Gonur Panchayat

In partnership with the Tamil Nadu Animal Husbandry Department, Salem, the veterinary camp provided free insemination for 10 cows, deworming for 744 animals, and 200+ vaccines for foot & mouth disease.

950
Livestock Animals Benefitted

100
Farmers Benefitted

Support to Government Veterinary Hospital, Samathuvapuram

Chemplast has donated an ultrasound scanning machine to the hospital, which will facilitate in easy identification of abdominal problems, organ enlargement, kidney/bladder stones, early pregnancy diagnosis, and reproductive issues in animals. This initiative will benefit both the livestock animals and the farmers by saving costs and time in diagnosing issues and preventing major health complications.

RURAL DEVELOPMENT

Mettur

Renovation of Anganwadi at Kavipuram ICDS

Through this initiative, Chemplast has taken on the task of enhancing the appeal of the anganwadi, transforming it into a model centre aimed at attracting more children. The goal is to address malnutrition by offering balanced, nutritious meals and to highlight anganwadis as hubs for the nutritional, educational, and emotional development of preschool children in the village.

Construction of ICDS Centre at Thipampatti, Gonur Village

Under the Tamil Nadu State Scheme Namakku Naame Thittam, Chemplast has contributed 50ww of the project cost towards constructing a new ICDS centre in Thipampatti village. This newly established centre aims to emphasise on the potential of anganwadis as centres for nutritional, educational, and emotional development of preschool children in the village.

Social Security Schemes Camp at Thipampatti and Kozhipannai, Gonur Panchayat

The purpose of organising this camp was to assist communities in completing and correcting government documents, registering for employment, and facilitating their application for government schemes, among other services.

400
Beneficiaries

Berigai

Enhanced Security through CCTV Installation in Panchayat

In partnership with the police department, CCTV cameras were installed in 19 different areas covering 55 streets, for the safety of the communities.

100
CCTV Cameras Installed

Infrastructure Improvement

Road laying work has been carried out in Suligunta village, enhancing accessibility, road safety, and flood prevention. Additionally, a 2000 litre RO water plant has been installed in Suligunta and Mahadevapuram villages to provide access to safe drinking water for the community.

Mastering the Art of

Resilient Governance

Chemplast Sanmar believes that robust corporate governance is pivotal for sustained growth. This realisation inspires the Company to foster transparency, nurture fair practices, and ensure alignment with stakeholder interests to generate sustainable value. With a distinguished Board of Directors, enriched by diverse expertise, steering its strategic direction, Chemplast Sanmar remains firm in its pursuit of shared success. The Company is dedicated to ensuring a resilient and forward-looking business trajectory, creating a culture of integrity and accountability that supports our operations and strategic initiatives.

Governance Structure and Composition

Chemplast Sanmar provides a thorough insight into its governance framework and structure by emphasising key policies, procedures, and initiatives. Central to steering its strategic course is a distinguished Board of Directors, comprising accomplished experts and renowned industrialists. Entrusted with pivotal policy formulation and operational oversight, the Board diligently ensures adherence to legal and regulatory mandates, consistently prioritising the best interests of the Company and its shareholders. The composition of the Board of Directors and its committees guarantees the inclusion of individuals from diverse backgrounds in key leadership positions and decision-making roles.

1
Executive Director

7
Non-Executive Directors

Our Value System

- The Right Way
- Long-Term Perspective
- Prioritising Health, Safety and Environment
- Stakeholder Commitment
- Process-Driven Approach
- Focus on Core Competency
- Data-Driven Decision-Making
- Sustainable Growth

Board Committees

- Audit Committee
- Nomination & Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- Committee of Directors

Policies

- Business Responsibility and Sustainability Policy
- Risk Management Policy
- Archival Policy and Policy on Preservation of Records
- Code of Conduct for Board and Senior Management
- Code of Prevention of Insider Trading and Fair Disclosure Policy
- CSR Policy
- Dividend Distribution Policy
- Familiarisation Programme for Independent Directors
- Nomination and Remuneration Policy and Board Evaluation Policy
- Policy on Material Subsidiaries
- Policy on Materiality of Events
- Related Party Transaction Policy
- Vigil Mechanism or Whistleblower Policy

Scan the QR code to access our corporate policies

Risk Management Framework

Chemplast Sanmar benefits from the firm dedication of its Board to risk management, significantly enhancing its capacity to systematically identify, address and mitigate both current and potential risks, thereby cultivating a resilient operational culture. In adherence to the Companies Act 2013 and SEBI regulations, the Risk Management Policy extends across all divisions, departments, subsidiaries, and acquired entities. Central to the Company's risk management ethos is the protection of its strategic objectives through the identification, analysis, assessment, mitigation, and continuous monitoring of potential risks. Biannual assessments of the risk management framework are conducted by Chemplast Sanmar to pinpoint a range of internal and external risks. These include financial, operational, sectoral, sustainability, information, cybersecurity, and any others deemed relevant by the committee. Moreover, the Company places strong emphasis on engaging all departments in identifying risks, regularly assessing risk levels, and aligning the risk management procedure with strategic planning and internal audits. The policy delineates a reporting structure wherein the Board periodically assesses and appraises the effectiveness of the risk management system. Rooted in values, culture, and a dedication to stakeholders, this proactive strategy facilitates sound decision-making, ensures business continuity, and fosters enhancements in organisational performance.

Garnering Recognition for

Unmatched Excellence


Sword of Honour
— 2023 —
This is to certify that
Chemplast Sanmar Limited – Karaikal
has been awarded the British Safety Council Sword of Honour for 2023.
In winning this award they have demonstrated an outstanding commitment to health and safety management during the last twelve months.

Peter McGettrick
Chair of The Board of Trustees
24 November 2023

Mike Robinson
Chief Executive
24 November 2023

BRITISH SAFETY COUNCIL
Because Experience Counts

British Safety Council (Company Limited by Guarantee) Registered in England and Wales No. 4618713. Registered Charity No. 1097271 and OSCR No. SC037998.

Certificate number
AW-0010518

Sword of Honour from the British Safety Council for Karaikal Plant


Sword of Honour
— 2023 —
This is to certify that
CHEMPLAST SANMAR LIMITED PLANT IV, HYDROGEN PEROXIDE DIVISION
has been awarded the British Safety Council Sword of Honour for 2023.
In winning this award they have demonstrated an outstanding commitment to health and safety management during the last twelve months.

Peter McGettrick
Chair of The Board of Trustees
24 November 2023

Mike Robinson
Chief Executive
24 November 2023

BRITISH SAFETY COUNCIL
Because Experience Counts

British Safety Council (Company Limited by Guarantee) Registered in England and Wales No. 4618713. Registered Charity No. 1097271 and OSCR No. SC037998.

Certificate number
AW-0010520

Sword of Honour from the British Safety Council for Mettur Plant 4


Sword of Honour
— 2023 —
This is to certify that
Chemplast Sanmar Limited Plant-I, Mettron Division
has been awarded the British Safety Council Sword of Honour for 2023.
In winning this award they have demonstrated an outstanding commitment to health and safety management during the last twelve months.

BRITISH SAFETY COUNCIL
Because Experience Counts

Sword of Honour from the British Safety Council for Mettur Plant 1

Responsible Care Logo Presented to Chemplast Sanmar Limited, Valid from February 2022 to January 2025

Responsible Care Logo Presented to Chemplast Cuddalore Vinyls Limited, Valid from March 2022 to February 2025

Navigating the Course with
Seasoned Leadership

Mr Vijay Sankar

Chairman & Non-Executive Director

Mr Vijay Sankar is a Chartered Accountant and MBA from Kellogg School of Management. He is on the Boards of companies like The KCP Limited, Oriental Hotels Limited, TVS Motor Company Limited, Kaveri Retreats & Resorts Limited and Transport Corporation of India Limited. Mr Vijay Sankar possesses vast experience in handling multiple businesses.

Mr Ramkumar Shankar

Managing Director

Mr Ramkumar Shankar is a Chartered Accountant and Cost Accountant. He was the President of the Alkali Manufacturers' Association of India in the period 2014 -16. He is a member of the CII National Committee on Chemicals and Petrochemicals and is currently the Vice-President of The Madras Chamber of Commerce and Industry.

Mr Aditya Jain

Independent Director

Mr Aditya Jain holds a master's degree in Business Administration from Brunel University. He serves as the Chairman & Editorial Director of International Market Assessment India (IMA) and is on the Board of Samhi Hotels Limited as a Non-Executive Independent Director.

Dr (Mrs) Lakshmi Vijayakumar

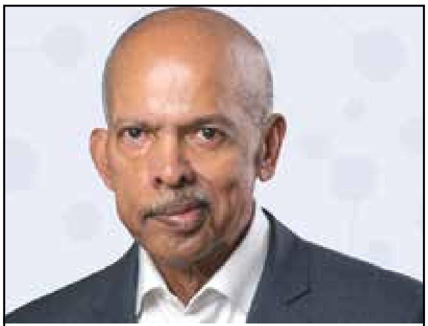
Independent Director

Dr (Mrs) Lakshmi Vijayakumar holds a postgraduate diploma in Psychological Medicine from the University of Madras. She is a medical practitioner and an honourary associate professor in the University of Melbourne. She is the founder of an NGO called SNEHA in Chennai.

Mr Sanjay Vijay Bhandarkar

Independent Director

Mr Sanjay Vijay Bhandarkar is the former MD of Rothschild India. He holds a postgraduate diploma in Management from XLRI, Jamshedpur. He serves as a Director at Tata Power, Tata Projects, HDFC AMC, Newage Power, Walwhan Renewable Energy, NIIF Limited and Tata Power Solar Systems Limited.



Mr Chandran Ratnaswami

Non-Executive Director

(Upto May 10, 2024)

Mr Chandran Ratnaswami is a B.Tech. from IIT Madras and an MBA from the University of Toronto. He is the CEO of Fairfax India Holding Corporation and the Managing Director of Hamblin Watsa Investment Counsel and is on the Board of several other companies.

Mr Prasad Raghava Menon

Independent Director

Mr Prasad Raghava Menon is the former CEO of Tata Power, Tata Chemicals and the former Chairman of Tata Vistara. He holds a bachelor's degree from IIT Kharagpur. He serves as an Independent Director of Data Patterns India Limited and Neuland Laboratories Limited.

Mr Vikram Taranath Hosangady

Non-Executive Director

Mr Vikram Taranath Hosangady is a Chartered Accountant and Cost Accountant. He is a seasoned business leader and finance professional with over 25 years of experience as a strategic partner to several large Indian and global corporations alike. He worked with KPMG (India & Global) and served in various positions from 2005 to 2022. He is also on the Board of Directors of MRF Limited and Rane (Madras) Limited.

Mr Sumit Maheshwari

Non-Executive Director

(w.e.f May 20, 2024)

Mr Sumit Maheshwari is a Chartered Accountant and has completed the Post Graduate Programme in Management from the Indian School of Business, Hyderabad, and holds Bachelor of Commerce and Master of Commerce degrees from the University of Mumbai. He joined Fairbridge Capital in 2011 and has been the Managing Director of Fairbridge Capital since May 2018. He worked with KPMG in India and in UK in their audit and accounting advisory functions. He is on the Board of Directors of listed companies viz., Thomas Cook (India) Limited, CSB Bank Limited and on the Board of other companies.

Corporate Information

Board of Directors

Mr Vijay Sankar
Chairman and Non-Executive Director

Mr Ramkumar Shankar
Managing Director

Mr Sanjay Vijay Bhandarkar
Independent Director

Mr Vikram Taranath Hosangady
Non-Executive Director
(w.e.f. May 16, 2023)

Mr Aditya Jain
Independent Director

Mr Sumit Maheshwari
Non-Executive Director
(w.e.f. May 20, 2024)

Mr Prasad Raghava Menon
Independent Director

Mr Chandran Ratnaswami
Non-Executive Director
(Upto May 10, 2024)

Dr (Mrs) Lakshmi Vijayakumar
Independent Director

Chief Financial Officer

Mr N Muralidharan

Company Secretary and Compliance Officer

Mr M Raman

Statutory Auditors

BSR & Co., LLP
Chartered Accountants

Cost Auditors

N Sivashankaran & Co.
Cost Accountants

Secretarial Auditors

B Ravi & Associates
Company Secretaries

Internal Auditors

RGN Price & Co.,
Chartered Accountants

Bankers

DBS Bank India Limited

Indian Overseas Bank

CTBC Bank & Co. Limited

ICICI Bank Limited

YES Bank Limited

IndusInd Bank

State Bank of India

IDBI Bank Limited

Registered Office

9, Cathedral Road,
Chennai - 600 086, Tamil Nadu, India

Website

www.chemplastsanmar.com

Registrar and Share Transfer Agent

KFin Technologies Limited
Selenium Building, Tower-B, Plot No. 31&32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032, Rangareddi, Telangana, India

Corporate Identification Number

L24230TN1985PLC011637

DIRECTORS' REPORT

The Directors have pleasure in presenting the Fortieth Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2024.

Financial Summary – Standalone and Consolidated

₹ Crores

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations and Other income	1,697	2,222	4,003	5,021
Profit before interest, depreciation and taxes	**(17)**	**332**	**106**	**548**
Depreciation	107	92	151	142
Interest	33	23	181	154
Profit / (Loss) before tax and exceptional items	**(156)**	**216**	**(226)**	**252**
Exceptional Items	0	(50)	0	(81)
Profit / (Loss) before tax	**(156)**	**167**	**(226)**	**172**
Tax Expenses	52	(21)	67	(19)
Profit / (Loss) after tax	**(104)**	**146**	**(158)**	**152**
Total Other Comprehensive Income for the year	0	0	1	1
Total Comprehensive Income for the year	(103)	146	(158)	153
Basic and Diluted Earnings per share (equity shares, par value ₹ 5/- each)	(6.57)	9.21	(10.02)	9.64

Financial Performance – Standalone

On a standalone basis, the revenue from operations and other income decreased to ₹ 1,697 Crores for FY 2023-24 from ₹ 2,222 Crores in FY 2022-23. Loss before Tax for FY 2023-24 was ₹ 156 Crores against profit of ₹ 167 Crores in FY 2022-23. The drop in revenue and profits at a standalone level was mainly due to a steep drop in prices across all products.

Financial Performance – Consolidated

On a consolidated basis, the revenue from operations and other income stood at ₹ 4,003 Crores for FY 2023-24 against ₹ 5,021 Crores in FY 2022-23. Loss Before Tax for FY 2023-24 was ₹ 226 Crores against profit of ₹ 172 Crores in FY 2022-23. The drop in revenue and profits at a consolidated level was mainly due to a steep drop in prices across all products.

Dividend and Transfer to Reserves

Considering the loss incurred for the FY 2023-24, the Directors have decided not to recommend any dividend for the FY 2023-24. The Directors also do not recommend any transfer to reserves.

Share Capital

The Company's paid-up equity share capital stood at ₹ 79.06 Crores as on March 31, 2024, consisting of 15,81,09,574 equity shares of ₹ 5/- each. There is no change in the share capital of the Company

Borrowings

The total borrowings, including interest accrued, on a consolidated basis stood at ₹ 1,542.28 Crores as on March 31, 2024 as against ₹ 1,007.97 Crores as on March 31, 2023.

Capacity Expansion

During the year, the Company has commissioned Phase 1 multipurpose facility for Custom Manufactured Chemicals at Berigai and 41kt p.a Speciality Paste PVC at Cuddalore.

Statement of Company's Affairs

Chemplast Sanmar Ltd (CSL) is a leading Speciality chemicals manufacturer in India with focus on Speciality Paste PVC resin and custom manufacturing of starting materials and intermediates for pharmaceutical, agro-chemical and fine chemicals sectors. CSL is the largest manufacturer of Speciality Paste PVC resin in India. In addition, CSL is also the fourth largest manufacturer of Caustic Soda and the largest manufacturer of Hydrogen Peroxide in South India and the oldest manufacturer of Chloromethanes in India.

I. Speciality Chemicals

PVC Paste Resin

(FY = Financial Year and Q=Quarter)
The domestic demand for Speciality Paste PVC Resin in FY 2023-24 remained largely stable compared to the last year. Demand was at 161 kt in FY 2023-24 as against 163 kt in FY 2022-23.

DIRECTORS' REPORT (Contd.)

The demand in US and Europe was weak due to high inflationary pressures and rising interest rates while Chinese demand was also lower than usual due to the country's economic downturn. The Glove industry which was a major user industry has shown a very sharp decline in demand post Covid and therefore resulted in large unused capacities.

Inspite of these global pressures, Indian demand remained largely stable at the previous year levels with the automotive sector showing some growth. Exports of leather cloth to the European Union registered a drop, which impacted demand for Paste PVC to some extent.

The global weakness in prices led to surpluses in geographies like Europe, China and SE Asia, being dumped into India at very low prices. The weighted average prices of imports came down by 16% compared to the previous year.

During the year, the Company focused on expanding its reach. The expansion project adding 41kta of Speciality Paste PVC at Cuddalore was successfully completed and the first supplies rolled out of our facility in February 2024.

The Company recorded the highest ever production and sale of Speciality Paste PVC Resin at Mettur during FY 2023-24.

The Company is confident of selling the expanded quantity of Speciality Paste PVC in the years ahead. The issue has been the dumping of large volumes of product into the Indian market at very low prices. The Company is working with the regulatory authorities to address this serious problem for Indian manufacturers, and is confident that this issue will be addressed in FY 2024-25.

Custom Manufactured Chemicals

The Custom Manufactured chemicals business manufactures advanced intermediates for global innovators and originators in Pharmaceutical and Agrochemical markets. The Company markets unique chemistry and process capabilities to its customers based on which customers approach the Company with projects for products that they wish to outsource. Therefore, unlike other chemical companies, the Company does not have a catalogue of products to sell. The Company is well renowned in the industry for its ability to handle various chemistries and chemicals. The Company offers a world-class research and development capability combined with a broad range of chemical technologies at production scale.

In addition, the Company is also well known for its Environmental and Safety stewardship. In fact, customers use this as the first criterion for screening before they decide to work with a supplier. The Company is also unique in having, within the Chemplast system, access to many basic starting materials important for this business – such as Caustic, Chlorine, Hydrogen & Chloromethanes as also the ability to handle gases like Ethylene.

The Company has long standing partnerships and relationships with global innovator companies in the agro chemical and pharmaceutical space. The Company focusses on engaging with its customers at an early stage of the life cycle of a product to ensure this. Global innovator companies are increasing their outsourcing pie constantly. This together with China+1 strategy of the innovators, is resulting in increased enquires for Indian players including Chemplast Sanmar.

Due to its efforts over the years in building relationships and partnerships, the Company has a strong pipeline of products under various stages of development. Many of these will require the Company to make investments in new capacity in the coming months and years. The Company has already committed to invest to set up a world class facility to accommodate the new product pipelines. Phase 1 of the new production block was successfully commissioned during the year and the balance Phase 2 will get completed in Q1 of the next year. Apart from this, the Company had commissioned a new R & D block and other infrastructure related to the new production block. This year, the Company had signed multiple letters of intents with a global agrochemical innovator for the manufacture of advanced intermediates and active ingredients.

During the year, due to ongoing weak global demand and inventory rationalisation in speciality chemicals, demand for some of the products was affected. However, the Company sees strong ongoing demand for the new molecules which were commercialised during this year.

II. Value-added Chemicals

Chloromethanes

FY 2023-24 began on a sombre note for the Chloromethane industry as the expanded capacities that had come up in India towards the later part of FY 2022-23 started stabilising.

Estimated demand for Methylene dichloride during the year is 400kt, up from 365kt during the previous

DIRECTORS' REPORT (Contd.)

year, indicating a growth of 9.5% driven mainly by the Pharma sector which remains the single largest consumption sector. Though end product demand for Methylene dichloride from the key pharma sector was steady, the excess supply scenario forced domestic prices to head south. Further expansion within the country is likely to keep domestic prices subdued in the near term.

Chloroform too witnessed headwinds following excess availability of material in the domestic market, despite near normal demand from key sectors like Pharma, Footwear and Adhesives. Estimated demand for Chloroform during the year is 195kt, down marginally from 200kt in the last year, implying a drop of 2.5%. Prices continued to remain low following intense competition from domestic players for the available market besides regular import arrivals in bulk. Going forward, reduced HCFC-22 production quota from January 2025 would further dampen demand for Chloroform.

Estimated demand for Carbon tetrachloride during the year is 27kt, down marginally from 28kt last year, indicating a 3.5% drop. Poor demand from Synthetic Pyrethroids segment continued to haunt the industry for a large part of this year. Inventory build-up forced producers to drop prices drastically and liquidate stocks. Some improvement in buying was seen from Q4 2024 onwards, resulting in price stability. Start-up of a new plant for Cypermethrin coupled with improved operating rate of Cypermethrin producers could support prices in FY 2024-25.

Caustic Soda

Being a very basic alkali with a strong correlation between economic activity and consumption, Caustic Soda witnessed a steady demand during the year, driven largely by the Alumina and Paper & Pulp sectors. Prices by and large remained soft given the excess domestic capacity, with a brief spike towards Q3 driven by higher exports and positive global cues. Offtake from Textile sector continued to remain weak reflecting the weak global economic activity.

Going forward, commissioning of additional 400tpd capacity by a competitor during FY 2024-25 will further add to the excess supply situation in South India, our major market. Prices of Caustic Soda in Asia have gone up from a low of around $325/dmt FOB NEA to around $400/dmt FOB NEA. Further increase depends on a recovery in demand, especially in China.

Hydrogen Peroxide

During the year under review, the Company enhanced the production of Hydrogen Peroxide consequent on the availability of Hydrogen from Caustic Soda plant at Mettur. Higher offtake from Paper & Pulp segment customers coupled with a higher reach through our dealer network mitigated the slowdown in offtake from Textile sector that continued to face headwinds due to higher yarn prices. While cheaper imports from Bangladesh continue unabated, our strong presence in the South helped us in moving volumes across market segments to ensure consistent flow of orders and ensure steady sales on regular basis.

Performance of Subsidiary:

Chemplast Cuddalore Vinyls Limited (CCVL)

The Company's wholly owned subsidiary CCVL incurred a Loss before tax of ₹ 69 Crores for the year ended March 31, 2024 as compared to profit before tax of ₹ 5 Crores for FY 2022-23. The Loss after tax for FY 2023-24 was ₹ 54 Crores, as against a profit after tax of ₹ 7 Crores in FY 2022-23.

CCVL is the second largest manufacturer in India of Suspension PVC resin. The domestic demand of Suspension PVC resin in FY 2023-24, at 4 Million mt, was healthy, registering a year-on-year growth of close to 7%. However, the year witnessed a challenging situation on the price front as the demand in the rest of the world did not recover for a variety of reasons. This had a major impact on PVC demand in China, leading to significant exports of PVC to India, at very low prices. Imports into India, from the USA and China, have grown significantly over the last couple of years. This flood of low-priced imports led to a situation where market sentiments in India tended towards maintaining low inventory in the anticipation of further price decreases.

This situation led to the average price of PVC for FY 2023-24 dropping by 25% compared to FY 2022-23.

Management Discussion and Analysis Report

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"), the Management Discussion and Analysis Report for the year under review, is presented in a separate section as **Exhibit A**, forming part of the Annual Report.

DIRECTORS' REPORT (Contd.)

Corporate Governance Report

The report on corporate governance along with a certificate from the Practising Company Secretary as required under the Listing Regulations is annexed to this Report as **Exhibit B**.

The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) read with Schedule II of Part B of the Listing Regulations which is annexed to the report on corporate governance.

The Board and senior management personnel have affirmed that they have complied with the Code of Conduct of the Company. A declaration from Mr Ramkumar Shankar, Managing Director, as required under Regulation 34(3) and Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to this effect is annexed to the report on corporate governance.

Business Responsibility and Sustainability Report

In terms of Regulation 34 (2) (f) of the Listing Regulations, a Business Responsibility and Sustainability Report is presented in a separate section, forming part of this Report as **Exhibit C**.

Safety and Environment

The Company continues to place great importance on protecting the environment and managing natural resources responsibly. These principles have been incorporated in all its operational systems, with stringent solid and hazardous waste management processes followed at all plants.

1. Process Safety Management & Behavioural Based Safety

   Chemplast Sanmar Ltd and its subsidiary, Chemplast Cuddalore Vinyls Limited, have, over the years, worked on establishing a 'ZERO Harm Culture' through a systematic approach to Occupational Health, Safety and Environment (OHS&E). The Company's efforts in this regard have been recognised with Five-Star ratings for most of its plants by the British Safety Council, as also the top Sword of Honour awards for a few of its plants. The Company has also embarked on a Process Safety Management and Behaviour-based Safety programme, to further strengthen the organisational emphasis on safe operations.

2. Process Safety Studies

   During the year, the Company completed the following process safety studies and the recommendations are being implemented as part of continual risk reduction process.

   1. Hazard and Operability (HAZOP) Revalidation study conducted for Plants 1, 3 and 4 at Mettur and our Karaikkal plant.
   2. Safety Integrity Level - Layer of Protection Analysis (SIL - LOPA) conducted for Chemplast Sanmar Limited (CSL) Mettur Plant 2, CSL Karaikkal Plant and Cuddalore CSL PVC Paste project.
   3. Custom Manufactured Chemicals (CMC) plant, Berigai has conducted Hazardous area classification (HAC), Quantitative Risk Analysis (QRA) and Lightening Protection Study (LPS) for MPB3 plant.

3. IS 14489 – Statutory Audit

   IS 14489 statutory audit was conducted at Mettur, Plant 1, Plant 2 & Plant 3 and all recommendations implemented.

   IS 14489 statutory audit was conducted at Karaikkal CSL plant & Berigai CMC Plant and the recommendations are under implementation.

4. Awards and Rewards

   A. The following awards have been received from **The Indian Chemical Council (ICC)**

      i. Chemplast Sanmar Limited, Mettur received "ICC – VINATI ORGANICS" AWARD FOR EXCELLENCE IN MANAGEMENT OF HEALTH & SAFETY.

      ii. ICC-Nicer Globe Award for the Best Three drivers in India - Two drivers are from CSL service provider.

         1) Shanmugam R - Murugan Oil Corporation (Operating for Chemplast Sanmar)

         2) Kanagarajan K - Murugan Oil Corporation (Operating for Chemplast Sanmar)

   B. The following awards were received from **The National Safety Council** Tamil Nadu Chapter for "Occupational Health, Safety & Environment Award 2023".

      i. CMCD Berigai has received the highest "AWARD OF HONOUR"

DIRECTORS' REPORT (Contd.)

ii. CSL Mettur Plant 2 and Plant 3 have received "STAR AWARD"

C. The following plants have received "**SWORD OF HONOUR**" for Occupational Health & Safety Performance from British Safety Council

i. CSL Mettur Plant 1 and Plant 4

ii. CSL Karaikkal Plant

Finance

The Company has established a good track record with the Bankers and Financial institutions, thereby enjoying their full confidence.

During the first week of January 2024, CRISIL Ratings reaffirmed Chemplast Sanmar Limited's and its wholly owned subsidiary Chemplast Cuddalore Vinyl Limited's credit ratings at AA- (long term), with outlook revised from "Stable" to "Negative". CRISIL has also reaffirmed short term rating of A1+, which is the highest rating possible.

Dividend Distribution Policy

Pursuant to the provisions of Regulation 43A of the Listing Regulations, 2015, as amended, the Board of Directors has approved the Dividend Distribution Policy and the said Policy is available at the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/dividend-distribution-policy.pdf

Change in the Nature of Business:

There was no change in the nature of business of the Company during the financial year.

Risk Assessment and Management

The Company has a well-defined Risk Management System. The Board of Directors had constituted a Risk Management Committee to monitor and oversee the Risk Management System. The Composition of the Risk Management Committee, terms of reference and number of committee meetings held during the year under review are given in the Corporate Governance Report.

The Risk Management Policy of the Company as recommended by the Risk Management Committee and approved by the Board of Directors of the Company can be accessed in the Company's website using the link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/risk-management-policy.pdf. The Risk Management System of the Company ensures that all risks that the organisation faces including strategic, financial, credit, operational, market, liquidity, security, property, legal, regulatory, IT, reputational and other risks are identified and the impact assessed. Mitigation plans are then drawn up and these plans are effectively reviewed and implemented.

Internal Control Systems

Adequate internal controls, systems, and checks are in place, commensurate with the nature of the Company's business and size. The management exercises financial control on the operations through a well-defined budget monitoring process and other standard operating procedures.

Internal audit for the year 2023-24 was carried out by RGN Price & Co, Chartered Accountants covering all significant areas of operations. All significant observations of the Internal Auditors are placed before the Audit Committee together with corrective actions.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control in the Company, and compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the reports of Internal Auditors, the management undertakes appropriate corrective action in their respective areas.

Internal Financial Control over Financial Reporting

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been assessed during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management with the help of the internal auditors, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls were observed.

Deposits

During the year under review, the Company has not accepted any public deposit within the meaning of the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 and as on March 31, 2024, the Company did not have any outstanding public deposit.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

Particulars of investments and guarantees under Section 186 of the Companies Act, 2013 are given in

DIRECTORS' REPORT (Contd.)

the Notes forming part of the Financial Statements for the year ended March 31, 2024.

The Company has not given any loans under the provisions of Section 186 of the Companies Act, 2013.

Consolidated Financial Statements

Consolidated Financial Statements are prepared by the Company in accordance with the applicable Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs and the same together with Auditors' Report thereon form part of the Annual Report. The financial statements have been prepared as per Division II of Schedule III issued by the Ministry of Corporate Affairs vide its Notification dated April 06, 2016 as amended from time to time.

Subsidiary

Chemplast Cuddalore Vinyls Limited continues to be the wholly-owned subsidiary of the Company. The details on operations / performance of the said subsidiary during the year under review are given hereinabove.

Pursuant to the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of investments made in the subsidiary and the details of guarantees issued by the Company to the lenders of the wholly-owned subsidiary have been furnished in the Notes forming part of the Accounts.

A statement containing the salient features of the financial statements of the Company's wholly-owned subsidiary under the provisions of Section 129(3) of the Companies Act 2013 read with Rule 5 of the Companies (Accounts) Rules 2014 has been annexed in prescribed Form AOC 1 as **Annexure 6**.

The Audited financial statements of the wholly-owned subsidiary Company are placed on the Company's website www.chemplastsanmar.com

The Company does not have any joint venture or Associate Company during the year or at any time after the closure of the year and till the date of the report.

Related Party Transactions

There are no contracts / arrangements / transactions which are not at arm's length basis and there are no material contracts / arrangements / transactions. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188 (1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and is available in the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/related-party-transaction-policy.pdf

Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and Company's operations in future.

Material Changes and Commitment affecting the financial position of the Company that occurred after March 31, 2024

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year to which the Financial Statements relate to and the date of this report.

Directors and Key Managerial Personnel

Mr Chandran Ratnaswami, Non-Executive Non-Independent Director retired from the Board with effect from May 10, 2024. The Board of Directors place on record its deep appreciation of the valuable services rendered by him during his tenure as Director of the Company.

The Board of Directors, at its meeting held on May 20, 2024, on the recommendation of Nomination and Remuneration Committee, approved the appointment of Mr Sumit Maheshwari, (DIN:06920646) as Non-Executive Non-Independent Director of the Company in the casual vacancy caused by the retirement of Mr Chandran Ratnaswami, Non-Executive Non-Independent Director, subject to the approval of shareholders of the Company.

The Company has received notice from a member under Section 160 of the Companies Act, 2013 proposing the appointment of Mr Sumit Maheshwari as Non-Executive Non-Independent Director of the Company liable to retire by rotation. Pursuant to the provisions of Section 152, 160, 161 and other applicable provisions of the Companies Act, 2013 approval of shareholders of the Company is required for the appointment Mr Sumit Maheshwari as Non-Executive Non-Independent Director, liable to retire by rotation.

DIRECTORS' REPORT (Contd.)

Mr Vijay Sankar, Chairman and Non-Executive Director, is liable to retire by rotation pursuant to Section 152 (6) of the Companies Act, 2013. Being eligible he offers himself for re-appointment. As recommended by the Nomination and Remuneration Committee of Directors, the Board of Directors at its meeting held on May 20, 2024 approved his re-appointment and recommended to the shareholders for their approval at the ensuing 40th Annual General Meeting.

The Independent Directors have submitted declarations stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Based on the declarations received from all the Independent Directors and in the opinion of the Board, all the Independent Directors possess integrity, expertise, experience and proficiency and are independent of the management.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder, the Key Managerial Personnel (KMP) of the Company are Mr Ramkumar Shankar, Managing Director, Mr N Muralidharan, Chief Financial Officer and Mr M Raman, Company Secretary. They are also the KMPs of the Company's wholly-owned subsidiary, Chemplast Cuddalore Vinyls Limited.

Directors' Responsibility Statement

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

(a) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards have been followed by the Company.

(b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the loss of the Company for the year ended on that date.

(c) The Directors have taken proper and sufficient care 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) The Directors have prepared the annual accounts of the Company on a going concern basis.

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(f) The Directors have laid down internal financial controls to be followed and confirm that such internal financial controls were adequate and operating effectively.

Number of Board Meetings

During the year, the Board of Directors met five (5) times as per details furnished in the Corporate Governance Report.

Audit Committee

Composition of Audit Committee

The composition of the Audit Committee is as under and is in compliance with the provisions of Section 177 of the Companies Act, 2013 read with the rules thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"):

Name of the Members	Category
Mr Sanjay Vijay Bhandarkar-Chairman	Independent Director
Mr Prasad Raghava Menon	Independent Director
Mr Vijay Sankar	Non-Executive Director

The terms of reference of the Audit Committee is set out in the Corporate Governance Report.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

The Members of the Audit Committee met Six (6) times during the financial year under review.

Nomination and Remuneration Committee

The Members of the Nomination and Remuneration Committee met five times during the financial year under review. The details of the constitution of the Nomination and Remuneration Committee, terms of reference and the meetings held during the financial year have been stated in the Corporate Governance Report.

The Policy on formal Annual Evaluation by the Board can be accessed through the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

DIRECTORS' REPORT (Contd.)

Stakeholders Relationship Committee

The Members of the Stakeholders Relationship Committee met once during the financial year under review. The details of the constitution of the Stakeholders Relationship Committee, and the terms of reference have been stated in the Corporate Governance Report.

Risk Management Committee

The Members of the Risk Management Committee met two times during the financial year under review. The details of the constitution of the Risk Management Committee, and the terms of reference have been stated in the Corporate Governance Report.

Corporate Social Responsibility Committee

The Members of the Corporate Social Responsibility Committee met once during the financial year under review. The details of the constitution of the CSR Committee have been stated in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out evaluation of its own performance, the Directors individually and evaluation of working of the committees of the Board during the financial year 2023-24 as per the criteria laid down by Nomination and Remuneration Committee. The evaluation process contained various aspects of the functioning of the Board and its committees and their roles, frequency of meetings, level of participation, and independence of judgement, performance of duties and obligations.

The Board expressed its satisfaction on the performance of all the Directors, Board and its committees which reflected the overall engagement of the Directors, the Board and its committees of the Company.

Familiarisation Programme for the Independent Directors:

The details with respect to familiarisation programme for the Independent Directors are furnished in the Corporate Governance Report.

Personnel

Industrial relations with employees remained cordial during the year. Human Resource Development activities continued to receive considerable attention. The emphasis was on imparting training and developing the skill set of employees to enable them face the challenges in an increasingly complex work environment.

Particulars of employees

Disclosure pertaining 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 is annexed to this Report as **Annexure 3**.

Statement containing particulars of employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136 (1) of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. The said Statement is open for inspection. Any member interested in obtaining a copy of the same may write to the Company Secretary.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in regard to constitution of an internal Committee as prescribed. During the year, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism Policy to deal with an instance of fraud or mismanagement, if any. The Directors are pleased to report that during the year under review, no untoward or fraud case was reported.

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company.

This policy has been formulated with a view:

- To provide a mechanism for employees of the Company and other persons dealing with the Company to report to a person nominated by the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Ethics Policy.

DIRECTORS' REPORT (Contd.)

- To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices and
- To appropriately communicate the existence of such mechanism, within the organisation and to outsiders and
- To ensure that no personnel is denied access to the Chairman of the Audit Committee in respect of reporting any of above instances.

Corporate Social Responsibility

The Company has all along attached utmost importance to sustainable development.

As mandated by the Companies Act, 2013 and the rules framed thereunder, the Company has formulated a Policy on CSR and has constituted a CSR Committee to recommend and monitor expenditure on CSR.

Details of CSR Expenditure, in the prescribed format, forms part of this Report and are enclosed as **Annexure 2.**

Statutory Auditors

BSR & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a period of 5 years, from the conclusion of 38th Annual General Meeting to 43rd Annual General Meeting of the Company, that is, for the Financial Years 2022-23 to 2026-27.

Internal Auditors

RGN Price & Co. LLP, Chartered Accountants (Firm Registration No.002785S) are the Internal Auditors of the Company.

Cost Records, Audit and Auditor

Pursuant to Section 148(1) of the Companies Act, 2013 and rules thereunder, the Company is required to maintain cost records/ accounts as specified therein in respect of its products and the Company maintains cost records/ accounts in the prescribed format.

As per provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules 2014, the cost audit records maintained by the Company in respect of the products of the Company are required to be audited. The Company had appointed N. Sivashankaran & Co, Cost & Management Accountants, Chennai (Firm Registration No. 100662) as cost auditors to audit the cost accounts of the Company for the financial year 2023-24.

As recommended by the Audit committee, the Board of Directors at its meeting held on May 20, 2024 has approved the appointment of N. Sivashankaran & Co, Cost & Management Accountants, Chennai (Firm Registration No. 100662) as cost auditors to audit the cost accounts of the Company for the financial year 2024-25.

The Cost Auditors have given a Certificate to the effect that the appointment is within the prescribed limits specified under Section 141 of the Companies Act, 2013.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2024-25 is placed before the Members for their ratification.

Secretarial Audit

The Board of Directors had appointed B Ravi & Associates, Company Secretaries in Practice, Chennai to carry out the Secretarial Audit of the Company for the financial year 2023-24. The Report of the Secretarial Auditor is annexed herewith as **Annexure 4** and forms part of this Report.

Pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Report issued by B Ravi & Associates, Company Secretaries in Practice, Chennai to the Company's material unlisted subsidiary Chemplast Cuddalore Vinyls Limited is also annexed herewith as **Annexure 5**.

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 of Directors have appointed B Ravi & Associates, Company Secretaries in Practice, Chennai to carry out the Secretarial Audit of the Company for the financial year 2024-25.

Explanations or comments on the qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors or by the Company Secretary in Practice in their report (Secretarial Auditor)

For the year under review, there is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditor or Secretarial Auditor of the Company. The report of the Statutory Auditors forms part of the financial statement. The Report of the Secretarial Auditor is annexed herewith as Annexure 4 and forms part of this Report.

DIRECTORS' REPORT (Contd.)

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143(12) of the Companies Act, 2013 and rules made there under by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

The Managing Director and the Chief Financial Officer have submitted a certificate to the Board regarding the financial statements and other matters as required under Regulation 17(8) read with Schedule II of Part B of the Listing Regulations.

Secretarial Standards

The Board confirms compliance with the Secretarial Standards notified by the Institute of Company Secretaries of India, New Delhi and applicable to the Company.

Annual Return

Draft Annual return in Form MGT 7 as on March 31, 2024 is available in the Company's website https://www.chemplastsanmar.com/downloads/annual-report/csl-annual-return-2024.pdf

Green initiative

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, as may be amended from time to time, which permits paperless compliances and also service of notice/documents (including annual report) through electronic mode to its members. To support this green initiative of the Central Government in full measure, the Company appeals to all those members who have not registered their e-mail addresses so far, to register their e-mail address in respect of electronic holdings with their concerned Depository Participants and / or with the Company.

Further, the Company will also send the Annual Report for the Financial Year 2023-24 to all the shareholders only through electronic means as per the relaxations provided by MCA Circular dated May 05, 2020, January 13, 2021, December 14, 2021 May 05, 2022 , December 28, 2022 and September 25, 2023 and SEBI Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023 and October 7, 2023 which enhances the Green initiative measures taken by the Company.

Other disclosures

During the year under review, there were no:

a) Issues of Equity Shares with differential voting rights, dividend or otherwise as per Section 43(a) (ii) of the Companies Act 2013;

b) Issues of shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54 (1) (d) of the Companies Act, 2013;

c) Instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67 (3) of the Companies Act, 2013 and

d) Revisions to the financial statements.

Other Particulars

Additional information on conservation on energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 134(3)(m) of the Companies Act, 2013, read with Rule 9 of the Companies (Accounts) Rules 2014 is set out in **Annexure 1** and forms part of this Report.

Acknowledgements

The Board of Directors thanks the customers, vendors, bankers, regulatory and Government authorities, stock exchanges, business associates and all other stakeholders for their assistance, support and cooperation extended. The Directors also thank the Shareholders for reposing faith on the Company's performance. The Board of Directors places on record its appreciation of the committed service of all the employees of the Company.

Cautionary Statement

Statements made in the report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plans, and expectations may constitute, "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

For and on behalf of the Board

Vijay Sankar
Chairman
DIN: 00007875

Chennai
May 20, 2024

ANNEXURE 1

Information under Section 134(3)(m) of the Companies Act, 2013 forming part of the Directors' Report for the year ended March 31, 2024.

1. CONSERVATION OF ENERGY

a. Measures Taken:

The Company continues to accord high priority to conservation of energy. Details of some of the measures undertaken during the year to optimise energy conservation are given below:

1. Change of Pump soft starter pump to VFD at Mettur Plant II

   Energy savings achieved through changing to VFD motor form Soft starter pump which operated based on tank level

2. Power savings due to installation of VFD for auto transformer Starter in ZLD in Mettur Plant II

   Energy saving in ZLD P-09A Motor by replacing Auto Transformer Starter as VFD and running with reduced speed from 50 Hz to around 43 Hz during the filter feed operation.

3. VFD provided for Counter Current Pumps motor (30 KW/40 HP) for working solution pumping operation in Hydrogen Peroxide Plant.

   There will be savings as well as for improvement in the operational flexibility which will result in annual power savings of 290 KWh per day

4. Installation of 5 Nos IE3 Motors in Hydrogen Peroxide Plant

   Installation of IE3 Motors in plant 4 replacing the IE2 motors- 5 nos

b. Additional Investment

₹ 23.4 Lakhs

c. Impact of measures taken under (a) above.

Particulars	Substitution/ Reduction in energy consumption per annum	Savings in Cost of Production (Annualised) (₹ Lakhs)
Change of Pump soft starter pump to VFD Mettur Plant II	0.39 Lakhs KWh	2.7
Power savings due to installation of VFD for auto transformer Starter in ZLD in Mettur Plant II	0.27 Lakhs KWh	1.9
VFD provided for Counter Current Pumps motor (30 KW/40 HP) for working solution pumping operation in Hydrogen Peroxide Plant.	1.06 Lakhs KWH	7.4
Installation of 5 Nos IE3 Motors in Hydrogen Peroxide Plant	0.23 Lakhs KWH	1.6
Total		**13.6**

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	:	The Custom Manufactured Chemicals Division works on various chemistries from lab scale to commercial scale. The development focusses on absorbing the technology to enable scale up the process.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, import substitution, etc.	:	Efforts outlined above have enabled the division to diversify its product range as well as to increase its foreign exchange earnings
3. In case of imported technology, (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.		Not Applicable

ANNEXURE 1 (Contd.)

RESEARCH AND DEVELOPMENT (R&D)

1. **Specific areas of R & D:**

   Development of new products, process improvements for the manufacture of Speciality chemicals and intermediates for a) Agro chemicals, b) Pharmaceuticals, and c) Other fine chemical applications, and optimisation of manufacturing methods based on such improvements.

   R & D activities include work on tech-packs provided by customers and optimise the same, work on the entire development cycle from route of synthesis to sample approval by customers for product enquiries. The development process focusses on process safety and in order to do this, a dedicated process safety is in place.

   The main areas of R & D have been gainful utilisation of available resources, alternative and economic route of synthesis for the existing range of products, application support and conservation of environment and pollution control.

2. **Benefits derived from R & D:**

   Commercialisation of new intermediates, quality improvements in existing products, process safety information to design the process effectively and reduction in manufacturing cost of existing products.

3. **Future plan of action:**

   The division has plans for introducing new chemicals in Pharmaceuticals and Agro chemicals. The division has also plans in augmenting the R&D capabilities.

4. **Expenditure on R & D:**

Capital	:	₹ 598.52 Lakhs
Revenue	:	₹ 395.19 Lakhs
Total	:	₹ 993.72 Lakhs
Total R & D expenses as a percentage of total turnover	:	0.60%

3. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

	(₹ Lakhs)
Foreign exchange outgo	83,889.43
Foreign exchange earnings	26,150.82

ANNEXURE 2

CORPORATE SOCIAL RESPONSIBILITY POLICY AND RELATED INFORMATION

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

(a) The Company shall undertake CSR projects or programmes which falls within the purview of the activities specified, from time to time, under the Schedule VII of the Companies Act, 2013.

(b) The CSR Committee and the Board of Directors are authorised to consider CSR activities which are permitted under the provisions of the Companies Act, 2013 or Rules framed there under from time to time. The activities may or may not be specific to local area of operations and will depend on the need assessed. The activities will include support to established and reputed institutions engaged in eligible activities and The Sanmar Group CSR Trust.

(c) The Sanmar Group CSR Trust ("Trust") is a trust established as a CSR implementing vehicle for the Authors of the Trust, one of whom is the Company.

This Trust is a registered Public charitable Trust formally recognised under the Income Tax Act and registered as provided for by the Companies Act 2013. The contribution of the Authors of the Trust satisfies the requirements under Indian Law. The Trust takes up ongoing medium and long term CSR activities apart from continuing to donate sums to other organisations carrying out eligible CSR activities. The Trust consolidates contributions received, supports medium and long term programmes and monitors them. The operations and activities of the Trust are transparent to the Authors and their inputs considered in determining appropriate channels for CSR expenditure.

2. **Composition of the CSR Committee:**

S No	Name of the Director	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	Vijay Sankar	Chairman	1	1
2	Ramkumar Shankar	Managing Director	1	1
3	Dr (Mrs) Lakshmi Vijayakumar	Independent Director	1	1

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/csr-policy.pdf

4. **Provide the 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 as the total CSR Expenditure is below ₹10 Crores.

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**

S No	Financial Year	Amount available for set-off from preceding financial years (₹ Lakhs)	Amount required to be setoff for the financial year, if any (₹ Lakhs)
1	2023-24	12.87	12.87
2	2022-23	Nil	Nil
3	2021-22	Nil	Nil

6. **Average net profit of the Company as per section 135(5).**

Average Profit for last three financial years : ₹ 21,340 Lakhs.

7. **(a) Two percent of average net profit of the Company as per section 135(5)**

₹ 426.80 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil

ANNEXURE 2 (Contd.)

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

₹12.87 Lakhs

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

₹413.93 Lakhs

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (Rs)				
	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	Date of transfer	Name of the Fund	Amount	Date of transfer
417.08	Nil	NA	NA	Nil	NA

b. **Details of CSR amount spent against ongoing projects for the financial year.**

S 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 District State	Project duration	Amount allocated for the project (Rs)	Amount spent in the current financial Year (Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency- Name- CSR Registration Number
	Not Applicable									

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

S 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 – District- State	Amount spent for the project (Rs in Lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency - Name - CSR Reg. No
1	Drinking water supply & plantation of trees	Making available safe drinking water (Covered under Item -(i) of the Schedule VII)	Yes	Mettur, Salem dist, Tamil Nadu; Berigai, Krishnagiri dist, Tamil Nadu.	83.42	Yes	NA
2	Medical & Health care Expenses	Promoting health care (Covered under Item -(i) of the Schedule VII)	Yes	Mettur, Salem Dist, Berigai, Krishnagiri Dist and Karaikal.	42.16	Yes	NA
3	Education and Training expenses	Promoting education (Covered under Item -(ii) of the Schedule VII)	Yes	Mettur, Salem Dist, Vedaranyam, Nagapattinam Dist and Karaikal	64.66	Yes	NA
4	Expenditure towards Armed forces benefit	Measures for the benefit of armed forces, veterans (Covered under Item -(vi) of the Schedule VII)	Yes	Mettur, Salem Dist, Vedaranyam, Nagapattinam Dist and Karaikal	1.06	Yes	NA

ANNEXURE 2 (Contd.)

S 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 – District- State	Amount spent for the project (Rs in Lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency - Name - CSR Reg. No
5	Sports promotion Expenses	Training to promote nationally recognised Sports (Covered under Item -(vii) of the Schedule VII)	Yes	Chennai and Karaikal	31.50	Yes	NA
6	Expenditure towards Rural development	Rural development projects (Covered under Item -(x) of the Schedule VII)	Yes	Mettur, Salem Dist and Karaikal	137.26	Yes	NA
7	Empowering Women	Promoting gender equality, empowering women (Covered under Item -(iii) of the Schedule VII)	Yes	Mettur, Salem Dist and Berigai, Krishnagiri Dist	2.02	Yes	NA
8	Contribution to CSR Trust	Rule 4 of CSR	NA	Trust	55.00	No	The Group CSR Trust Regn No. CSR00006038NA

d. **Amount spent in Administrative Overheads:** Not Applicable.

e. **Amount spent on Impact Assessment, if applicable:** Not Applicable.

f. **Total amount spent for the Financial Year (8b+8c+8d+8e):** ₹ 417.08 Lakhs

g. **Excess amount for set off, if any.**

S No	Particulars	Amountc (₹ in Lakhs)
(i)	2% of average net profit of the Company as per section 135(5)	426.80
(ii)	Amount required to be set off from previous years	12.87
(iii)	Amount to be spent after set off	413.93
(iv)	Total amount spent for the Financial Year	417.08
(v)	Excess amount spent for the financial year [(ii)-(i)]	3.15
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vii)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.15

ANNEXURE 2 (Contd.)

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

S No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (₹)	Date of transfer	
1	2022-23	Nil	Nil	Nil	Nil	Nil	Nil
2	2021-22	Nil	Nil	Nil	Nil	Nil	Nil
3	2020-21	Nil	Nil	Nil	Nil	Nil	Nil

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

S No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
NIL								

Vijay Sankar
Chairman
DIN: 00007875

Ramkumar Shankar
Managing Director
DIN: 00018391

Place: Chennai
Date: May 20, 2024

ANNEXURE 3

Disclosure u/s 197(12) and Rule 5(1) of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2024

1. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31,2024.

Sl. No.	Director	Ratio to median remuneration
1	Mr Vijay Sankar,Chairman and Non-Executive Director @@	NA
2	Mr Ramkumar Shankar, Managing Director**	98.71
3	Mr Chandran Ratnaswami, Non-Executive Director @@	NA
4	Dr Amarnath Ananthanarayanan, Non-Executive Director @@	NA
5	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	1.98
6	Mr Aditya Jain, Independent Director	2.12
7	Mr Sanjay Vijay Bhandarkar, Independent Director	2.52
8	Mr Prasad Raghava Menon, Independent Director	2.21
9	Mr Vikram Taranath Hosangady, Non-Executive Director	0.50

@@ For these non-executive Directors, no remuneration was paid during the FY 2023-24. Hence percentage increase is not applicable

2. The Percentage increase in remuneration of each Director and Key Managerial Personnel in the financial year.

Sl. No.	Director/ Key Managerial Personnel	Percentage Increase/ (decrease)
1	Mr Vijay Sankar, Chairman and Non-Executive Director @@	-
2	Mr Ramkumar Shankar, Managing Director**	140%
3	Mr Chandran Ratnaswami, Non-Executive Director @@	
4	Dr Amarnath Ananthanarayanan, Non-Executive Director @@	
5	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	-31%
6	Mr Aditya Jain, Independent Director	-27%
7	Mr Sanjay Vijay Bhandarkar, Independent Director	-13%
8	Mr Prasad Raghava Menon, Independent Director	-23%
9	Mr Vikram Taranath Hosangady, Non-Executive Director%%	NA
10	Mr N Muralidharan, Chief Financial Officer**	107%
11	Mr M Raman, Company Secretary and Compliance Officer**	65%

@@ For these non-executive Directors, no remuneration was paid during the FY 2023-24. Hence percentage increase is not applicable.

%% Appointed during the year

**Remuneration data between the years are not comparable.

3. Percentage increase in the median remuneration of employees in the financial year: 11 %
4. The number of permanent employees on the rolls of the Company as at March 31, 2024: 1374
5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 33 %
6. It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors
Vijay Sankar
Chairman
(DIN: 00007875)

ANNEXURE 4

The Members,
CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9, Cathedral Road Chennai – 600 086

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules 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 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.

Place: Chennai
Date: April 04, 2024

Signature:
Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

ANNEXURE 4 (Contd.)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2024

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

The Members,
CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9 CATHEDRAL ROAD
CHENNAI-600086

Dear Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHEMPLAST SANMAR LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes, 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 **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act 2013 ("the Act") and the rules made thereunder issued by the Ministry of Corporate Affairs from time to time;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations to the extent of Foreign Direct Investment;

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

  (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");

  (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (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;

  (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (was not applicable to the Company during the period under review);

  (f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; (was not applicable to the Company during the period under review);

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (was not applicable to the Company during the period under review);

  (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (was not applicable to the Company during the period under review);

  (i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (was not applicable to the Company during the period under review);

The Company has complied with the following Industry Specific Laws and the rules, regulations framed there under:

(a) Water (Prevention and Control of Pollution) Act, 1974

(b) Air (Prevention and Control of Pollution) Act, 1981

(c) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

(d) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

ANNEXURE 4 (Contd.)

(e) The Explosives Act, 1884
(f) The Petroleum Act, 1934 and Petroleum Rules, 2002
(g) The Poisons Act, 1919
(h) Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 ("DC Rules")
(i) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
(j) Bureau of Indian Standards Act 1986
(k) The Electricity Act 2003 and rules framed thereunder
(l) Gas Cylinder Rules 2016
(m) The Indian Boilers Act, 1923 and the Indian Boiler Regulations, 1950 ("Boiler Regulations")
(n) Legal Metrology Act, 2009, the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules") and Standards of Weights and Measures Act 1976

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and internal audit reports submitted to the Board/committees of the Board, 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 labour laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

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

(i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with 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.

The Board of Directors of the Company is duly constituted with proper balance of Executive Director(s), Non- Executive Directors, Woman Director, Independent Directors and Key Managerial Personnel. 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 and SEBI LODR.

Adequate notice is given to all Directors to schedule the Board and committee 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. Wherever the meeting is convened at shorter notice consent of the Directors have been obtained. The Company had convened its meetings of Committees and Board physically and through Video Conferencing in compliance with the requirements of the Act.

All decisions were taken unanimously at the Board and the committee meetings and with requisite majority at the Annual General Meeting. There was no General Meeting other than Annual General meeting held during the year under audit.

We further report that during the audit period: -

a) The board in its meeting held on 16.05.2023 approved the payment of ₹ 8,00,000/- per Independent Director (ID) to all IDs as commission for the Financial Year 2022-23.

b) The shareholders in their 39th Annual General meeting held on August 11, 2023 through ordinary resolution has accorded approval for the appointment of Mr Vikram Taranath Hosangady (DIN:09757469) as Non-Executive Non-Independent Director of the Company liable to retire by rotation, in the casual vacancy caused by the resignation of Dr Amarnath Ananthanarayanan.

c) The Board at its meeting held on February 12, 2024 authorised Mr M Raman, Company Secretary and Compliance Officer as the designated person as required under rule 9 of Companies (Management and Administration) Rules, 2014 who shall be responsible for furnishing, and extending cooperation for providing information to the Registrar of Companies or any other authorised officer with respect to beneficial interest in shares of the Company.

Place: Chennai
Date: April 04, 2024

Signature:
Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN: F001810F000022061

ANNEXURE 5

The Members,

CHEMPLAST CUDDALORE VINYLS LIMITED

CIN: U24100TN1991PLC020589

9, Cathedral Road, Chennai – 600 086.

Dear Members,

Sub: Our Report of even date is to be read along with this letter.

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 to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules 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 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.

Place: Chennai

Date: April 04, 2024

Signature:

Name of Company Secretary in practice: CS Dr. B Ravi

FCS No.: 1810 CP No.: 3318

MANAGING PARTNER

B RAVI & ASSOCIATES

Firm Registration Number: P2016TN052400

ANNEXURE 5 (Contd.)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2024

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

The Members,
CHEMPLAST CUDDALORE VINYLS LIMITED
CIN: U24100TN1991PLC020589
9, Cathedral Road,
Chennai– 600 086

Dear Members,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHEMPLAST CUDDALORE VINYLS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on verification of the Company's books, papers, minutes, 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 **March 31, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act 2013 and the rules made there under issued by the Ministry of Corporate Affairs from time to time;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- not applicable during the period under review;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended were not applicable to the Company during the period under review since none of the securities of the Company is listed in stock exchange.

 a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (SEBI-LODR) except to the extent of regulations applicable to material subsidiary;

 b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

 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;

 e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

 f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

 g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

 h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

 i) The Securities and Exchange Board of India (Buyback of Securities), Regulations, 2018

The Company has complied with the following Industry Specific Laws and the rules, regulations framed there under:

a) Hazardous Waste (Management and Handling) Rules, 1989

b) Bureau of Indian Standards Act, 1986

c) The Air (Prevention and Control of Pollution) Act, 1981 and rules framed there under

ANNEXURE 5 (Contd.)

d) The Water (Prevention and Control of Pollution) Act, 1974 and rules framed there under

e) The Standards of Weights and Measures Act, 1976

f) The Electricity Act, 2003 and rules framed there under

g) Explosive Act, 1884

h) Gas Cylinder Rules, 2016

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance reports and internal audit report submitted to the Board, 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 labour laws and other applicable Laws, rules, regulations and guidelines framed by the statutory authorities from time to time. The Company is regular in making statutory payments and there have been no prosecution or notices issued to the Company or its officers.

We have also examined compliance with Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

The Company continues to be the Wholly Owned Material Subsidiary of Chemplast Sanmar Limited whose Equity Shares are listed in Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Director, Key Managerial Personnel and two independent Directors. Two independent Directors of the Holding Company are on the Board of the Company as Independent Directors. There is no change in the composition of the Board or Key Managerial Personnel during the period under audit except that consent of the members have been obtained for reappointment of Managing Director for a further period of one year with effect from April 01, 2023 in the 32nd Annual General Meeting held on August 09, 2023.

Further the Managing Director was re-appointed for another period of one year in the Board Meeting held on February 12, 2024 with effect from April 01,2024 subject to the approval of the shareholders at the ensuing Annual General Meeting to be held in 2024.

Adequate notice is given to all Directors to schedule the Board and Committee meetings, agenda and detailed notes on agenda 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. Wherever the meeting is convened at shorter notice consent of the Directors have been obtained. The Company had convened its meeting of Board physically and through Video Conferencing in compliance with the requirements of the Act. No circular resolution was passed during the year under report.

All decisions were taken unanimously at the Board and Committee meetings and at the Annual General Meeting. There was no General Meeting other than Annual general meeting held during the year under audit.

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:-

1. The Board in its meeting held on 15.05.2023 has accorded approval to invest an amount not exceeding ₹20 Crores and 26% of the equity shares of the entity(ies) providing Hybrid Green Power.

2. In line with the requirement of Rule 9 of the Companies (Management and Administration) Rules 2013, the Board of Directors of the Company at their meeting held on February 12, 2024 has nominated Mr M Raman- Company Secretary as Designated Person for furnishing and extending co-operation for providing information to the Registrar of Companies or any other authorised officer with respect to beneficial interest in the shares of the Company.

Place: Chennai

Date: April 04, 2024

Signature:

Name of Company Secretary in practice: CS Dr. B Ravi

FCS No.: 1810 CP No.: 3318

MANAGING PARTNER

B RAVI & ASSOCIATES

Firm Registration Number: P2016TN052400

Peer Review Certificate Number: 930/2020

UDIN: F001810F000021973

ANNEXURE 6

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 Indian Rupees in Crores)

Sl. No	Particulars	Details
1	Name of the subsidiary	Chemplast Cuddalore Vinyls Limited
2	The date since when subsidiary was acquired	March 31, 2021
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	March 31, 2024
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹
5	Share capital	303
6	Instruments entirely equity in nature	1,290
7	Reserves & surplus	(2,177)
8	Total assets	1,767
9	Total Liabilities	2,351
10	Investments	-
11	Turnover	2,448
12	Profit before taxation	(69)
13	Provision for taxation	(15)
14	Profit after taxation	(54)
15	Proposed Dividend	NIL
16	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations- Nil
2. Names of subsidiaries which have been liquidated or sold during the year.- Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	
1. Latest audited Balance Sheet Date	NOT APPLICABLE
2. Date on which the Associate or Joint Venture was associated or acquired	
3. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extent of Holding%	
4. Description of how there is significant influence	
5. Reason why the associate/joint venture is not consolidated	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	
7. Profit/Loss for the year	
i. Considered in Consolidation	
ii. Not Considered in Consolidation	

ANNEXURE 6 (Contd.)

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar	**Ramkumar Shankar**	**Sanjay Vijay Bhandarkar**
Chairman	Managing Director	Chairman – Audit Committee
DIN: 00007875	DIN: 00018391	DIN: 01260274
N Muralidharan	**M Raman**	
Chief Financial Officer	Company Secretary	
	Memb No. ACS 06248	

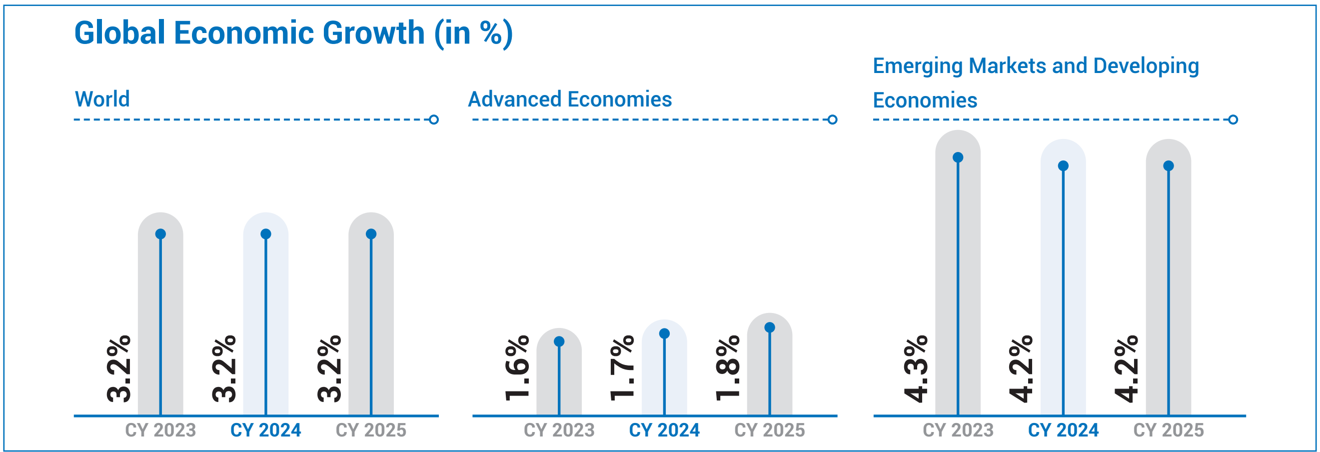
EXHIBIT A
MANAGEMENT DISCUSSION & ANALYSIS

Global Economy

Global economic growth remained stable at 3.2% in CY2023 and is expected to be sustained in CY2024 and CY2025, representing an upgrade from previous projections. Major factors contributing to this flat growth are restrictive monetary policies, withdrawal of fiscal support, and low underlying productivity growth, among others. Despite these challenges, the global economy has shown resilience, with economic activity demonstrating steady growth and inflation returning to target levels.

Inflation persistence remains a significant concern. While inflation has shown signs of decline, the pace of achieving the desired targets remains a challenge. This could potentially delay the expected rate cuts among major developed market economies, further complicating the economic landscape. Regional variances in growth patterns are also notable. For instance, the UK is forecasted to grow by 0.7% in 2024 and 1.2% in 2025, showcasing relatively stronger performance compared to the Eurozone and Germany, both of which experienced GDP declines in the fourth quarter of 2023.

Notably, the US and other major emerging markets showed stronger activity than expected, contributing positively to the global economic landscape. Central banks have implemented significant interest rate hikes to restore price stability, supporting the steady growth of the global economy. The forecast also highlights that global headline inflation is expected to decrease from an average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025.



(Source: International Monetary Fund, World Economic Outlook Projections, April 2024)

Outlook

The outlook for global trade is relatively stable, with the ratio of total world trade to GDP expected to average around 57% over the next five years, broadly in line with the post-global financial crisis period. Risks to the global economic landscape have diminished compared to previous years, with a more balanced distribution of possible outcomes around the baseline projection for global growth. While risks are broadly balanced, there is a slight downside tilt in the near term, with potential challenges such as new price spikes from geopolitical tensions and persistent core inflation impacting interest rate expectations and asset prices. On the upside, fiscal policies could become more expansionary, inflation might decrease faster than expected, and advancements in artificial intelligence and structural reforms could enhance productivity.

(Source: International Monetary Fund, World Economic Outlook Projections, April 2024)

Indian Economy

The Indian economy, as per provisional estimates, is expected to have grown at a robust pace, with GDP growth expected to have come in at 7.6% in the fiscal year 2023-24, driven by ongoing economic reforms, favourable demographics, and resilient domestic demand. The Government's focus on infrastructure development, with an allocation of USD 122 Billion for infrastructure projects in the Interim Union Budget for 2024-25, coupled with manufacturing incentives and digital transformation initiatives, is expected to boost investment and create employment opportunities.

According to the International Monetary Fund, India's GDP growth is estimated to be around 6.8% in 2023-24, making it one of the fastest-growing major economies in the world. This growth is supported by a rebound in private consumption, which accounts for nearly 60% of the country's GDP. The agriculture sector is anticipated to perform well, supported by favourable monsoon rains for 2024-25, with a forecast of 106% of the long-period average rainfall and increased adoption of modern farming techniques.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Inflation, which peaked at around 7.8% in 2022, is estimated to have moderated in 2023-24 to around 5.4% (Reserve Bank of India estimates). The Reserve Bank of India may keep interest rates unchanged to prioritise bringing inflation down to 4% target. Economists now believe the central bank would prefer to monitor the progress of the monsoon before considering any shift towards a softer monetary policy.

The Government's ongoing efforts to improve the ease of doing business, promote skill development, and enhance digital infrastructure are likely to support economic growth and attract foreign investments. With a focus on sustainable and inclusive growth, the Indian economy has emerged as a resilient and dynamic force in the global economic landscape in 2023-24.

Outlook

The Indian economy is poised for continued growth in 2024, building on the strong performance seen in the previous year. According to the World Economic Outlook report from April 2024, India's GDP growth is expected to remain strong at 6.8% in 2024-25 and 6.5% in 2025-26 due to continuing strength in domestic demand and a rising working age population. One of the key positives for the Indian economy is the robust activity seen in 2023, which exceeded expectations. The general elections in India are also expected to significantly influence the economy, driving policy shifts that can impact sectors such as agriculture, infrastructure, healthcare, and renewable energy. Additionally, it is expected that the trajectory of innovation and entrepreneurship will continue to be positively impacted through initiatives like Start-Up India and Atal Innovation Mission. The United States, and large emerging markets, including India, displayed stronger-than-anticipated economic performance. This resilience is a testament to India's ability to navigate global challenges. However, the outlook is not without challenges. The Eurozone and Germany faced declines in GDP in the fourth quarter of 2023, and the global economic slowdown could pose risks to India's external sector. Additionally, the sustainability of India's investment growth hinges on strengthening private consumption and private capital expenditure, which have remained subdued.

(Source: Press Information Bureau, Reserve Bank of India, International Monetary Fund)

Company Overview

Chemplast Sanmar Limited (referred to as 'CSL' or 'Chemplast' or 'the Company') stands at the forefront of India's speciality chemicals manufacturing sector, specialising in Speciality Paste PVC resin and custom manufacturing of starting materials and intermediates for pharmaceutical, agrochemical and fine chemicals sectors. Notably, the Company holds the distinction of being India's largest producer of Speciality Paste PVC resin. Additionally, it ranks as the fourth-largest manufacturer of Caustic Soda and the foremost producer of Hydrogen Peroxide in South India. With a rich history, CSL is also a pioneer in the production of chloromethanes and refrigerant gases in India.

The Company's wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited ('the subsidiary' or 'CCVL') is the second-largest producer of Suspension PVC resin in India, with a leading presence in South India and contributes significantly to the Company's portfolio. Both CSL and CCVL have earned the prestigious 'Responsible Care' certification, showcasing their adherence to the highest operational standards.

CSL focusses on sustainability and safety by maintaining certifications such as ISO 9001:2015 for quality management systems and ISO 45001:2018 for Occupational Health and Safety Management Systems. Specifically, CSL's coastal plant at Karaikal and CCVL's coastal plant at Cuddalore utilise desalination units to source water solely from the sea, avoiding groundwater extraction. Additionally, CSL implements zero liquid discharge across all manufacturing facilities, ensuring no treated effluent is released into either land or a water body. Since 2010-2011, CSL has voluntarily conducted yearly sustainability audits for its manufacturing facilities. The Company has also brought out annual Sustainability Reports for over fifteen years, prepared in accordance with international GRI standards and assured by a Big Four audit firm. The Company's plants have also received the prestigious Five Star award from the British Safety Council, and some of the plants have also received the Sword of Honour award, given to the crème-de-la-crème of the Five Star awardees.

Human Resources

Recognising its employees as invaluable assets, the Company prioritises investments in their development to drive value for all stakeholders. With ongoing expansion and project executions, CSL places great importance on its recruitment activity, consistently attracting skilled professionals across diverse levels. The Company's management is dedicated to fostering a supportive work culture, implementing numerous employee engagement initiatives to empower individuals to thrive in their roles.

Furthermore, the Company is committed to nurturing a diverse workforce, offering comprehensive training and development programmes to enhance employee skills and knowledge. As of March 31, 2024, the Company employed

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

a total of 1,374 permanent staff members, underscoring its commitment to workforce development and excellence.

Speciality Chemicals

Speciality Paste PVC Resin

Poly Vinyl Chloride (PVC) resin is produced by polymerising Vinyl Chloride Monomer (VCM). Homo polymers of PVC resins are categorised into two main types:

(a) Suspension resin

(b) Speciality Paste resin (also known as emulsion or dispersion or micro-Suspension resin)

Speciality Paste PVC resin is utilised in manufacturing flexible goods such as artificial leather, gloves, tarpaulins, conveyor belts, and coated fabrics, and holds a niche status compared to Suspension PVC resin.

In 2023-24, India imported nearly 82 kt of PVC Paste resin, a marginal drop from the nearly 86 kt imported in 2022-23. The Company commissioned a new 41 ktpa plant at Cuddalore, Tamil Nadu, to add to its already existing capacity of 66 ktpa at Mettur. This new investment will further bolster the Company's numero uno position in India for this product, helping it reach a market share of over 65% and reduce the country's dependence on imports.

2023-24 Review

The Indian Speciality Paste PVC resin market witnessed a slight disruption with the introduction of mandatory BIS standards for footwear, as manufacturers struggled to come to terms with the new regulations. Demand stood at about 160 kt.

Despite a decent demand, margins were under pressure right through the year, as international suppliers, bogged down by declining demand in most major global markets like China, the US & Europe, started dumping material into India, forcing the Company to undertake several price corrections. To address this challenge, the Indian PVC industry has approached the Government for appropriate trade remedial measures.

Overall, the recovery in the Indian PVC business is expected to be gradual in the short-term, as the industry navigates the global economic conditions and takes steps to address the import challenges.

Outlook

The upcoming fiscal year of 2024-25 is poised to witness good demand growth for Speciality Paste PVC resin, driven by growing automobile sales & increasing middle-class spends on artificial leather products. With the commercialisation of the new plant, the Company is in a sweet spot to take advantage of this growing market.

The Government of India has also come out with a Quality Control Order (QCO) for manufacture & sale of PVC resin, including PVC Paste resin. This order is expected to come in to force from August 26, 2024 (180 days from date of publication). The Company has already got its Mettur facility registered in line with this QCO and efforts are on to get the Cuddalore facility also registered. The QCO will act as a deterrent to imports of sub-standard & low-quality Speciality Paste PVC resin, thereby offering a level playing field to domestic producers.

Custom Manufactured Chemicals

Custom manufacturing entails the production of unique, non-commercially available molecules tailored exclusively for a specific company. These molecules are manufactured conforming to specific properties and processes. Custom manufacturing is preferred by pharmaceuticals and agrochemical manufacturers. Established products, whether patented or generic, often require the expertise of chemical companies to produce essential molecules like active ingredients, active pharmaceutical ingredients, intermediates and advanced intermediates. In such cases, the owners or manufacturers of such established products collaborate with outsourcing firms and leverage the specialised capabilities of such firms to meet their own production needs. The major reasons for opting for custom manufacturing are:

- Non-availability of assets at the customer's end to handle multi-step synthesis;
- Alternatives for manufacturing of specific molecules in the regions with low cost of production.

2023-24 Review

The global agrochemicals industry witnessed significant challenges during the year, including slowing global demand and crop-related issues due to erratic monsoons affecting the whole agrochemicals sector, and the dumping of Chinese chemicals in the market which led to reduced price realisations. Channel inventories also built up. All of this resulted in a significant drop in prices for many generics, ranging from 20–40%.

Despite these headwinds, the Custom Manufactured Chemicals Division has resolutely focused on building capabilities and capacities for the expected demand growth in the years to come. This division achieved notable milestones during the year, including successfully commissioning the first phase of the expansion project as per plan and securing four Letters of Intent (LoIs), three of

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

which are for advanced intermediates and one for an active ingredient. Commercial supplies of molecules under the first two LOIs have also commenced which highlights the division's capability to deliver on its commitments. The second phase of expansion is on track for completion in 2024-25.

Primarily skewed towards the agrochemical business, the division also caters to the pharma and performance chemicals sectors, showcasing a diversified portfolio. The workforce composition, comprising of chemical and mechanical engineers along with chemists, underscores the division's technical expertise and capabilities. Many of the chemists hold advanced degrees. The division is further strengthening the work force in anticipation of completing expansion projects and ramping up production.

Furthermore, the division's collaboration with a global agrochemical innovator for an active ingredient signifies its strong partnership and industry recognition. The Company's emphasis on protecting intellectual property and expertise in developing and scaling up complex chemistry has been instrumental in securing projects and partnerships. Moreover, the inquiries from potential customers of the Custom Manufactured Chemicals Division remained robust, despite global cues of weakness in the agrochemical sector.

Outlook

India has long been a preferred location for global agrochemicals, pharmaceuticals and biopharma companies to outsource their services. Indian contract development and manufacturing organisations, with their strong technical expertise and regulatory-compliant facilities, have been capable partners to these global innovators.

Despite the recent headwinds, the demand for custom manufacturing in the agrochemical sector is expected to grow as new pesticides, herbicides, and fungicides gain traction. India's market share in the overall global agrochemicals market is likely to expand from the current 25%-30% to around 50% by 2027. This gives enough head room and ample growth opportunities to the existing players. The key drivers for the expansion in the market share include various factors like the energy crisis in Europe, increasing EU regulatory constraints, decreasing trust on Chinese supply chain reliability and growing confidence in Indian players' ability to work with complex chemistries. India's players have gained a cost advantage over their counterparts in China in the speciality chemicals industry, which further enhances its position as a favourable manufacturing destination. The evolving regulatory landscape in China has prompted global firms to diversify their supply risks, presenting export opportunities for Indian manufacturers. Additionally, very few countries other than India have the requisite scale, technology, raw materials and government support to capture this opportunity.

The custom manufacturing industry, in particular, is characterised by significant entry barriers, including high Environmental, Health and Safety compliance standards, ongoing process innovation and optimisation, extended customer validation and approvals process, high-quality standards and stringent specifications. Further, the end customers are usually required to register their suppliers with regulatory bodies as a source of intermediate products or active ingredients, which leads to high switching costs. Besides, CSL leverages on its chemistry process research and manufacturing capabilities to focus on providing custom-made intermediates for molecules that are in the early stages of their life cycles. This gives the Company an opportunity to be among the initial suppliers for such products to the innovators.

Value-added Chemicals

Chloromethanes

Chloromethanes finds application in industries such as pharmaceuticals, refrigerant gas, and agrochemicals. This is a family of four products comprising of Methyl Chloride, Methylene Di Chloride ('MDC'), Chloroform, and Carbon Tetrachloride ('CTC'). The pharmaceutical sector predominantly drives the demand for MDC, primarily as a solvent in the manufacture of bulk drugs. MDC also finds applications in the foam blowing segment, aerosols, and adhesive formulations. Additionally, it serves as a crucial raw material for HFC-32, increasingly utilised as a refrigerant in air conditioning systems. CTC functions as a vital feedstock in the production of agrochemical intermediates. Chloroform plays a pivotal role in the production of tetrafluoroethylene, a key component used in manufacturing polymers like PTFE. Moreover, chloroform is extensively employed in the production of refrigerant gas, R22 and in the adhesive segment.

2023-24 Review

The chloromethanes market is experiencing growth with a positive outlook, especially driven by the pharmaceutical sector's significant consumption of MDC and increased production of HFC-32. However, CTC consumption was heavily constrained with restricted export demand for synthetic pyrethroids.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Outlook

India, with a low public healthcare expenditure, presents substantial growth potential. The Indian chloromethanes market is projected to reach USD 265 Million by CY 2027, clocking in a CAGR of 6% from CY 2022 to CY 2027. Growth in Pharma, the increasing penetration of HFC-32 and capacity expansions in the Hydrofluoro Olefins ('HFO') space will drive demand for Chloromethanes for the near future. However, the overcapacity situation in the country is likely to persist for another couple of years, keeping prices under pressure.

Caustic Soda Production and Usage

Caustic Soda

Caustic Soda and Chlorine are co-produced through the electrolysis of brine, with hydrogen generated as a by-product. Caustic Soda, also known as sodium hydroxide, is a crucial basic alkali used in various industries. Key sectors that utilise Caustic Soda and Chlorine include Alumina, textiles, chemicals, paper, PVC, water treatment, soap and detergent production, and the production of chlorinated paraffin wax. The Company operates manufacturing facilities for Caustic Soda in Mettur and Karaikal, with a combined capacity of 119 kt per annum.

2023-24 Review

The Caustic Soda industry continued to grow in 2023-24, with an estimated demand of 4.3mn mt. However, with a total installed capacity in excess of 6 mn mtpa, the industry faced a huge excess capacity, putting tremendous pressure on prices. For the fourth successive year, exports exceeded imports, with exports increasing to 476 kt - (Y-o-Y increase of 4%).

Outlook

India's Caustic Soda market is expected to grow significantly, driven by the expansion plans of various alumina refineries. However, an increase in supply is also expected, with the installed capacity slated to reach 7.7 mn mtpa over the two years, likely resulting in a surplus. This surplus situation is likely to persist, leading to continued price pressure.

Hydrogen Peroxide

Hydrogen Peroxide serves as an organic bleaching agent in both the pulp & paper sector and the textile sector, apart from being used in the de-inking process in recycled paper production. Additionally, its applications extend to the electronics, food and beverage, and healthcare industries. In tandem with Peroxyacetic Acid, Hydrogen Peroxide plays a pivotal role in the production of peroxide-based disinfectants. Its versatility further encompasses various municipal and industrial applications. CSL stands as the largest manufacturer of hydrogen peroxide in South India, boasting an installed capacity of 34 kt per annum (50% basis).

2023-24 Review

The global Hydrogen Peroxide market size reached USD 3.3 Billion in 2023. Looking forward, IMARC Group expects the market to reach USD 4.5 Billion by 2032, an estimated growth rate (CAGR) of 3.5%.

In India, the textile industry faced headwinds during the year, buffeted by rising yarn prices and slowing export orders from Europe. Here again, the excess supply situation kept prices under check but in a narrow band. The Company's production of Hydrogen Peroxide stood at 23,203 mtpa while the sale was 23,134 mtpa during the year.

Outlook

The expansion of the paper and pulp industry is set to fuel the demand for Hydrogen Peroxide. Simultaneously, the long-term growth trajectory of the textile market will be propelled by factors such as population growth, increasing income levels, the rise of organised retail, and the surge in e-commerce activities. Moreover, the ongoing efforts to enhance hygiene standards presents a burgeoning opportunity for Hydrogen Peroxide, given its efficacy in combating bacteria, viruses, and fungi, thus opening up new avenues in a developing market segment. However, the current excess supply situation is expected to keep the prices under pressure for the near term.

Chemplast Cuddalore Vinyls Limited

Suspension PVC

Suspension PVC, a versatile polymer, is utilised in both rigid and flexible applications. The rigid applications of this polymer include pipes, profiles, and roofing sheets, while its flexible applications comprise hoses, tubing, wires and cables, calendared sheets, and films. The global demand for Suspension PVC has been majorly driven by the construction sector and overall economic growth. In recent years, there has been a surge in consumption in Asian economies like China, India, Vietnam, and Indonesia. China leads in consumption, representing over 40% of global usage, with India emerging as a significant market. Other regions with notable consumption include North America, Western Europe, and the Middle East and Africa.

2023-24 Review

The global Suspension PVC Resins market size is expected to reach USD 62 mn mt by 2029, growing at a CAGR of

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

2% from 2023 to 2029. The market is mainly driven by the construction & water conveyancing sectors, with automotive, medical and other applications bringing up the rear.

On PVC Suspension resin, Indian demand reached 4 mn mt in 2023-24, a Y-o-Y growth of 7%. For much of the year, the industry had to face depressed margins as international suppliers, affected by far lower than normal demand in China, the US & Europe, started dumping material in India. In fact, for most exporting countries, India was the top destination as India continued to be the largest importer in the world.

The expanding demands from furniture, automobile, textile and consumer electronics industries are propelling the Suspension PVC resin market. The industry trend of PVC Resin is positive and growing, as the demand for PVC products is increasing in various end-use industries, such as construction, automotive, electrical, and medical. The major drivers for the market growth are the rising urbanisation, the increasing infrastructure development and the growing demand for lightweight and durable materials. The demand within the construction and water supply sectors is anticipated to maintain its robustness in the fiscal year 2024-25. The Government's emphasis on ISI marked pipes has reduced filler usage and consequently boosts PVC consumption. India was China's top export destination for Suspension PVC during 2023-24, with around 860 kt of Suspension PVC coming into India from China. This was a third of all the Suspension PVC imports into India during 2023-24.

Outlook

In the Suspension PVC space, strong demand growth is expected to sustain in India. The increased emphasis on bringing more land under irrigation, and focused projects like Jal Jeevan Mission, Smart City Mission, Pradhan Mantri Krishi Sinchayee Yojana, and the Amrut 2.0 Scheme bode very well for PVC demand. The revival of the construction sector and the increased penetration of uPVC windows in this sector give a further fillip to PVC demand. The margins are expected to improve in the medium-term and sustain over the long term on account of the global imbalance with demand growth expected to exceed supply growth.

Financial Performance

Summary of the financial performance is presented below:

(₹ Crores)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Sales and other income	1,697.29	2,222.42	4,003.45	5,020.97
Profit before interest, depreciation and taxes	(16.74)	331.53	106.31	548.03
Profit/(Loss) before tax and exceptional items	(156.17)	216.49	(225.57)	252.01
Exceptional Items	0	(49.80)	0	(80.50)
Profit/(Loss) before tax	(156.17)	166.69	(225.57)	171.51
Tax expenses	52.30	(21.12)	67.14	(19.16)
Profit/(Loss) after tax	(103.87)	145.57	(158.43)	152.35

Financial Performance – Standalone

On a standalone basis, the revenue from operations and other income decreased to ₹ 1,697.29 Crores for 2023-24 from ₹ 2,222.42 Crores in 2022-23. Loss before tax and exceptional items was ₹ 156.17 Crores against profit of ₹ 216.49 Crores in 2022-23. The Company's revenue dropped by 23.6% when compared to 2022- 23. The finance cost has increased to 32.70 Crores due to interest on project loan. The loss after tax and exceptional items for 2023-24 was ₹ 103.87 Crores, as against profit of ₹ 145.57 Crores in 2022-23.

Financial Performance – Consolidated

On a consolidated basis, the revenue from operations and other income stood at ₹ 4,003.45 Crores for 2023-24 against ₹ 5,020.97 Crores in 2022-23. The decline in sales was only due to a drop in prices. The loss before tax and exceptional items for 2023-24 was ₹ 225.57 Crores against profit of ₹ 252.01 Crores in 2022-23. The loss after tax for 2023-24 was 158.43 Crores, as against profit of ₹ 152.35 Crores in 2022-23. The Company slipped into losses due to the impact of price and margin erosion on account of dumping of products into India (for Suspension PVC and Speciality Paste PVC) while Caustic Soda and Chloromethanes prices were affected by over-capacity in India.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Risk and Mitigation

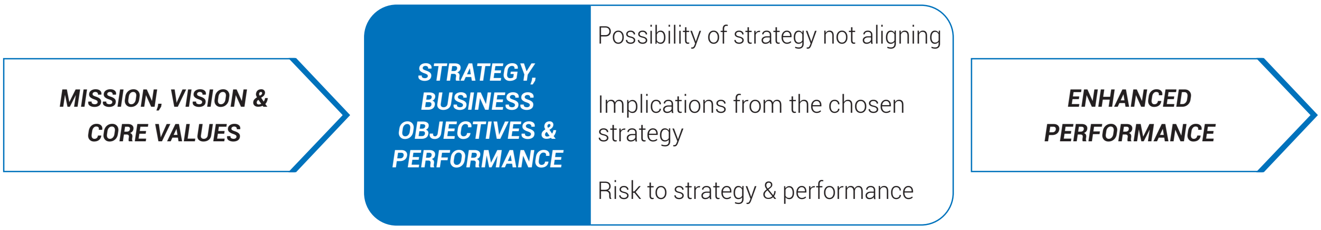
Risk Category	Risk Description	Mitigation Strategy
Environmental Risk	The Company's operations have a broad environmental impact, going beyond chemical disposal. Factors like energy consumption and waste generation significantly contribute to its overall environmental footprint.	The Company is reducing its environmental impact through the zero-liquid discharge and desalination plants. The Company's environmental strategy also involves investing in advanced pollution control technologies, adopting sustainable practices, and complying with environmental regulations. This proactive approach demonstrates the Company's commitment to responsible and eco-friendly operations.
Health & Safety Risk	Exposure to hazardous materials, such as chemicals, poses a significant risk to both employees and the surrounding community, potentially leading to serious health problems.	The Company prioritises the safety and well-being of its employees and the community. It enforces strict safety protocols and provides regular safety training. The Company conducts regular health assessments and provides personal protective equipment ('PPE') to employees to protect them from workplace hazards. Safety audits and ongoing training demonstrate its commitment to a safe work environment. The Company also undergoes stringent safety audits by reputable organisations like the British Safety Council, with its plants at Mettur and Cuddalore being awarded the Five Star rating and Sword of Honor.
Supply Chain Risk	Due to its business nature, the Company heavily relies on its supply chain for raw material sourcing, research and development, and product distribution and delivery. Disruptions to the supply chain, whether from natural disasters or geopolitical tensions, could affect the availability and cost of critical inputs.	The Company has shown resilience in managing its supply chain by maintaining strong relationships with suppliers and ensuring visibility and traceability despite challenges. The Company diversified its sources, monitored and evaluated performance, collaborated with industry players, and invested in technology to ensure the seamless functioning of its supply chain.
Financial Risk	The Company has demonstrated resilience in managing its supply chain by maintaining strong relationships with suppliers, ensuring visibility and traceability despite challenges. The Company diversified its sources, monitored and evaluated performance, collaborated with industry players, and invested in technology for a seamless supply chain.	The Company employs hedging strategies, prudent financial management, and revenue stream diversification. It expands into other global regions and products while leveraging a strong network. The Company maintains regular communication with stakeholders, suppliers, and clients to stay updated on market trends and changing demands, enabling it to stay ahead.
Regulatory Risk	The Company operating in a highly regulated industry, acknowledges the potential consequences of non-compliance with regulations and standards, which could result in fines, legal penalties, and reputational damage.	The Company has reliable compliance management systems, including monitoring and auditing procedures, to ensure continued adherence to regulatory requirements. The Company stays up to date with modifications to regulations and adapts procedures accordingly to minimise regulatory risk, protecting its financial performance and reputation.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Risk Assessment And Management

The Company has established a robust Risk Management System, in compliance with Regulation 21 of the SEBI LODR. A dedicated Risk Management Committee oversees this system, with details outlined in the Corporate Governance Report. The Company's Risk Management Policy, available on its official website, covers various risks, including strategic, financial, and regulatory. Mitigation plans are rigorously reviewed and implemented to minimise adverse effects on operations and reputation. This commitment underscores the Company's dedication to driving sustainable growth and delivering value to stakeholders.

Chemplast's Risk Management Philosophy



Hierarchy of Risk Management

- ***The Board is aided by the dedicated responsibility of overseeing risk management through the Risk Management Committee (RMC).***
- ***The RMC supervises the implementation of Enterprise Risk Management (ERM) at a broader level and verifies that management provides reports on ERM compliance.***
- ***ERM is reinforced by micro-level controls set up for Internal Financial Controls (IFC) and Internal Controls for Financial Reporting (ICoFR)***

Risk Segmentation

Risks have been categorised into the following groups:

1. Strategic risks: Stemming from macroeconomic factors and external conditions that could significantly impact strategic business decisions, future goals, and financial performance.
2. Financial risks: Arising from uncertainties in the financial market or deficiencies in financial reporting.
3. Compliance risks: Associated with regulatory non-compliance.
4. Operational risks: Resulting from insufficient resources, inadequate processes, failures thereof, or insufficient skills or personnel.

Risk Categorisation

All classified risks are organised into the following groups, based on an assessment of their likelihood of occurrence and impact:

I. Priority risks

II. Key risks

III. Managed risks

IV. Low risks

Mitigation plans have been developed for each risk category and are regularly reviewed, including monitoring the implementation status of these plans. Periodic assessments of ERM are conducted to identify any new risks arising from significant changes in the business model, external environment, and governmental regulations, among others.

Internal Control Systems

The Company maintains robust internal controls, systems, and checks tailored to its business operations. Financial oversight is ensured through budget monitoring and standard operating procedures. Internal audit activities for fiscal year 2023-24 were conducted by R.G.N. Price & Co., Chartered Accountants, covering all operational areas. Observations are presented to the Audit Committee with proposed corrective actions. Internal Auditors continually assess control effectiveness and compliance, prompting management to implement corrective measures promptly.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

Key Financial Ratios

Significant changes in key financial ratios, along with detailed explanations, are provided below if the change is 25% or more compared to the immediately previous year.

Analytical Ratios	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Remarks
Trade Receivables Turnover Ratio	Net Sales	Avg. Trade Receivable	7.55	10.07	(25.02%)	Lower sales value in 2023-24 resulted in lower trade receivable turnover ratio.
Interest Coverage Ratio	EBIT	Interest & Lease Payment	(3.27)	6.35	(151.50%)	The Company incurred loss before interest and tax in 2023-24 resulting in negative interest coverage ratio.
Current Ratio	Current Assets	Current Liabilities	1.15	1.68	(31.55%)	Reduction in trade receivable coupled with reduction in cash & cash equivalents as of March 31, 2024, resulted in lower current assets and consequently a lower current ratio.
Debt-Equity Ratio	Total Debt	Stakeholders' Equity	0.17	0.06	183.33%	The Company has taken additional debt during the current year for project financing. Accordingly, Debt-equity ratio has increased.
Net Profit Margin	Net Profit after Taxes	Revenue from Operations	(6.27%)	6.63%	(194.57%)	The Company incurred loss after Tax in 2023-24 resulting in negative net profit ratio.
Return on Net Worth	Net Profit after Taxes	Net Worth	(2.7%)	3.69%	(173.17%)	The Company incurred loss after Tax in 2023-24 resulting in negative Return on Net Worth.

Cautionary Statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations, or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, fluctuation in forex rates, changes in Government regulations, tax regimes, economic developments within India and the countries in which business is conducted, and other incidental factors.

EXHIBIT B
REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2024.

1. Brief statement on Company's philosophy on Code of Corporate Governance

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholder value. Strong governance is fundamental to building a resilient business and driving success fairly and transparently. The Company is committed to maintaining the highest standards of corporate governance in its conduct towards shareholders, employees, customers, suppliers and other stakeholders. This includes checks and balances that facilitate the Board of Directors to have adequate control and oversee activities in such a manner that company interests are aligned with those of the stakeholders.

The Management's commitment to these principles is reinforced through the adherence to all Corporate Governance practices which form part of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time. The Company has a Code of Conduct for the Directors and Senior Management Personnel and a Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

2. Board of Directors

The Board of Directors (the Board), consist of persons with considerable professional expertise and experience and they provide leadership and guidance to the management, thereby enhancing stakeholders' value and the quality of the Board's decision making process.

(a) Board Structure:

As at March 31, 2024, the Board consists of Eight (08) Directors, out of which Seven (07) are Non-Executive Directors.

The Company has a minimum of fifty per cent of its Directors as Non-Executive Directors. Out of the Seven (07) Non-Executive Directors, Four (04) Directors are Independent Directors, of whom one is a Woman Director.

The composition of the Company's Board is in conformity with the Companies Act, 2013 ("Act") and the Listing Regulations.

Mr Aditya Jain is designated as Lead Independent Director.

(b) Board Profile

The Board of Directors comprises of renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision making process.

(c) Board Meetings, Attendance and other directorships

During the financial year under review, Board meetings were held on May 16, 2023, August 10, 2023, November 02, 2023, February 12, 2024, and March 21, 2024. The last Annual General Meeting (AGM) was held on August 11, 2023. Details of attendance of Directors at the Board meetings, at the AGM and details of other Directorships and committee memberships / chairmanships as on March 31, 2024 are as under:

Sr. No.	Name of Director and DIN	Category of Director	No. of Shares held as on March 31, 2024	No. of Board meetings attended during the year FY 2023-24	Attendance at last AGM held on August 11, 2023	No. of Directorships in Public Companies as on March 31, 2024*	No. of Board Committee Memberships held in Public Companies as on March 31, 2024**	
							Chairman	Member
1	Mr Vijay Sankar 00007875	Chairman - Non Executive Non-Independent Director	-	5	Yes	7	0	5
2	Mr Ramkumar Shankar 00018391	Managing Director	3449	5	Yes	2	0	0

REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr. No.	Name of Director and DIN	Category of Director	No. of Shares held as on March 31, 2024	No. of Board meetings attended during the year FY 2023-24	Attendance at last AGM held on August 11, 2023	No. of Directorships in Public Companies as on March 31, 2024*	No. of Board Committee Memberships held in Public Companies as on March 31, 2024**	
							Chairman	Member
3	Vikram Taranath Hosangady# 09757469	Non Executive Non-Independent Director	-	5	Yes	5	0	2
4	Mr Chandran Ratnaswami@ 00109215	Non Executive Non-Independent Director	-	4	No	8	0	4
5	Mr Aditya Jain 00835144	Independent Director	-	4	Yes	3	2	3
6	Mr Sanjay Vijay Bhandarkar 01260274	Independent Director	-	5	Yes	7	5	7
7	Mr Prasad Raghava Menon 00005078	Independent Director	-	5	Yes	3	0	2
8	Dr (Mrs) Lakshmi Vijayakumar 09115998	Independent Director / Woman Director	-	5	Yes	2	0	0

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies (having charitable objects etc.) and includes directorship in Chemplast Sanmar Limited.

** In accordance with Regulation 26 of the Listing Regulations, Chairmanships / Memberships of only Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies, whether listed or not, has been considered including that of Chemplast Sanmar Limited.

@ Mr Chandran Ratnaswami retired from the Board of Directors with effect from May 10, 2024.

#Mr Vikram Taranath Hosangady was appointed as Non-Executive Non-Independent Director with effect from May 16, 2023.

Note: Dr Amarnath Ananthanarayanan who was a Non-Executive Non-Independent Director resigned from the Board on May 09, 2023.

None of the Directors of the Company is related to each other.

None of the Independent Directors has any material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgment, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16(1)(b) of the Listing Regulations and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended.

None of the Directors of the Company is a Director in more than ten public limited companies or serves as an Independent Director in more than seven listed companies or is a member of more than ten committees or Chairman of more than five committees across all companies. Further, as per the disclosures made by the Directors, none of the Directors who is serving as a Whole-Time Director / Managing Director in any listed entity is an Independent Director in more than three listed entities. Chairmanship and Membership of Committees include only Audit and Stakeholders' Relationship Committee as prescribed under Regulation 26 of the Listing Regulations.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The particulars of Directorships of the Company Directors in other listed companies are given hereunder:

Sr. No.	Name of Director	Names of other listed entities in which Directorships held	Category of Directorship
1.	Mr Vijay Sankar	Transport Corporation of India Limited	ID
		The KCP Ltd	ID
		Oriental Hotels Limited	ID
		TVS Motor Company Limited	ID
2.	Mr Ramkumar Shankar	-	
3.	Vikram Taranath Hosangady	MRF Limited	ID
		Rane (Madras) Limited	NED
		Rane Engine Valve Limited	NED
		Bajaj Electricals Limited	ID
4.	Mr Chandran Ratnaswami	Thomas Cook (India) Limited	NED
		IIFL Finance Limited	NED
		Quess Corp Limited	NED
5.	Mr Aditya Jain	Samhi Hotels Limited	ID
6.	Mr Sanjay Vijay Bhandarkar	The Tata Power Company Ltd	ID
		HDFC Asset Management Company Limited	ID
7.	Mr Prasad Raghava Menon	Data Patterns (India) Limited	ID
		Neuland Laboratories Limited	ID
8.	Dr (Mrs) Lakshmi Vijayakumar	-	

ID – Independent Director NED – Non-Executive Director

(d) Major Functions of the Board:

The Company has clearly defined the roles, functions, responsibility and accountability of the Board of Directors. In addition to its primary role of monitoring corporate performance, the major functions of the Board include:

- Formulating strategic and business plans
- Reviewing and approving financial plans and budgets
- Monitoring corporate performance against strategic and business plans
- Review of Business risk issues
- Ensuring ethical behavior and compliance with laws and regulations

(e) Board Meetings

During the year under review, Five (5) Board meetings were held and the interval between two meetings during the year was not more than 120 days.

(f) Core Skills / Expertise / Competencies available with the Board

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experiences to the Board, which enhances the quality of the Board's decision making process.

The below list summarises the key skills, expertise and competencies that the Board thinks necessary for the proper functioning in the context of the Company's business and industry and which in the opinion of the Board, its Members possess.

(i) Leadership

(ii) Business Strategy & Development

(iii) Commercial acumen

(iv) Finance including audit, accounts and taxation

(v) Economics and Global Business

(vi) Sales and Marketing

(vii) Information Technology

(viii) General Management & Human Resources

REPORT ON CORPORATE GOVERNANCE (Contd.)

(ix) Corporate Governance

Name of the Director	Area of expertise
Mr Vijay Sankar	Leadership, Business Strategy & Development, Commercial acumen, Finance, Economics & Global Business, Corporate Governance and General Management & Human Resources
Mr Ramkumar Shankar	Business Strategy & Development, Commercial acumen, Finance, Sales and Marketing, General Management
Mr Vikram Taranath Hosangady	Finance, Commercial acumen, Business Strategy, Economic Affairs, General Management, Corporate Governance, General Management & Human Resources
Mr Chandran Ratnaswami	Leadership, Finance, Business Strategy & Development, Economics & Global Business
Mr Aditya Jain	Finance, Business Strategy & Development, General Management & Human Resources, Economic Affairs and Corporate Governance
Mr Sanjay Vijay Bhandarkar	Finance including audit and taxation, Business Strategy & Development & Corporate Governance
Mr Prasad Raghava Menon	Business Strategy & Development and Finance including taxation, General Management & Human Resources and Corporate Governance
Dr (Mrs) Lakshmi Vijayakumar	General Management & Human Resources and Corporate Governance

(g) Familiarisation Program:

The Company has a familiarisation program for Independent Directors with regard to their roles & responsibilities and rights & duties in the Company, nature of the Industry in which the Company operates, the business models of the Company and the strategy and plan in operation. During the year, strategic presentations were made to Independent Directors to familiarise themselves with the updates and current trends of the industry, expansion, new projects and future business projections / operations of the Company besides presentations made to Independent Directors on significant regulatory updates. Details of familiarisation programs are available at Company's website https://www.chemplastsanmar.com/downloads/investor-relations/2023-24/Familiarisation_programme_conducted_for_independent_directors_during_the_financial_year_2023_24-Cumulative.pdf

(h) Meeting of Independent Directors

The Independent Directors met on March 21, 2024 inter alia, to discuss the evaluation of the

- performance of Non-Independent Directors (including Chairman of the Company) and the Board of Directors as a whole;
- Quality, Quantity and timeliness of flow of information between the management and the Board which is necessary for the Board to perform its duties effectively and reasonably.

All the Independent Directors were present at the meeting, except Mr Aditya Jain who was granted Leave of Absence at his request.

(i) Code of Conduct

The Company has in place the Code of Conduct for Business and Ethics for members of the Board and Senior Management Personnel approved by the Board. The Code has been communicated to Directors and the Senior Management Personnel. The Code has also been displayed in the Company's website www.chemplastsanmar.com and the same is available in the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf

All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended March 31, 2024. A declaration to this effect signed by the Managing Director is annexed to this report.

(j) Prevention of Insider Trading:

The Company has adopted a Code of Conduct for prevention of Insider Trading to regulate, monitor

REPORT ON CORPORATE GOVERNANCE (Contd.)

and report trading by designated persons as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All the Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the said Code. An annual declaration was taken from the Directors and designated persons as at March 31, 2024. The Company has an Insider Trading Monitoring System which monitors the trades, if any, undertaken by Designated Persons, as also provides for obtaining pre-clearance, reporting the transactions, etc., in addition to maintenance of Structured Digital Database (SDD) in compliance with the applicable Regulations.

The Company follows closure of trading window at the end of every quarter till 2nd Trading Day after communication of financial results. The Company has been advising the Designated Persons covered by the said Code not to trade in Company's securities during the closure of trading window period.

3. Committees of the Board:

For better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee and one non-mandatory committee, namely, Committee of Directors. The Board determines and reviews the terms of reference of these Committees from time to time and as and when there are changes to the relevant statutory provisions. Each of these Committee meetings are convened by the respective Committee Chairman who also informs the Board about the discussions held in the Committee meetings. The minutes of the Committee meetings are sent to respective members individually and circulated to all the Directors too.

(a) Audit Committee

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The brief terms of reference of the Committee, are as follows:

Brief description of terms of reference

a. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b. Recommendation to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;

c. Review and monitor the auditor's independence and performance and the effectiveness of audit process;

d. Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval.

f. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g. Scrutiny of inter-corporate loans and investments;

h. Valuation of undertakings or assets of our Company, wherever it is necessary;

i. Evaluation of internal financial controls and risk management systems;

j. Approval or any subsequent modification of transactions of our Company with related parties;

k. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

l. Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

m. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background etc. of the candidate;

n. Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and

o. Monitoring the end use of funds raised through public offer and related matters.

Composition, names of members and Chairperson

The Audit Committee consists of Mr Sanjay Vijay Bhandarkar, Mr Vijay Sankar and Mr Prasad Raghava Menon. All of them are Non-Executive Directors of the Company. Mr Sanjay Vijay Bhandarkar, Independent Director, is its Chairman.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company Secretary acts as the Secretary of the Audit Committee.

The Composition of the Committee is in accordance with section 177(2) of the Act and Regulation 18 of the Listing Regulations.

The Chairman of the Audit Committee was present at the last AGM on August 11, 2023 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

During the year Six (6) Audit Committee Meetings were held, the dates of which are as follows: May 16, 2023, July 26, 2023, August 10, 2023, November 02, 2023, February 12, 2024 and March 21, 2024.

Particulars of the meetings and attendance by the members of the Audit Committee are given below:

Name of Members	Category	No. of Meetings attended during the year 2023-24
Mr Sanjay Vijay Bhandarkar	Independent Director	6
Mr Prasad Raghava Menon	Independent Director	6
Mr Vijay Sankar	Non-Executive Non-Independent Director	6

The requisite quorum was present at the said meetings.

Audit Committee Meetings are also attended by the Chief Financial Officer and the Company Secretary and by the Statutory and Internal Auditors of the Company as required. Managing Director, other Board Members and Senior Management Personnel are also present as invitees.

The Board of Directors has appointed RGN Price & Co., Chartered Accountants, as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors were regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies.

(b) Nomination and Remuneration Committee (NRC)

Brief description of terms of reference of Nomination and Remuneration Committee

The brief terms of reference of the Nomination and Remuneration Committee as set out in Regulation 19 read with Part D of Schedule II to the Listing Regulations is as follows:

a. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulating of criteria for evaluation of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

e. Recommend to the Board, all remuneration, in whatever form, payable to senior management

Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee consists of Mr Aditya Jain, Mr Vijay Sankar and Mr Sanjay Vijay Bhandarkar all of whom are Non-Executive Directors of the Company with Mr Aditya Jain, Independent Director, as its Chairman.

The Company Secretary acts as the Secretary of the NRC.

The Composition of the Committee is in accordance with section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

The Chairman of the Nomination and Remuneration Committee was present at the last AGM held on August 11, 2023 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The particulars of meetings and the attendance by the members of the NRC are given below:

During the year, Five (05) NRC Meetings were held on May 16, 2023, July 20, 2023, January 04, 2024, February 12, 2024 and March 21, 2024.

Name of Members	Category	No. of Meetings attended during the year 2023-24
Mr Aditya Jain	Independent Director	4

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Members	Category	No. of Meetings attended during the year 2023-24
Mr Sanjay Vijay Bhandarkar	Independent Director	5
Mr Vijay Sankar	Non-Executive Non-Independent Director	5

The requisite quorum was present at the said meetings.

Performance Evaluation

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, its Directors (including Independent Directors) individually as well as the working of Audit, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee based on their attendance, participation in deliberations, understanding company's business and that of the industry and in guiding the Company in decisions affecting the business.

Nomination and Remuneration Policy

The Company's Nomination and Remuneration Policy, as approved by the Board of Directors, covers Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and policy relating to remuneration for the directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company. The said policy can be accessed at Company's website https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/2024/Nomination_and_Remuneration_Policy_and_Board_Evaluation_Policy.pdf

Implementation of the Policy

The NRC shall take suitable steps to issue guidelines, procedures and such other steps as may be considered appropriate from time to time, for effective implementation of this Remuneration Policy.

Criteria of making payments to Non-executive Non-Independent Directors

During the financial year, no payments were made to Non-Executive Non-Independent Directors of the Company, other than sitting fees (i.e ₹ 2.75 Lakhs) paid to Mr Vikram Taranath Hosangady, Non-Executive Non-Independent Director.

Remuneration paid to Independent Directors

The details of remuneration paid to the Non-Executive Independent Directors in the Financial Year 2023-24, are as follows:

(₹ Lakhs)

Name of the Director	Sitting Fees		Commission #	Grand Total
	Board	Committees		
Mr Aditya Jain	2.00	1.75	8.00	11.75
Mr Sanjay Vijay Bhandarkar	2.50	3.50	8.00	14.00
Mr Prasad Raghava Menon	2.50	1.75	8.00	12.25
Dr (Mrs) Lakshmi Vijayakumar	2.50	0.50	8.00	11.00
Total	**9.50**	**7.50**	**32.00**	**49.00**

Commission for the financial year 2022-23 was paid to Independent Directors during the year under report.

Remuneration paid to Executive Director

Particulars of remuneration paid to Managing Director during the financial year 2023-2024:

(₹ Lakhs)

Name of the Director	Salary, Allowances & Perquisites	Contribution to Funds	Total
Mr Ramkumar Shankar Managing Director	536.05	12.24	548.29

There is no severance pay and the notice period is four (4) months.
Remuneration data between the years are not comparable.

(c) Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee consists of Mr Aditya Jain, Mr Vijay Sankar and Mr Vikram Taranath Hosangady as its members. Mr Aditya Jain, Non-Executive Director, is the Chairman of the Committee. The Committee met once during the year on February 12, 2024.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Composition of the Committee is in accordance with section 178 (5) of the Act and Regulation 20 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

The Chairman of the Stakeholders Relationship Committee was present at the last AGM held on August 11, 2023 held through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The particulars of meetings and the attendance by the members of the SRC are given below:

Name of Members	Category	No. of Meetings attended during the year 2023-24
Mr Aditya Jain	Independent Director	1
Mr Vijay Sankar	Non-Executive Non-Independent Director	1
Mr Vikram Taranath Hosangady	Non-Executive Non-Independent Director	1

The requisite quorum was present at the meeting.

Name, designation and address of the Compliance Officer:

Mr M Raman
Company Secretary and Compliance officer
No.9, Cathedral Road,
Chennai - 600086

Number of complaints received, not solved and pending

Number of complaints received during the year 2023-24	7@
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints as on March 31, 2024	0

@ In general, these complaints relate to non receipt of dividend warrants and non receipt of Annual Reports.

Out of 7 complaints received, 5 complaints pertain to the complaints from an erstwhile shareholder who was a shareholder of the company as on November 2013.

(d) Risk Management Committee (RMC)

Brief description of terms of reference

The brief terms of reference of the RMC as set out in Regulation 21 read with Part D of Schedule II to the Listing Regulations are as follows:

a. To formulate a detailed risk management policy which shall include:

   (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operation, sectoral, sustainability (particulars, ESG related risks, information, cyber security risks) or any other risks as may be determined by the Committee.

   (ii) Measures for risk mitigation including systems and processes for internal control of identical risks,

   (iii) Business continuity plan.

b. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risk associated with the business of the Company.

c. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

d. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

e. To keep the Board of Directors informed about the nature and content of its discussion, recommendations and actions to be taken.

f. The appointment, removal and terms of remuneration of the Chief Risk Officer, (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

Composition, Members and Chairperson

The Risk Management Committee consists of Mr Aditya Jain, Mr Sanjay Vijay Bhandarkar and Mr Vijay Sankar as its members. Mr Aditya Jain is the Chairman of the

REPORT ON CORPORATE GOVERNANCE (Contd.)

Committee. The Committee met two times during the year on August 09, 2023 and January 29, 2024.

The Composition of the Committee is in accordance with Regulation 21 of the Listing Regulations.

The Company Secretary acts as the Secretary of the Committee.

Meetings and Attendance during the year

The particulars of meetings and the attendance by the members of the RMC are given below:

Name of Members	Category	No. of Meetings attended during the year 2023-24
Mr Aditya Jain	Independent Director	2
Mr Sanjay Vijay Bhandarkar	Independent Director	2
Mr Vijay Sankar	Non-Executive Non-Independent Director	2

The requisite quorum was present at the meetings.

(e) Corporate Social Responsibility (CSR) Committee

The Committee consists of Mr Vijay Sankar, Mr Ramkumar Shankar and Dr (Mrs) Lakshmi Vijayakumar as its members. Mr Vijay Sankar is the Chairman of the Committee. The Committee met once during the year on March 21, 2024.

Name of Members	Category	No. of Meetings attended during the year 2023-24
Dr (Mrs) Lakshmi Vijayakumar	Independent Director	1
Mr Vijay Sankar	Non-Executive Non-Independent Director	1
Mr Ramkumar Shankar	Managing Director	1

The requisite quorum was present at the meeting.

The Company Secretary acts as the Secretary of the CSR Committee.

The terms of reference of the Committee are as follows:-

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

(f) Other Committees

Committee of Directors

The Board of Directors delegated certain operating powers, such as, Borrowing related matters, security creation for such borrowing, Authorisation for various matters to Executives, Sale/purchase of properties in the form of land and/or buildings on an arm's length basis to and from third parties and to oversee and review the Business Responsibility and Sustainability Reporting to the Committee of Directors consisting of Mr Vijay Sankar, Chairman and Mr Ramkumar Shankar, Managing Director.

Dr Amarnath Ananthanarayanan ceased to be the member of Committee of Directors with effect from 9th May 2023, consequent on his resignation from the Board of Directors with effect from that date.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(g) Senior Management

There was no change in the senior management during the financial year compared to last financial year.

4. Whistle Blower Policy

The Company has adopted an ethical code of conduct for the highest degree of transparency, integrity, accountability, and corporate social responsibility. Any actual or potential violation of the Code would be a matter of serious concern for the Company. The Directors, Employees or any person dealing with the Company can play an important role in pointing out such violations of the Code.

Accordingly, this policy has been formulated with a view:

a. To provide a mechanism for employees of the Company and other persons dealing with the Company to report to a person nominated by the Audit Committee, any instance of unethical behavior, actual or suspected fraud or violation of Company's Ethics Policy.

b. To safeguard the confidentiality and interest of such employees / other persons dealing with the Company against victimisation, who notice and report any unethical or improper practices and

c. To appropriately communicate the existence of such mechanism, within the organisation and to the outsiders.

To meet the objective of the Policy, a dedicated e-mail id ombudsman@sanmargroup.com has been created.

The policy has been posted on the website of the Company viz. https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/vigil-mechanism-whistle-blower-policy.pdf

No employee or any other person has been denied access to the Chairman of the Audit Committee or Managing Director of the Company.

During the year, no instance was reported under this policy.

5. Subsidiary Company / Policy on Material Subsidiaries

Chemplast Cuddalore Vinyls Limited (CCVL) is the wholly owned material subsidiary of the Company in the immediately preceding accounting year. A policy on material subsidiary has been formulated. The policy is hosted on the Company's website viz https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/policy-on-material-subsidiaries.pdf.

Regulation 24 (1) of SEBI LODR with respect to governance of material subsidiary of a listed entity prescribes inter alia the listed entity appointing one of its Independent Directors on the Board of its material subsidiary as a Director. Two Independent Directors of the Company, namely, Mr Aditya Jain and Dr (Mrs) Lakshmi Vijayakumar were appointed as Independent Directors in the Company's material subsidiary CCVL.

The Audit Committee reviews the financial statements of the subsidiary.

The minutes of the Board Meetings of the unlisted subsidiary Company are periodically placed before the Board of the Company. The Board is periodically informed about all significant transactions and arrangements entered into by the unlisted subsidiary and its operations / financial statements.

5.1 Details with regard to Material Subsidiary

Name	Chemplast Cuddalore Vinyls Limited
Date of incorporation	April 09, 1991
Place of incorporation	Chennai
Name of the Statutory Auditor	BSR & Co. LLP, Chartered Accountants, Chennai
Date of appointment	June 23, 2022 for a period of 5 years i.e. from 2022-23 to 2026-27

6. General Body Meeting / AGM

Location and time where the annual general meetings were held during the last three years

Financial Year	Date	Location	Time
2020-21	August 02, 2021	9 Cathedral Road, Chennai 600 086 (held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	3.00 P.M. (IST)
2021-22	June 24, 2022	9 Cathedral Road, Chennai 600 086 (held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	3.00 P.M. (IST)

REPORT ON CORPORATE GOVERNANCE (Contd.)

Financial Year	Date	Location	Time
2022-23	August 11, 2023	9 Cathedral Road, Chennai 600 086 (held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	3.00 P.M. (IST)

The number and particulars of Special Resolutions which were passed in the last three Annual General Meetings are as follows:

No special resolution was passed during the last three Annual General Meetings.

No special resolution was passed in the last financial year through postal ballot and no special resolution is proposed to be passed through postal ballot before the ensuing Annual General Meeting.

7. Others:

(a) Related Party Transactions:

There were no materially significant transactions with related parties during the financial year. Suitable disclosure as required by the IND AS 18 has been made in the notes to the Financial Statements.

The Policy on Related Party Transactions was amended to be in conformity with the regulatory updates with effect from April 01, 2023. It is uploaded on the Company's website and is available in the following link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/related-party-transaction-policy.pdf

(b) Risk Management

The Company has laid down procedures to inform the Board about the risk assessment and minimisation procedures, to ensure that executive management controls risk through means of a properly defined framework.

(c) Commodity or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

(d) Instances of non-compliance(s), if any

There were no instances of non-compliances by the Company, or penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the year.

(e) Disclosure by Senior Management Personnel

The senior management personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large.

(f) Details of total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part are as follows:

Type of Service	₹ Crore
Audit Fees	0.99
Others	-
Total	**0.99**

(g) Sexual Harassment at workplace

During the year under review, the Company has not received any complaints in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a) Number of complaints filed during the Financial Year – Nil

b) Number of complaints disposed off during the Financial Year – N.A

c) Number of complaints pending as on end of the Financial Year – Nil

(h) List of Credit Rating

The Company has obtained rating from CRISIL during the year ended March 31, 2024

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	AA-/ Stable	Long Term (Fund Based)	April 2023
	A1+	Short Term (Non Fund Based)	
CRISIL	AA-/ Negative	Long Term (Fund Based)	January 2024
	A1+	Short Term (Non Fund Based)	

REPORT ON CORPORATE GOVERNANCE (Contd.)

Ratings obtained by the Company's Wholly Owned Subsidiary Chemplast Cuddalore Vinyls Limited (CCVL) are given below:

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	AA-/ Stable	Long Term (Fund Based)	April 2023
	A1+	Short Term (Non Fund Based)	
CRISIL	AA-/ Negative	Long Term (Fund Based)	January 2024
	A1+	Short Term (Non Fund Based)	

(i) Recommendations of Committees to Board

During the financial year 2023-24, the Board has accepted all the recommendations of its Committees.

8. Certificate from Practising Company Secretary

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the Directors on the Board of the Company has 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. The certificate is enclosed with this report as Annexure.

9. Compliance with Corporate Governance Requirements

The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

10. CEO and CFO certification

The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended March 31, 2024.

11. Compliance with mandatory / non-mandatory requirements

The Company has complied with all applicable mandatory requirements in terms of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The discretionary requirements of Part E of Schedule II will be adopted by the Company, as and when required.

12. Means of communication

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are published generally in Financial Express and Dinamani. These results are simultaneously posted on the website of the Company at www.chemplastsanmar.com and also uploaded on the website of National Stock Exchange of India Ltd. and BSE Ltd.

Investor presentations are done each quarter after publication of financial results and also as and when required. Details of such presentations are made available in the Company's website.

13. General shareholder information

(a)	Annual General Meeting, Date, Time and Venue	Date: Thursday, August 08, 2024 Time: 3.00 P.M. Mode: Video Conference / Other Audio Visual Means (OAVM)
(b)	Financial Year	April 01 to March 31
	Financial reporting for the quarter ending	Financial calendar (tentative)
	June 30, 2024	Before August 14, 2024
	September 30, 2024	Before November 14, 2024
	December 31, 2024	Before February 14, 2025
	March 31, 2025	Before May 30, 2025
(c)	Dividend Payment date	Not Applicable
(d) & (e)	Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	
	Name & Address of the Stock Exchange	Stock code / Symbol
	BSE Ltd Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	SCRIP CODE: 543336

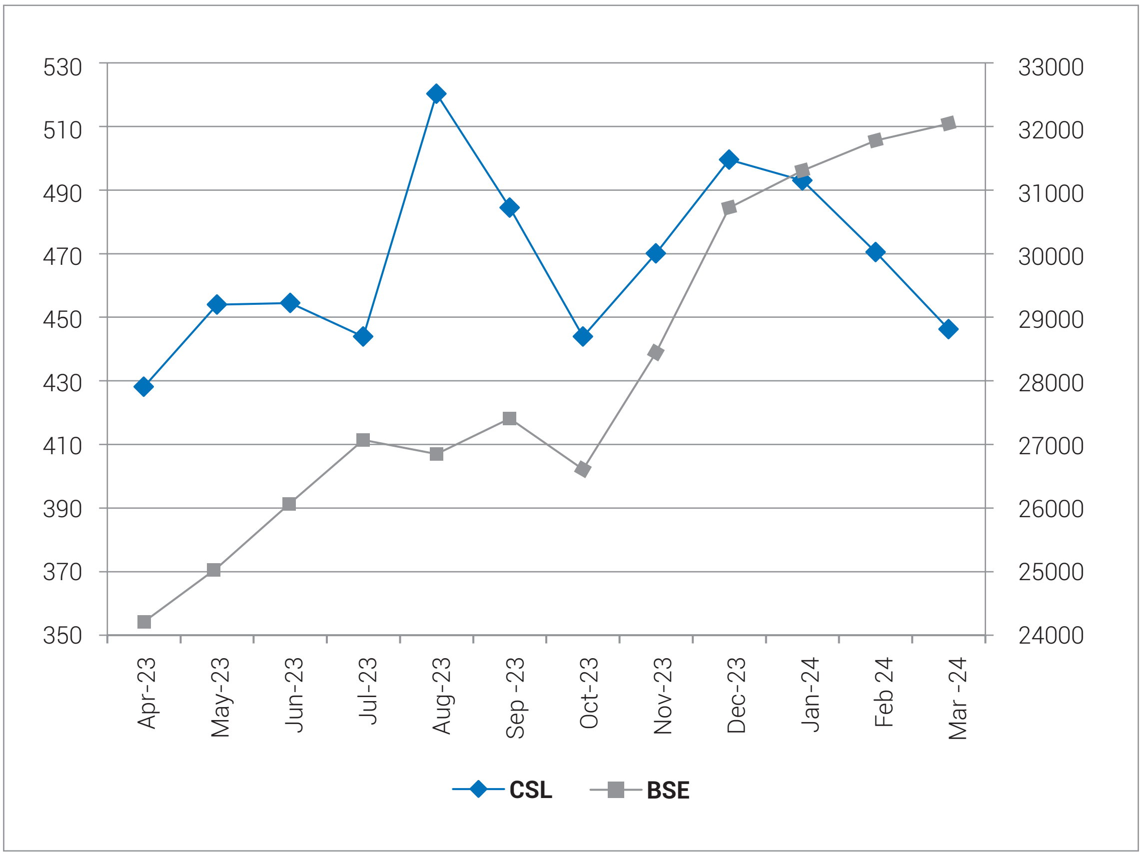
REPORT ON CORPORATE GOVERNANCE (Contd.)

Name & Address of the Stock Exchange	Stock code / Symbol
National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 050	SCRIP Symbol: CHEMPLASTS
ISIN allotted by Depositories (Company ID Number)	INE488A01050
Annual listing fees and custodial charges for the year 2024-25 were duly paid to the above Stock Exchanges and to the Depositories.	

(f) The monthly high / low quotation of shares traded on the BSE Limited and National Stock Exchange of India Limited is as follows:

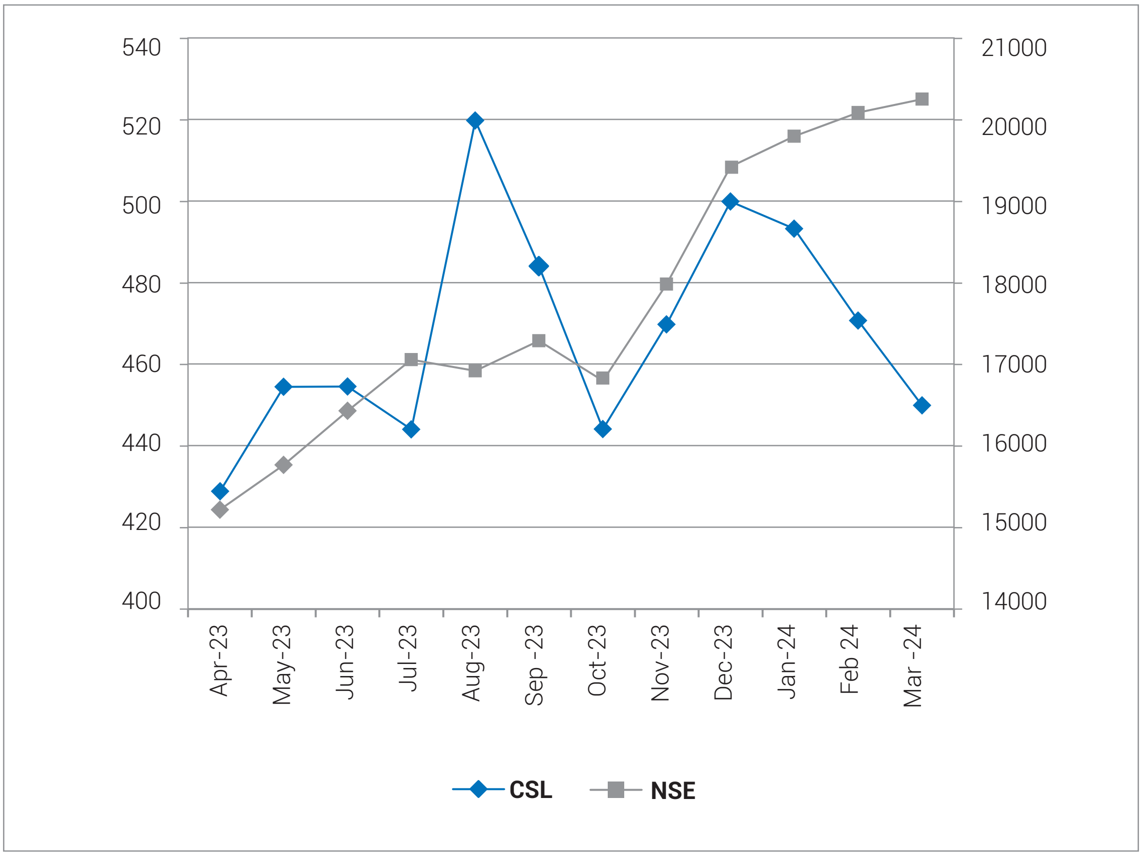
Month	BSE Ltd (BSE)		National Stock Exchange of India Ltd (NSE)	
	High	Low	High	Low
April, 2023	440.00	349.20	440.30	349.05
May, 2023	476.30	413.50	476.80	415.20
June, 2023	500.65	435.20	501.00	435.60
July, 2023	459.55	426.20	459.50	425.35
August, 2023	538.25	423.40	539.00	416.15
September, 2023	542.85	474.55	543.25	474.30
October, 2023	506.90	429.55	506.75	428.80
November, 2023	471.10	425.35	471.00	425.00
December, 2023	527.00	462.25	527.80	463.00
January, 2024	522.00	460.55	522.65	459.50
February, 2024	500.00	413.75	502.00	413.45
March, 2024	515.40	417.05	522.20	416.75

(g) CHEMPLAST SANMAR stock performance in comparison to S&P BSE Mid Cap Index is as follows:



REPORT ON CORPORATE GOVERNANCE (Contd.)

(h) CHEMPLAST SANMAR stock performance in comparison to NIFTY 500 Index is as follows:



(i) Registrar to an Issue and Share Transfer Agents

M/s KFin Technologies Limited, Hyderabad,

M/s KFin Technologies Limited, Hyderabad, is acting as common agency for all investor servicing activities relating to both electronic and physical segments. Their address is:

M/s KFin Technologies Limited

Selenium, Tower B, Plot No- 31 & 32, Financial District,

Nanakramguda, Serilingampally, Hyderabad,

Rangareddi, Telangana 500032

Phone: +91-40-67162222 / 7961 1000

Email: einward.ris@kfintech.com

(j) Share Transfer System

The Company's entire share capital is in dematerialised form.

Transfers of equity shares in electronic form are done through the depositories with no involvement of the Company.

The shareholders are, therefore, requested to correspond with the Share Transfer Agent for any queries pertaining their shareholdings, dividends etc., at the address given in this report.

(k) Investors may register complaints, if any, by emailing to grd@sanmargroup.com.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(l) Distribution of Shareholding

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
Upto 5000	85460	99.78	5708373	3.61
5001 - 10000	70	0.08	528125	0.33
10001-20000	40	0.05	569105	0.36
20001-30000	16	0.02	406693	0.26
30001-40000	11	0.01	370537	0.23
40001-50000	4	0.00	185573	0.12
50001-100000	14	0.02	866983	0.55
100001 & Above	34	0.04	149474185	94.54
Total	**85649**	**100.00**	**158109574**	**100.00**

(m) Shareholding Pattern:

Shareholding Pattern as on 31/03/2024 (Total)				
S no	**Description**	**No. of shareholders**	**Total Shares**	**% Equity**
1	Alternative Investment Fund	2	175896	0.11
2	Bodies Corporate	228	1556193	0.98
3	Clearing Members	3	494	0.00
4	Foreign Nationals	1	27	0.00
5	Foreign Portfolio - Corp	64	17115866	10.83
6	H U F	1577	218896	0.14
7	Mutual Funds	11	41440953	26.21
8	NBFC	2	1435	0.00
9	Non Resident Indian Non Repatriable	428	686685	0.43
10	Non Resident Indians	944	565367	0.36
11	Promoter	1	86945055	54.99
12	Promoter Group	5	10	0.00
13	Qualified Institutional Buyer	4	2893136	1.83
14	Resident Individuals	82376	6508286	4.12
15	Trusts	3	1275	0.00
	Total	**85649**	**158109574**	**100.00**

(n) Dematerialisation of shares and liquidity

All its shares i.e. 100% of the equity share capital of the company are in dematerialised form including Promoters' shareholding.

The equity shares of the Company are regularly traded on NSE and BSE.

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's equity.

14. TRANSFER OF UNCLAIMED DIVIDEND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (IEPF Authority)

Under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

There is no dividend amount liable to be transferred to Investor Education and Protection Fund.

REPORT ON CORPORATE GOVERNANCE (Contd.)

15. Plant Locations

The Company has its Plants at

a) Mettur, Tamil Nadu
b) Cuddalore, Tamil Nadu
c) Karaikal, Puduchery
d) Vedaranyam, Tamil Nadu and
e) Berigai, Tamil Nadu

16. Address for communication

Mr M Raman
Company Secretary and Compliance officer
No.9, Cathedral Road,
Chennai – 600086
E-mail: mr1@sanmargroup.com
Tel: 044 2812 8722

17. Disclosures with respect to demat suspense account / unclaimed suspense account.

Details of Unclaimed Suspense Account

Particulars	Number of Shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	-	-
Number of shareholders who approached the Company for transfer of shares from shares suspense account during the year	-	-
Number of shareholders to whom shares were transferred from unclaimed shares suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the shares suspense account as on March 31, 2024	-	-

18. Disclosure of certain types of agreements binding listed entities (Schedule III, Para A, Clause 5A of Listing Regulations) - Nil

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of Regulations 26 (3), 34 (3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2024.

Place: Chennai
Date: May 09, 2024

Ramkumar Shankar
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members
CHEMPLAST SANMAR LIMITED
CIN: L24230TN1985PLC011637
9, CATHEDRAL ROAD, CHENNAI – 600 086

Dear Members,

We have examined the compliance of conditions of Corporate Governance by CHEMPLAST SANMAR LIMITED ("the Company") CIN: L24230TN1985PLC011637 for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

The compliance conditions of Corporate Governance are the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature
Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN: F001810F000317598

Place: Chennai
Date: May 06, 2024

CERTIFICATE FROM MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Board of Directors

CHEMPLAST SANMAR LIMITED

We hereby certify that

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2024 and to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) 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.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

c) 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 Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For CHEMPLAST SANMAR LIMTIED

Place: Chennai	**Ramkumar Shankar**	**N Muralidharan**
Date: May 09, 2024	Managing Director	Chief Financial Offficer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and clause (10) (i) of Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Based on the scrutiny of relevant records, forms, returns and information provided by **CHEMPLAST SANMAR LIMITED** (the 'Company'), CIN: **L24230TN1985PLC011637**, having its registered office at 9, Cathedral Road, Chennai – 600 086 and verification of disclosures and declarations given by the Director under applicable statutes and also based on the verification of facts regarding the Board of Directors of the Company, available in the public domain, we hereby certify that as on 31.03.2024, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies either by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority.

Signature
Name of Company Secretary in practice: CS Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400
Peer Review Certificate Number: 930/2020
UDIN: F001810F000266371

Place: Chennai
Date: April 29, 2024

EXHIBIT C

BUSINESS **RESPONSIBILITY &** SUSTAINABILITY **REPORT**

SECTION A

GENERAL DISCLOSURES

I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity**
L24230TN1985PLC011637

2. **Name of the Listed Entity**
Chemplast Sanmar Limited

3. **Year of incorporation**
March 13, 1985

4. **Registered office address**
9, Cathedral Road, Chennai 600086

5. **Corporate address**
9, Cathedral Road, Chennai 600086

6. **E-mail**
csl@sanmargroup.com

7. **Telephone**
+91 44 2812 8500

8. **Website**
www.chemplastsanmar.com

9. **Financial year for which reporting is being done**
2023-24

10. **Name of the Stock Exchange(s) where shares are listed**
(a) BSE Limited
(b) National Stock Exchange of India Limited

11. **Paid-up Capital**
Rs.79,05,47,870/-

12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**
Mr Ramkumar Shankar
Managing Director
DIN 00018391
Ph: +91 44 2812 8500
Email: grd@sanmargroup.com

13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).**
Standalone basis

14. **Name of assurance provider**
NOT APPLICABLE

15. **Type of assurance obtained**
NOT APPLICABLE

II. Products/services

16. DETAILS OF BUSINESS ACTIVITIES (ACCOUNTING FOR 90% OF THE TURNOVER):

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Basic Chemical Elements	Manufacture and sale of Speciality PVC Resin, Caustic Soda, Custom manufactured chemicals, Chloromethanes, Refrigerant gases, Hydrogen peroxide.	46.46%
Organic and inorganic chemical compounds not elsewhere classified		18.91%
Manufacture of liquefied or compressed inorganic industrial or medical gases (elemental gases, liquid or compressed air, refrigerant gases, mixed industrial gases)		1.86%
Others		32.77%

17. PRODUCTS/SERVICES SOLD BY THE ENTITY (ACCOUNTING FOR 90% OF THE ENTITY'S TURNOVER):

Product/Service	NIC Code	% of total Turnover contributed
Speciality PVC Resin	20116	46.46%
Custom Manufactured Chemicals	20119	18.91%
Caustic Soda	20111	20.80%
Chloromethanes	20116	6.70%

III. Operations

18. NUMBER OF LOCATIONS WHERE PLANTS AND/OR OPERATIONS/OFFICES OF THE ENTITY ARE SITUATED:

Location	Number of plants	Number of offices	TOTAL
National 	5	3	8
International 	-	-	-

19. Markets served by the entity: The Company caters to a wide customer base across the country except East and North East where our presence is very minimal.

a. Number of locations

National (No. of States)	>25
International (No. of Countries)	9

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

15.83%

c. A brief on types of customers

Our customers belong to a wide gamut of Industries, namely, Textile, Alumina, Paper & Pulp, Soaps & Detergents, Pharma, Agrochem, ETP, Air-conditioning, Profiles, Wire & Cable, Leather Cloth, Plastisols, Coir Mats, Adhesives & Sealants, Gloves, Toys, etc.

IV. Employees

20. Details as at the end of Financial Year.

a. Employees and workers (including differently abled):

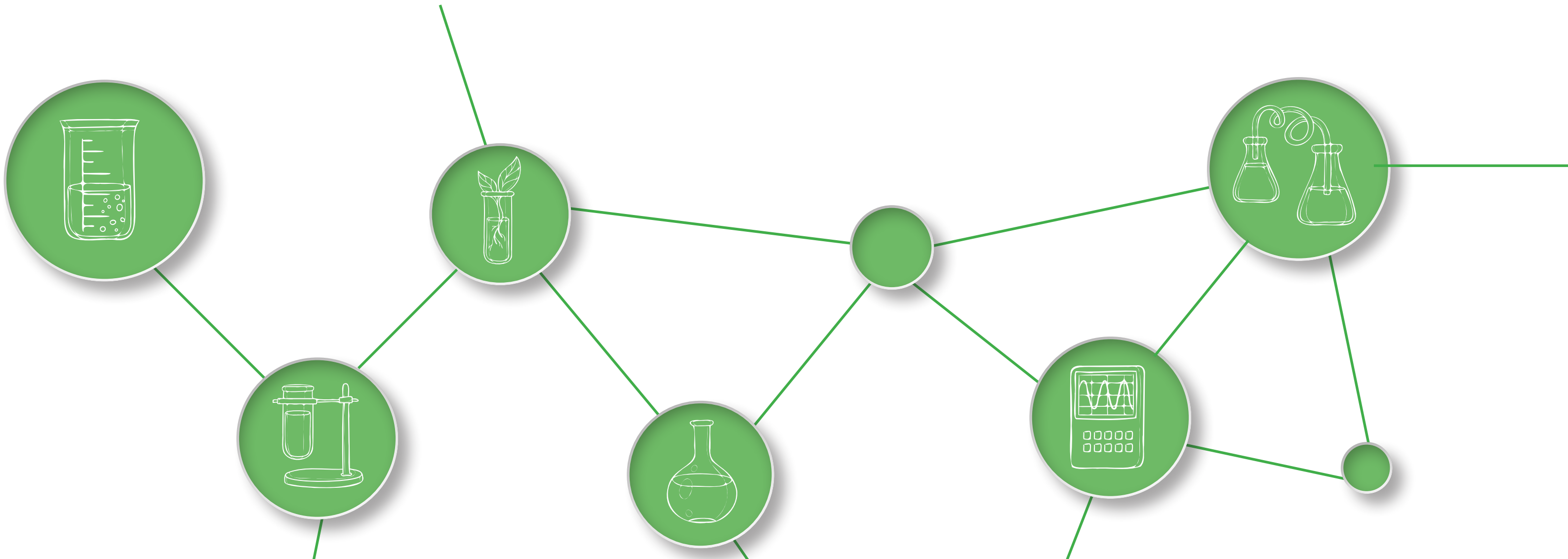
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	1181	1150	97.40%	31	2.60%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**1181**	**1150**	**97.40%**	**31**	**2.60%**
	WORKERS					
4.	Permanent (F)	193	193	100.00%	0	0.00%
5.	Other than Permanent (G)	1932	1704	88.00%	228	12.00%
6.	**Total workers (F + G)**	**2125**	**1897**	**89.30%**	**228**	**10.70%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**-**	**-**	**-**	**-**	**-**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

21. PARTICIPATION/INCLUSION/REPRESENTATION OF WOMEN

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	-	-



22. TURNOVER RATE FOR PERMANENT EMPLOYEES AND WORKERS

(Disclose trends for the past 3 years)

	2023-24 (Turnover rate in current FY)			2022-23 (Turnover rate in previous FY)			2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	15.40%	22.60%	15.60%	11.50%	0.00%	11.50%	8.00%	0.00%	8.00%
Permanent Workers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Name of the holding/subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held in/ by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Sanmar Holdings Limited	Holding Company	54.99%	No
Chemplast Cuddalore Vinyls Limited	Subsidiary Company	100%	Yes

VI. CSR Details

24.

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in Rs.) **1655.58 Crores**

(iii) Net worth (in Rs.) **3840.26 Crores**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	7	0	Nil	29	2	Pending complaints were subsequently closed
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Yes	Nil	Nil	Nil	Nil	Nil	Nil

Customers

Customer complaints with respect to Product Quality / Dispatches are mailed to the concerned Marketing team either directly or through dealers / agents attached to these customers with details on batch number, invoices etc. All such complaints are accorded priority and then escalated to the concerned QC team at the plant (product quality related) or Sales Logistics team (dispatch related). For Quality related complaints, the concerned QC team members also visit the customer depending on the seriousness of the complaint and suggest corrective action either directly at the customer site or by analyzing the samples of the affected material at our lab.

Shareholders

There is a strong grievance redressal mechanism for shareholders & investors regarding the shares held by them. The complaints are attended promptly by the R &T agents and secretarial team. The Stakeholders Relationship Committee of the Board oversees and looks into grievances not resolved in the specified time frame.

Employees & Workers

The Human Resources department of the Company has laid down the system to address the grievances of employees and workers. Their complaints can be submitted to the HR head and plant head through emails or suggestion boxes. The Company has also put in place Whistle Blower Policy and mechanism to enable the employees to raise their concerns, wrongdoing, and other irregularities noticed in the Company without any fear of reprisal or reprimand.

Value Chain Partners & Communities

For value chain partners and communities, the complaints / grievances on any of the principles – Principles 1 to 9 under the National Guidelines on Responsible Business Conduct, can be registered by mailing to grd@sanmargroup.com or by sending to respective plant heads or functional heads. The same is attended promptly by the concerned functional heads or location heads to resolve it. If any complaints remain unresolved within a reasonable time, the same is referred to the top management for resolution.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Being a Chemical Industry, Regulatory insistence on installation of Zero Liquid Discharge (ZLD) facility	O	• Reduces environmental impact • Reduces water footprint • HSE standards are much superior to the existing norms. Reduction of effluent generation quantity at the source • As an early adopter of ZLD technology, the Company is able to win more global contracts from customers who value EHS compliance. Moreover, future regulatory approvals for expansions become easier since the site is zero discharge.		Positive
Coping with the more stringent emission level and other regulatory standards imposed by the regulating authorities	R	Financial implications of compliance with future, more stringent, standards may be significant	The Company has always been ahead of the curve in terms of environmental standards, as can be seen in the implementation of ZLD plants across all sites, desalination plants at coastal locations, proactively getting certified under the Responsible Care, etc. This ensures that the Company is not taken by surprise by any new regulations. The Company has also been releasing assured Sustainability Reports for more than a decade now – there is a systematic process to measure and reduce the carbon footprint as well. For example, the Company's thermal power plant has always been using low Sulphur coal, even before the implementation of the recent stringent SO2 emission level stipulated by the regulating authorities.	Negative
Disposal of hazardous waste to third party and effectiveness of storage, disposal.	R	Improper disposal of waste by third party	• Dispose only to authorised recycler. • Ensuring proper disposal through documentation and periodic verification by auditing the facilities	Negative

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Reducing the carbon footprint of our Operations	O And R	Increasing focus by the public and industry for reducing Carbon footprint on the principles of sustainability	Increasingly, a low carbon footprint is viewed very positively by all stakeholders and reducing the footprint will yield benefits on multiple fronts. As mentioned earlier, the Company has been measuring and focusing on reducing the carbon footprint at various facilities, through many energy-saving schemes. The last few years have seen a reduction in the footprint. There is a well-defined process to measure the footprint on a monthly basis and identify measures to reduce the same. Some of the measures adopted to reduce our carbon footprint are detailed below: • Use of alternative fuels and renewable energy • Incineration of R-23 in a captive incinerator to prevent high GWP gases, which could cause global warming • Use of Hydrogen gas and natural gas as clean sources of energy instead of fossil fuels • Monitoring of Scope-3 energy and initiation of strategic actions to reduce the carbon footprint of operations in the value chain • Installation of microturbine at Coal Power Plant to sustain conservation of energy • Installation of high efficiency chillers & increasing steam condensate recycling at Berigai.	Positive & Negative
Health and Safety of employees and nearby Communities	R	Exposure to chemicals can lead to health issues to employees and communities	• Implementation of Process Safety Management System to ensure system healthiness thereby minimizing incidents. • Robust emergency preparedness plan and conduct of periodic mock drills. • Periodic training program for employees, contractors and transporters on chemicals handled and safe handling in case of any emergencies.	Negative
Managing impacts of water stress on local	R	To mitigate impacts of water stress on the community	The Company has, over the years, been focused on reducing water intake and consumption. All the sites have Zero Liquid Discharge facilities – these ensure that the entire liquid effluent is treated and reused, thereby reducing fresh withdrawal. Moreover, our coastal plants have desalination plants, thus ensuring that no groundwater is drawn for plant use. This ensures that the coastal plants do not compete with neighboring communities for precious ground water. Where needed, the Company also supports neighboring communities with the supply of potable water.	Negative

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								
b. Has the policy been approved by the Board? (Yes/No)	Yes. Policies related to all principles have been approved by the Board.								
c. Web Link of the Policies, if available	https://www.chemplastsanmar.com/corporate-governance-policies.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	The Company has translated the policies into procedures and practices wherever applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Relevant policies extend to other value chain partners also.								
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.	Over the years, the Company has taken numerous initiatives to minimise Occupational Health, Safety and Environmental Risks. This is supported by "Responsible Care" Codes of practices adopted by the organisation. All the plants are certified by ISO 45001 and ISO 14001 standards which are International Occupational Health, Safely and Environment Management Systems. All the plants were awarded British Safety Council 5 Star Ratings (CMCD Berigai got 4 Star Rating). Chemplast Sanmar Plant – 1, Plant 2, Plant 4 and Karaikal Plants were awarded the British Safety Council Sword of Honor.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is committed to adhering to these principles to maintain the highest standard in levels of operations and it is an ongoing process								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								

Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements**

   We recognise that our ESG journey is a continuous endeavor, and we are committed to consistently improving our own benchmarks. With diligent efforts and proactive initiatives, we are working towards achieving our targets and commitments. Our ESG performance underscores our commitment to effecting positive change while strengthening the resilience and sustainability of our business.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

   We are guided by the Board of Directors comprising of industry experts having diverse and rich experiences which enable and facilitate effective decision making and execution of sustainable and long-term strategies. The Board reviews key ESG imperatives and ensure ESG performance is aligned to our aspirations.

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.**

   The Board members periodically monitor the financial, environmental and social performance of the Company while addressing key risks and opportunities. The Company also has a Risk Management Committee which reviews entity wide risks including ESG risks..

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/ Half yearly/ Quarterly/ Any other – 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									Annually								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Yes									Compliance with statutory requirements of relevance to the principles is being reviewed periodically and non-compliance if any is being addressed with remedial action as appropriate.								

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P1	P2	P3	P4	P5	P6	P7	P8	P9
No								

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								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programs on any of the Principles during the financial year**

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impacts	% of persons in respective categories covered by the awareness programs.
Board of Directors	As under		
Key Management Personnel			
Employees other than BOD and KMP			
Workers			

Directors and KMPs:

The Company has a familiarisation program for the Directors and KMPs with regard to the nature of the industry in which the Company operates, the business models of the Company and the strategy and plan in operation. During the year, strategic presentations were made to Directors to familiarise themselves with the updates and current trends of the industry, ESG Practices, among other subjects, and operations of the Company besides presentations made to Directors on significant regulatory updates.

Training to Employees and Workers :

Regular training programs are conducted for employees and workers on various topics which included human rights, emergency handling, first aid, workplace safety, chemical safety, respiratory problems, and environment management. In FY 2023-24 we had conducted 273 programs extending for about 10044 training hours.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/fine					
Settlement			NIL		
Compounding fee					

Non-monetary

	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL		
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case details	Name of the regulatory / enforcement agencies / judicial institutions
Not applicable	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.

The Company has an Ethics Policy covering among others anti-corruption and anti-bribery applicable to all the employees. Any allegation of violation of Ethics Policy of the Company is thoroughly investigated and action initiated as required.

The Company has also put in place Supplier Code of Conduct (the Code) applicable to all the Suppliers and Service Providers and they are bound by such Code of Conduct.

The Code sets forth legal and ethical standards of conduct for Directors and employees constituting senior management (comprising all members of the core management team one level below the Managing Director and all functional heads). Code is designed to deter wrongdoing and to promote:

- Honest, fair and ethical conduct, including the ethical handling of conflicts of interest between personal and professional relationships.
- Protection and proper use of corporate assets and confidential information.
- Compliance with applicable laws, rules and regulations.
- Promote internal reporting of violations of the Code.

The processes to avoid / manage conflict of interest involving members of the Board are detailed in the Code of Conduct. The link for the said Code of Conduct https://www.chemplastsanmar.com/code-of-conduct.php

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest –

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

FY 2023-24 Current Financial Year		FY 2022-23 Previous Financial Year
256*	Number of days of accounts payable	212*

* Accounts payable – Accounts payable as on 31st March 2024

* Cost of goods / services procured – Cost of materials consumed + Purchases of stock in trade + Changes in inventories of stock-in-trade, finished goods and work-in-progress.

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics		FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	59.46%	63.40%
	b.	Number of trading houses where purchases are made from	583	568
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	87.34%	93.45%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	12.00%	12.31%
	b.	Number of dealers / distributors to whom sales are made	13	15
	c.	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	95.51%	95.28%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total purchases)	0.28%	0.01%
	b.	Sales (Sales to related parties / Total sales	10.44%	11.64%
	c.	Loans & Advances (Loans & Advances to related parties / Loans & Advances)	NA	NA
	d.	Investments (Investments in related parties / Total investments made)	100.00%	100.00%

Leadership Indicators

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

   Suppliers' code of conduct document published and distributed to Suppliers - acknowledgements are being received. This document comprises Statutory Compliance, Environmental compliances, Child labor, Anti-bribery etc. The Company strongly insists that its value chain partners adhere to all the business responsibility principles and values transparency and accountability. Supplier Code of Conduct is regularly communicated to the value chain partners in meetings.

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
Briefing on supplier code of conduct	Supplier code of conduct	100% of value chain partners covered (business value of VCP to Total value)
Sustainability Review	Sustainability	100% of value chain partners covered (business value of VCP to Total value)

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. The Code of Conduct (the Code) sets forth legal and ethical standards of conduct for Directors and employees constituting senior management (comprising all members of the core management team one level below the Managing Director and all functional heads). Code is designed to deter wrongdoing and to promote:

   - Honest, fair and ethical conduct, including the ethical handling of conflicts of interest between personal and professional relationships.
   - Protection and proper use of corporate assets and confidential information
   - Compliance with applicable laws, rules and regulations
   - Promote internal reporting of violations of the Code

   The processes to avoid / manage conflict of interest involving members of the Board are detailed in the Code of Conduct. The link for the said Code of Conduct https://www.chemplastsanmar.com/code-of-conduct.php

   Yearly declarations are received from Directors and Senior Management that they have abided by the Code of Conduct.

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.**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	3.95 Crores 100.00%	1.90 Crores 100.00%	1. Sodium sulphate recovery plant: To reduce the sludge generation and chemical consumption in caustic production process. 2. EDC Vent Gas Incinerator – To incinerate environmentally harmful unburnt organic chemicals 3. Separate process safety lab will facilitate in determining safe operation of new chemical processes. 4. Separate lab facilities for various process will reduce chemical exposure and help in improving Health / Hygiene 5. Well—designed lab facilities will improve the output yield. 6. Investment on Zero Liquid Discharge Plant, Effluent treatment plant and Sewage Treatment Plant.
Capex	59.15 Crores (inclusive of Projects) 6.98% (Incl. projects) 44.20 Crores (Excl. projects) 23.28% (Excl. projects)	10.17 Crores 18.09%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes. The Company believes in long term relationships with suppliers and directs concentrated efforts towards fostering its supply chain with high standards of Business integrity, Health, Safety, Human Rights, and Environmental Protection. This considerably helps in mitigating the inherent risk associated with its complex supply chain. The Company proactively engages, analyses, and evaluates the total social, economic and environmental impact of its procurement operation through the stakeholder engagement program. The Company strives to build an inclusive risk mitigation strategy and minimise the negative impacts on Business, Environment, and Society at large. The Company engages with its key suppliers on an annual basis and uses a standard questionnaire to track their environmental and social impacts. From the feedback, the Company recognises the potential risks and initiates action with suppliers towards compliance.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   More than 51.00% of the supplies / inputs were sourced sustainably.

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.**

   The Company adheres to the requirements of Plastic Waste Management Rules laid down by the Central Pollution Control Board and has also registered in the EPR (Extended Producers Responsibility) portal of CPCB. We also have processes in place for disposing recyclable waste like e-waste, hazardous waste, and other wastes through State Pollution Control Board (SPCB) and authorised agencies.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes. All the Plants have registered in the Extended Producer Responsibility (EPR) Portal of CPCB towards compliance with Plastic Waste Management Rules, 2016 and subsequent amendments under "Brand Owner" as well as "Importer".

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	% Percent of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1150	1150	100.00%	1150	100.00%	-	-	-	-	-	-
Female	31	31	100.00%	31	100.00%	31	100.00%	-	-	-	-
Total	**1181**	**1181**	**100.00%**	**1181**	**100.00%**	**31**	**100.00%**				
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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

Category	% Percent of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	193	193	100.00%	193	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**193**	**193**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	1704	-	-	1704	100.00%	-	-	-	-	-	-
Female	228	-	-	228	100.00%	-	-	-	-	-	-
Total	**1932**	**-**	**-**	**1932**	**100.00%**	**-**	**-**	**-**	**-**	**-**	**-**

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	**0.27%**	**0.15%**

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

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	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	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	18.46%	16.14%	Yes	32.43%	15.66%	Yes
Others – please specify	-	-	-	-	-	-

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.

The Company, as of now, does not have differently-abled employees. As and when required, easy access facility will be provided to differently-abled employees.

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.

The Company's policies are in general designed to adhere to regulatory provisions.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	2 out of 3 (1 person left)	67.00%	-	-
Total	2 out of 3 (1 person left)	67.00%	-	-

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.**

	Yes/No. (If Yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than permanent workers	Yes
Permanent employees	Yes
Other than permanent employees	Yes

The Human Resources department of the Company has laid down the system to address the grievances of employees and workers. Their complaints can be submitted to the HR head and plant head through emails or suggestion boxes. The Company has also put in place Whistle Blower Policy and mechanism to enable the employees to raise their concerns, wrongdoing, and other irregularities noticed in the Company without any fear of reprisal or reprimand.

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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	-	-	-	-	-	-
- Female	-	-	-	-	-	-
Total Permanent Workers						
- Male	193	179	93.00%	198	176	89.00%
- Female	-	-	-	-	-	-

8. **Details of training given to employees**

Category	Total (A)	FY 2023-24 Current Financial Year				Total (D)	FY 2022-23 Previous Financial Year			
		On Health and Safety measures (B)		On Skill upgradation (C)			On Health and Safety measures (E)		On Skill upgradation (F)	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	1150	567	49.30%	310	27.00%	995	597	60.00%	398	40.00%
Female	31	2	6.00%	6	20.00%	26	26	100.00%	-	-
Total	**1181**	**569**	**48.20%**	**316**	**27.00%**	**1021**	**623**	**61.00%**	**398**	**39.00%**
WORKERS										
Male	193	193	100.00%	-	-	198	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**193**	**193**	**100.00%**	**-**	**-**	**198**	**-**	**-**	**-**	**-**

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1150	1002	87.00%	995	842	85.00%
Female	31	26	84.00%	26	26	100.00%
Total	**1181**	**1028**	**87.00%**	**1021**	**868**	**85.00%**
WORKERS						
Male	193	-	-	198	-	-
Female	-	-	-	-	-	-
Total	**193**	**-**	**-**	**198**	**-**	**-**

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 of such system?

Chemplast Sanmar Limited has implemented and certified IS45001 Management System. In addition Chemplast Sanmar Limited has implemented the latest British Safety Council's Occupational Health, Safety and Wellbeing Specifications. This has been audited by British Safety Council and a Star rating had been received. As a member of the Indian Chemical Council, we have also adopted the international Responsible Care Codes guidelines, and all the seven codes have been audited by ICC and the entity has been approved to use the Responsible Care Logo.

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

All the operational, work-related risks are managed through the well-defined Management Corporate Guidelines which covers the People, Environment, Asset and Reputation (PEAR) elements in risk assessment. The work-related hazards are assessed through systematic risk management and opportunity for improvement approaches. Similarly, the plant & operational risks are managed through the process hazard analysis tools such as Hazard and operability (HAZOP) study, (Safety Integrity Level – Layer of protection analysis (SIL/LOPA), Quantitative Risk Analysis (QRA) Hazardous Area Classification (HAC) and Lightening Protection Studies (LPS).

The routine and non-routine risk are assessed through Hazard Identification and Risk Assessment (HIRA) to identify the safety and illness protective measures. Critical non-routine. Critical non-routine task risks are assessed through the Jobs safety analysis (JSA) and task-based safety risk assessment (TBRA).

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. YES

The work-related hazards are reported and corrected through the following safety management systems.

- Hazard and Near miss reporting and reward system
- Plant Safety Committee meetings
- Plant safety inspection report follow up
- Safety suggestions report and reward, to improve the OHS standard at workplace.
- Cross safety inspection by the team

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? YES

All the employees and contractors are covered under non-occupational medical and healthcare services by the plant medical center, governed by the Certified Physician in general shift and supported by staff nurses 24X7. In addition, the company also has pre-employment and periodic medical check-ups.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	0	0
	Workers	0.34	0.43
Total recordable work related injuries	Employees	0	0
	Workers	2	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalties)	Employees	0	0
	Workers	0	0

* including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The organisation ensures the implementation of the Occupational, Health, Safety, and Wellbeing management system to ensure the safety of employees and contractors through ISO45001 and British Safety Council's OHS & Wellbeing specifications. Regular industrial hygiene surveys, workplace audits, routine medical surveillance are conducted to ensure the effectiveness of OHS control measures.

To reduce the risk from process hazards, Risk Based Process Safety Management system implementation has been started. Process risk assessments and asset integrity inspections are conducted to ensure the process safety control effectiveness to prevent the catastrophic events.

OHS & PSM management systems implementation effectiveness has been monitored by Corporate Safety teams and progress is directly reviewed by the senior management's FELT leadership engagements like regular plant visit to interact with employees and contractors, safety review meetings etc.

Chemplast Sanmar has been working to achieve 'ZERO Harm Culture' through a systematic approach to Occupational Health, Safety and Environment (OHS&E). To achieve the excellence in OHS & E performance, CSL has engaged M/s .'DSS+' (DuPont Sustainable Solutions) as consulting partners for the 'Transformation of Safety Culture' (named as SANSAFE) through Process Safety Management, Work Place Safety and Behavior Based Safety programs.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

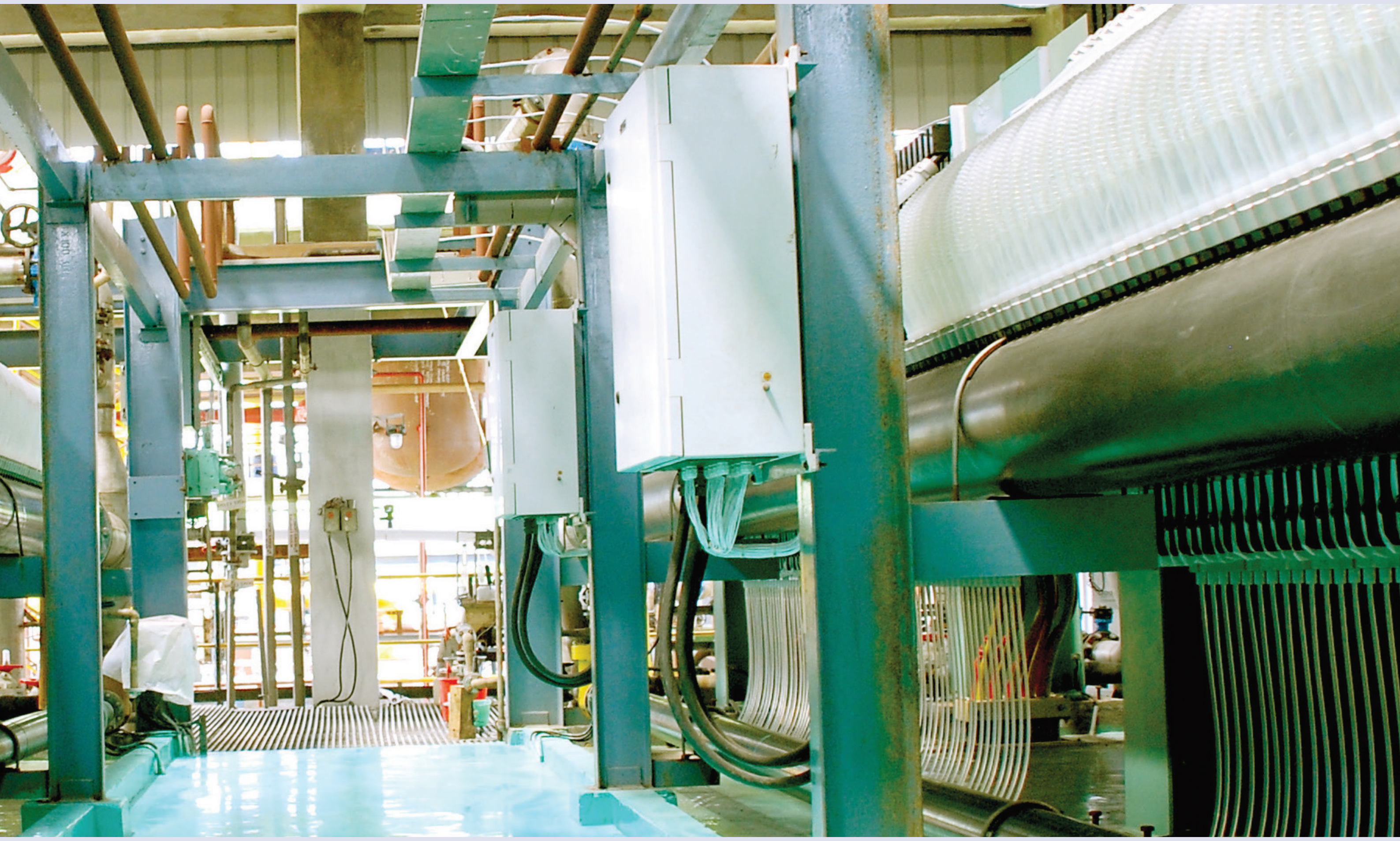
14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.00%
Working Conditions	100.00%

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.

There are no major or significant incidents in the entity; however two recordable injuries were investigated thoroughly and all recommendations relevant to incidents were closed.

All plants have undergone IS14489 Audit by an authorised competent person and there are no significant occupational health and safety concerns.



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.**

   Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. This inter alia includes Customers, Employees, Suppliers & Vendors, Regulators, Business Partners, Local communities and investors / shareholders.

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 & Marginalised Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually / Half-yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Direct & other communication mechanisms	Ongoing	Company follows an open-door policy
Customers	No	Meetings	Frequent and need based	To stay abreast of developments in the industry / products
Regulators	No	Meetings and other communication mechanisms	Need based	To stay abreast of the developments in policies and for compliances, approvals, permissions, etc.
Suppliers and Vendors	No	Emails, meetings	Frequent and need based	Co-ordinate for supply of materials and ensure compliances
Business Partners (third party manufacturers)	No	Emails, meetings	Need based	Address any issues concerning manufacturing operations and supplies
Local communities	No	Through CSR Activities / welfare measures	Frequent and need based	Support through socially high impact projects
Investors/ Shareholders	No	Email, newspaper advertisement, website, Annual General Meetings, disclosures to Stock Exchanges and Investor meetings / calls / conferences	Need based and Quarterly calls	To update them about important developments in the Company and address their grievances.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1181	86	7.30%	1219	121	9.93%
Other than permanent	-	-	-	-	-	-
Total Employees	**1181**	**86**	**7.30%**	**1219**	**121**	**9.93%**
Workers						
Permanent	193	86	45.00%	-	-	-
Other than permanent	1932	334	17.30%	-	-	-
Total Workers	**2125**	**420**	**19.80%**	**-**	**-**	**-**

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

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1150	-	-	1150	100.00%	995	-	-	995	100.00%
Female	31	-	-	31	100.00%	26	-	-	26	100.00%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	193	-	-	193	100.00%	198	-	-	198	100.00%
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	1704	-	-	1704	100.00%	1023	-	-	1023	100.00%
Female	228	-	-	228	100.00%	235	-	-	235	100.00%

3. **Details of remuneration/salary/wages**

a. **Median remuneration / wages:**

	Number	Median remuneration/ salary/ wages of respective category (Rs)	Number	Median remuneration/ salary/ wages of respective category (Rs)
Board of Directors (BoD)	6	11,75,000	1	11,00,000
Key Managerial Personnel (KMP)	3	2,18,26,870	0	-
Employees other than BoD and KMP	1147	45,010 p.m.	31	80,714 p.m.
Workers	193	38,947 p.m.	-	-

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

Gross wages paid to females as % of total wages paid by the entity	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
	3.19%	2.68%

* Wages include salary

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

The Company has established a dedicated team comprising of HR heads, function heads and plant heads to review and ensure human rights regulatory compliance, ensure addressing human rights impact or issues caused or contributed to by the business, including risk associated with child labour and forced labour. Risks related to the incidents of child labour, young workers exposed to hazardous work, and forced or compulsory labour were considered during the annual review of risk assessment of the operations.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

As and when any complaints are received, the same is forwarded to Ombudsman's office for review and remedial measures.

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Sexual Harassment	NIL	
Discrimination at work place		
Forced labour / involuntary labour		
Wages		
Other human rights related issues		
Other human rights related issues		

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As stated in the Whistle Blower Policy of the Company.

9. Do human rights requirements form part of your business agreements and contracts?

Yes – as part of the code of conduct applicable to Suppliers / Vendors

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties
Child Labour	Nil
Forced / Involuntary labour	Nil
Sexual Harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others (Please specify)	Nil

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

Not applicable

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 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
From Renewable Sources		
Total Electricity Consumption (A)	4487.11 GJ	3765.53 GJ
Total Fuel Consumption (B)	126159.50 GJ	3047.71 GJ
Energy Consumption through other sources (C)	-	36.00 GJ
Total Energy consumed from Renewable sources (A+B+C)	**130646.61 GJ**	**6849.24 GJ**
From Non-Renewable sources		
Total Electricity Consumption (D)	339141.20 GJ	498040.00 GJ
Total Fuel Consumption (E)	5433658.70 GJ	5112437.00 GJ
Energy Consumption through other sources (F)	-	-
Total Energy consumed from Non-Renewable sources (D+E+F)	**5772799.90 GJ**	**5610477.88 GJ**
Total Energy consumed (A+B+C+D+E+F)	**5903446.50 GJ**	**5617327.13 GJ**
Energy intensity per rupee of turnover (Total Energy consumed / Revenue from Operations)	0.000348 GJ/ Rupee of turnover	0.000253 GJ/Rupee of turnover
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Energy consumed / Revenue from Operations adjusted for PPP	**0.000100137 GJ / Rupee of turnover adjusted for PPP**	**0.00007192 GJ / Rupee of turnover adjusted for PPP**
Energy intensity in terms of physical output	18.21 GJ/MT of product	15.28 GJ/MT of product
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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.

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.

Yes. PAT is applicable for Plant at Mettur and Karaikal involving Caustic Soda manufacturing

PAT Cycle details – Mettur				
Description	**Target Toe/Ton**	**Achieved Toe/Ton**	**EScerts earned**	**Remarks**
PAT- I	0.312	0.314	(116)	Bought
PAT - II	0.9207	0.9168	255	Available for Sale
PAT-VII	0.419	-	-	Current Cycle
PAT Cycle details - Karaikal				
Description	**Target Toe/Ton**	**Achieved Toe/Ton**	**EScerts earned**	**Remarks**
PAT- I	0.313	0.307	300	Sold
PAT - II	0.7807	0.7687	554	Retained
PAT -VII	0.7063	-	-	Current Cycle

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	2826923 KL	2572211 KL
(ii) Ground water	272371 KL	227696 KL
(iii) Third party water	-	-
(iv) Sea water / desalinated water	10363061 KL	10349833 KL
(v) Others	-	-
Total volume of water withdrawal(in kilolitres) (i + ii + iii + iv + v)	13462355 KL	13149740 KL
Total volume of water consumption (in kilolitres)	11821529 KL	12082887 KL
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0001126 KL/ Rupee of turnover	0.0000883 KL/ Rupee of turnover
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000324 KL / Rupee of Turnover adjusted for PPP	0.0000251 KL / Rupee of Turnover adjusted for PPP
Water intensity in terms of physical output	6.40 KL/MT of product*	32.86 KL/MT of product**
Water intensity (optional)–the relevant metric may be selected by the entity	-	-

Note: Recycled water used in process is 543522 KL in 2023-24 and 592387 KL in 2022-23.

*Including desalinated water produced at Karaikal location and excluding Sea water quantity used for Salt production at Vedaranyam.

**Including desalinated water produced at Karaikal location and Sea water quantity used for Salt production at Vedaranyam. (Water intensity for 2022-23 excluding sea water quantity used for salt production in Vedaranyam is 6.13 KL / MT of Product)

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

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

Parameter		FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)			
(i)	To Surface water	-	-
-	No treatment	-	-
-	With treatment – please specify the level of treatment	-	-
(ii)	To Ground water	-	-
-	No treatment	-	-
-	With treatment – please specify the level of treatment	-	-
(iii)	To Sea Water	-	-
-	No treatment	-	-
-	With treatment – please specify the level of treatment – (**Desalination reject water**)	415,048 KL	264,242 KL
(iv)	Sent to third parties	-	-
-	No treatment	-	-
-	With treatment – please specify the level of treatment	-	-
(v)	Others	-	-
-	No treatment	-	-
-	With treatment – please specify the level of treatment	-	-
Total Water discharged (in kilolitres)		**415,048 KL**	**264,242 KL**

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

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

All the plants of Chemplast Sanmar have implemented Zero Liquid Discharge (ZLD) and reuse/recycle the entire quantum of the water back into the process. Continuous efforts put in to reduce the effluent generation at the source resulted in a significant reduction of trade effluent over a period of time. Treated waste water quality parameters for all the ZLD plants are monitored and maintained as per the legal norms. Authorities of CPCB and TNPCB / PPCC constantly monitor the ZLD status with the help of high-resolution night vision cameras installed at the sites. Additionally, the company captures the water flow data on a real-time basis and transmits the same to the Water Quality Watch Center of TNPCB/PPCC.

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

Parameter	Please specify unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NOx	MT	198.26	244.62
SOx	MT	323.63	418.90
Particulate matter (PM)	MT	49.98	60.55
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous Air pollutants (HAP)	-	-	-
Others (Please specify)	-	-	-

Note: Above values are derived from monthly emission monitoring data carried out by NABL accredited laboratory.

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

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

Parameter	Please specify unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Scope 1 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	494764.44 tCO_2e	458294.89 tCO_2e
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	53722.11 tCO_2e	87028.77 tCO_2e
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from Operations)		0.000032 tCO_2e/ Rupee of turnover	0.000025 tCO_2e / Rupee of turnover
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.0000093 tCO_2e / Rupee of Turnover adjusted for PPP	0.0000070 tCO_2e / Rupee of Turnover adjusted for PPP
Total Scope 1 and Scope 2 emission intensity in terms of physical output		1.69 tCO_2e/MT of product	1.48 tCO_2e / MT of product
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

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

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

Mettur

- Blending of biomass (5881.78 MT) with coal in CPP (Savings 2.41% reduction in Scope 1 Energy)
- Replacement of Conventional lamp with LED lamp (Savings : 6.81 GJ)
- Installation of VFD in Utility Plant steam condensate pump Motor instead of soft starter (Savings: 40.36 GJ)
- Installation of VFD in AO-1 Counter Current Pumps (Savings : 173.27 GJ)
- Conversion of IE2 to IE3 motors (Savings: 55.46 GJ)

Berigai

- Installation of Variable Frequency Drive (VFD) (Savings : 6.49 GJ)
- Installation of IE3 Energy Efficient Motors (Savings : 8.54 GJ)
- Installation of energy-efficient LED fixtures lamps (Savings : 6.72 GJ)

Karaikal

- Waste Heat Recovery Boilers installed in Captive Power Plants (CPP I and II) caters the Steam requirement. In 2023-24, CO2 reduction of 7,372 MT in CPP I and 3,604 MT in CPP-II has been achieved.
- Hydrogen is used as clean fuel in the Caustic Fusion plant and achieved CO2 reduction of 2,207 MT in 2023-24.
- By replacement of MV/SV lamps with LED fittings (393 Nos) and Installing Energy Efficient Motors (97 Nos.) achieved energy conservation of around 2,47,893 Units / 892.4148 GJ.

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

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6.03 MT	15.57 MT
E-waste (B)	7.10 MT	6.26 MT
Bio-medical waste (C)	0.05 MT	0.03 MT
Construction and demolition waste (D)	-	-
Battery waste (E)	6.57 MT	5.81 MT
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G)		
• Used or Spent oil (5.1)	41.70 MT	34.03 MT
• Wastes or Residues containing oil (5.2)	0.53 MT	-
• Brine Sludge (16.3)	4845.04 MT	3754.18 MT
• Distillation Residue (20.3)	51.37 MT	70.24 MT
• Process Residue (22.2)	1602.43 MT	1183.41 MT
• Spent Solvent (28.6)	263.96 MT	252.54 MT
• Empty Barrels / containers / liners (33.1)	70.58 MT	64.41 MT
• Contaminated cotton rags or other cleaning materials (33.2)	0.06 MT	-
• Chemical Sludge from Waste Water Treatment (35.3)		
➢ ETP Sludge	2736.86 MT	2637.89 MT
➢ ZLD Sludge	121.14 MT	136.33 MT
➢ ZLD Salt	636.02 MT	611.83 MT

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
• Any process or distillation residue (36.1)	5.74 MT	19.85 MT
• Spent carbon or filter medium (36.2)	210.98 MT	203.83 MT
• Spent Catalyst (28.2)	0.08 MT	-
Other Non-Hazardous waste generated (H). Please specify, if any		
(Break-up by composition i.e. by materials relevant to the sector)		
• Fly Ash	14496.00 MT	13867.07 MT
• Bottom Ash	2247.50 MT	2540.63 MT
• Lime Grit	245.39 MT	258.54 MT
• Metal Waste	133.77 MT	-
• Wood Waste	2.2 MT	-
Total (A+B+C+D+E+F+G+H)	**27731.10 MT**	**25662.45 MT**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000016 MT / Rupee of Turnover	0.0000012 MT / Rupee of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations)	**0.00000047 MT / Rupee of Turnover adjusted for PPP**	**0.00000033 MT / Rupee of turnover adjusted for PPP**
Waste intensity in terms of physical output	**0.086 / MT of product**	**0.07 / MT of product**
Waste intensity (optional) – the relevant metric may be selected by the entity	-	**-**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Re-cycled	396.54 MT	378.62 MT
(i) Re-used	18093.00 MT	17618.23 MT
(i) Other recovery operations	-	-
Total	**18489.55 MT**	**17996.85 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1659.65 MT	1273.53 MT
(ii) Landfilling	7581.90 MT	6392.07 MT
(i) Other disposal operations	-	-
Total	**9241.55 MT**	**7665.60 MT**

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

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company deploys eco-responsible waste disposal methods such as recycling and disposal of waste products as Raw materials for co-processing in cement & other industries after preprocessing. Company waste management is based on Reduce, Reuse, Recycle and Recover since adopting a circular economy which is the need of the hour.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Sl.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.
1	Melavanjore, Karaikal	Setting up of a Marine Terminal Facility for importing Ethylene for the proposed Ethylene Di Chloride (EDC) plant in the area of Coastal Regulation Zone.	Complied
2	Karaikal	Laying pipeline in the area of Coastal Regulation Zone.	Complied

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Proposed expansion of Synthetic Organic Chemicals & Pesticide Specific Intermediaries in existing unit with production capacity from 1601.4 MT / Annum to 20001.4 MT / Annum and R&D of capacity of 30 MT / Annum at Suligunta Village, Berigai Shoolagiri Taluk, Krishnagiri District, Tamil Nadu by the Company	EC Identification No. EC23A2002TN5776386N	17.10.23	Yes	Yes	Welcome to PARIVESH

13. **Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.**

S.No.	Specify the law / regulation / guide-lines 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
1	Complied with all applicable environmental law / regulation / guidelines	Nil	Nil	Not Applicable

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas off water stress (in kilolitres) -**

Not applicable as none of our plants are located in water stress areas.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) To Surface water	-	-
(ii) To Ground water	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
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.

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

Parameter	Please specify unit	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N20, HFCs, PFCs, SF6, NF3, if available	Metric tonnes of CO2 equivalent	16339.37 tCO2e	15600.61 tCO2e
Total Scope 3 emissions per rupee of turnover		0.000000964 tCO2e/ Rupee of turnover	0.000000702 tCO2e / Rupee of turnover
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0.05 tCO2e/MT of product	0.042 tCO2e/MT of product

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

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No significant impact due to the activities in the Coastal Regulation Zone areas of Karaikal

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary	Outcome of the initiative
Mettur			
1	Caustic Soda Lye is manufactured using the State of the art "Membrane Cell Technology"	Imported from M/s AKC, Japan	This is an environment friendly and cleaner technology
2	Hydrogen is one of the by-product and used as a fuel	Hydrogen fuel is used in Boilers and incinerator	Reduces the use of fossil fuels (Furnace Oil / LSHS etc.) apart from curtailing of CO2 emission as well
3	Blending of biomass from agro waste along with coal in CPP	Took initiatives to blend the biomass with coal up to 5%	To reduce direct GHG emission
4	Zero Liquid Discharge	All waste water is completely recycled in the process after treatment at ZLD plants	To reduce the industrial water consumption quantity significantly
Karaikal			
1	Caustic Soda Lye is manufactured using the State of the art "Membrane Cell Technology"	Imported from M/s Krupp Uhde, Germany	This is an environment friendly and cleaner technology
2	Hydrogen is one of the by-product and used as a fuel	Being used as clean fuel in Caustic Fusion Unit	Reduces the use of fossil fuels (Furnace Oil / LSHS etc.) apart from curtailing of CO2 emission as well
3	Waste Heat Recovery Boiler installed at Captive Power Plant – 1 & 2	Using gas engine for power generation (Clean Development Mechanism project)	a) Reduction in CO2 Emission (to generate an equivalent amount of steam by using LSHS) b) Fuel conservation (to generate an equivalent amount of steam by using LSHS) c) Steam generation
4	Sea water utilisation for Industrial water requirement	Sea water treated in Desalination Plant	Eliminating ground water drawal
5	Natural resource (water conservation)	In routine process	a) Steam condensate recovery from Caustic Concentration Units b) Process condensate recovery from Caustic Concentration Units c) Reverse Osmosis plant rejects water recycling for product make-up

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link**

Business Continuity Plan is available to provide a broad set of guidelines for ways to continue the Company's line of business and remain undeterred from the vision of providing a secure source of supply to customers in spite of any contingencies occurring at the manufacturing facility. It is intended to provide information on:

- How to handle the likely failure to ensure business continuity
- The recommended action on the duration of the interruption
- How to identify when a matter progresses from a business interruption to a disaster recovery situation

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

The company believes in nurturing long-term relationships with suppliers, customers and business partners by building trust and transparency in the business-related processes and decisions. The Company is regularly evaluating its supply chain across Environmental, Social and Governance parameters and it follows a structured approach to engage, analyse and access the impact of its procurement operations. Based on the assessment, Company builds an inclusive Risk Mitigation Strategy to minimise the negative effects if any, on businesses, the environment, and society.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

The Company has assessed 54.38% of critical Suppliers for Environmental and Social parameters during 2023-24.

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 10**

   b. **List of the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to**

S.No.	Name of the trade and industry chambers / associations	Company
1	Federation of Indian Chambers of Commerce & Industry	National
2	The Associated Chambers of Commerce and Industry of India	National
3	Indo-American Chamber of Commerce	National
4	Indo-Japan Chamber of Commerce	National
5	Alkali Manufacturers Association of India	National
6	Indian Chemical Council	National
7	Confederation of Indian Industry	National
8	Madras Management Association	State
9	The Madras Chamber of Commerce & Industry	State
10	The Southern India Chamber of Commerce & Industry	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of authority	Brief of the case	Corrective action taken
	NOT APPLICABLE	

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 the 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
NOT APPLICABLE					

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

S.No.	Name of the Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (in INR)
NIL						

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

   The Company has mechanisms to receive and redress the grievances of various stakeholders. All grievances will be reported to the respective unit head who will take necessary action to redress the grievances to the extent possible within the provisions of law and regulations as applicable.

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

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Directly sourced from MSMEs / small producers	10%	4%
Directly from within India	44%	37%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost (with respect to such jobs created)**

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	43.93%	41.87%
Semi-urban	2.27%	0.50%
Urban	46.86%	57.03%
Metropolitan	6.95%	0.59%

(Place to be categorised as per RBI Classification System – rural / semi-urban / urban / metropolitan)

* Percentages with reference to the total wages paid for jobs created during the year.

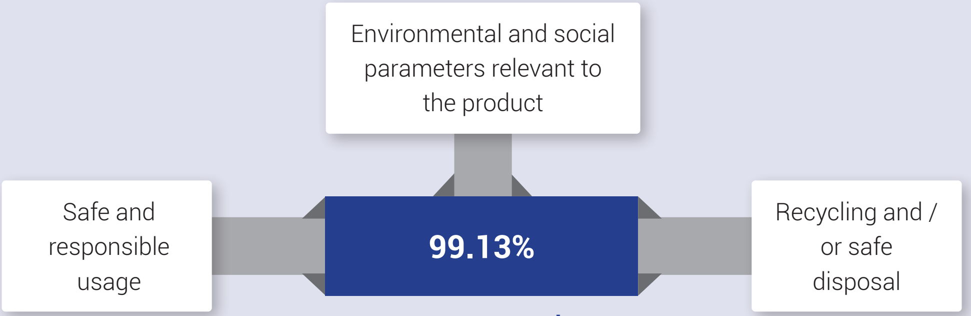
PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

Customer complaints with respect to Product quality / Dispatches are mailed to the concerned marketing team either directly or through dealers / agents attached to these customers with details on batch number, invoices, etc. All such complaints are accorded priority which is then escalated to the concerned QC team at plant (product quality related) or Sales logistics team (dispatch related). For quality related complaints, the concerned QC / Plant team members also visit the customer depending on the seriousness of the complaint and suggest corrective action either directly at the customer site or by analysing the samples of the affected material at the Company's laboratories.

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

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

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

	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls		

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.**

   Sanmar has a detailed policy on Cyber Security covering 19 policies in line with ISO 27001 framework. The applicable risks pertaining to Data Privacy in some of the domains are documented therein.

   A specific policy related to Data Privacy on similar lines as the approved India Digital Personal Data Protection Law (DPDP), will be in place once the approved DPDP Act is notified for operationalisation.

   At present, Sanmar's Cyber Security Policy is not hosted either on the intranet or through the internet, but is only shared as a virtual document when required.

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.**

   Nil

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

   a. **Number of instances of data breaches**

      Nil

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

      Nil

   c. **Impact, if any, of the data breaches**

      Nil

INDEPENDENT AUDITOR'S REPORT

To the Members of

Chemplast Sanmar Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Chemplast Sanmar Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Timing of revenue recognition

See Note 4 and 3.8 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is derived primarily from sale of speciality chemicals. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Company and its external stakeholders focus on revenue as a key performance metric and the Company uses various shipment terms across its operating markets. Timing of revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Company's accounting policy for revenue recognition as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to timing of revenue recognition. • We used statistical sampling and performed substantive testing of selected samples of revenue transactions recorded during the year by verifying the underlying documents such as sale invoice, dispatch document and bill of lading and assessed the accuracy of the period in which revenue was recognised. • Tested manual journal entries posted to revenue based on a specified risk-based criteria to identify unusual items.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Impairment assessment of long-term investments in subsidiary

See Note 15 and 3.3 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has a long-term investment in its subsidiary as at 31 March 2024. The Company performs impairment testing of its investment in subsidiary when any impairment indicator exists, based on internal or external sources of information. The Company's subsidiary has a negative net-worth and negative working capital as of 31 March 2024, and operated at loss during the year. The prices of the products dealt by the subsidiary were volatile, which impacts the budgets and forecasted performance of the subsidiary. These factors have triggered the testing for impairment of investment in the subsidiary. The recoverable amount of the investment in subsidiary is measured using a discounted cash flow model. As impairment assessment involves significant estimates and judgements, it is considered as a key audit matter.	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Company's accounting policy for impairment of investments in subsidiaries with Ind AS; • Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's impairment assessment process; • Examined the valuation workings for the purpose of impairment testing prepared by the Company; • Involved our valuation specialists to examine and evaluate the valuation methodology and assumptions; • Challenged the assumptions used in valuation based on our understanding of the business and historical trends; • Performed sensitivity analysis considering possible changes in key assumptions used such as the revenue forecasts, terminal growth rates and weighted average cost of capital; • Compared the carrying value of the Company's investment in subsidiary with the value in use and assessed the need for impairment (if any). • Assessed the adequacy of disclosures made in the standalone Ind AS financial statements

Write down of inventories

See Note 18 and 3.6 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company values its inventory at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The prices of the products dealt by the Company were volatile during the year impacted by the international market conditions. This resulted in the Company recognizing write down of its inventories to NRV during the year. As NRV write downs of inventory involved significant estimates and complex computation, it is identified as a key audit matter.	In view of the significance of the matter we applied the following key audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the Company's accounting policy for measurement of inventories as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to inventory measurement and NRV computation. • Performed substantive testing of inventory measurement in line with the Company's accounting policy. • Assessed the estimates of NRV of the inventory such as estimated selling price and estimated cost of completion considered in NRV computation. • Assessed the adequacy of disclosures as per applicable Ind AS framework.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the financial statements and auditor's report(s) 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 in the 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 and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our 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 an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial

INDEPENDENT AUDITOR'S REPORT (Contd.)

statements 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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, 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 except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone 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 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial

INDEPENDENT AUDITOR'S REPORT (Contd.)

statements - Refer Note 40 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the standalone financial statements, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level to log any direct data changes. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

B. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWX6967

Place: Chennai
Date: 20 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, entire property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans or provided any security as specified under Section 185 and 186 of the Companies Act, 2013. In respect of the investments made and guarantee provided by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in

ANNEXURE A (Contd.)

respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess and other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Service tax, Duty of Excise, Sales tax and Value added tax, Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are set out in Appendix I.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

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

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

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on

ANNEXURE A (Contd.)

Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has incurred cash losses of Rs 57.56 crores in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWX6967

Place: Chennai
Date: 20 May 2024

ANNEXURE A (Contd.)

Appendix I to Annexure A to the Independent auditor's report to the Members of Chemplast Sanmar Limited for the year ended 31 March 2024

Name of the statute	Nature of the dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where dispute is pending
TNVAT Act, 2007	Sales Tax	5.77	2010-11 to 2014-15	Honorable High Court of Madras
Central Excise Act, 1944	Excise Duty/Service tax	0.42	1975-76 to 2011-12	Honorable High Court of Madras
Central Excise Act, 1944	Excise Duty/Service tax	3.29	1979-80 to 2015-16	CESTAT
Central Excise Act, 1944	Excise Duty/Service tax	0.97	2008-09 to 2010-11	Honourable Supreme Court of India
Central Excise Act, 1944	Excise Duty/Service tax	1.08	1991-92 to 2016-17	CESTAT
Customs Act, 1962	Customs Duty	0.22	2012-13 to 2013-14	Commissioner of Customs (Appeals)
CGST Act, 2017	Goods and Service Tax	0.34	2017-18	GST Appellate Tribunal
CGST Act, 2017	Goods and Service Tax	1.97	2017-18	Commissioner of GST and Central Tax (Appeals)
SGST Act, 2017	Goods and Service Tax	1.50	2017-18	GST Appellate Tribunal
IGST Act, 2017	Goods and Service Tax	0.86	2017-18	GST Appellate Tribunal
Electricity Act, 2003	Parallel Operation Charges	4.17	2014-18	Appellate Tribunal of Electricity
Electricity Act, 2003	Power Generation Tax	2.76	2010-12	Honorable High Court of Madras
Electricity Act, 2003	Power Generation Tax	11.09	2003-14	Supreme Court
Electricity Act, 2003	Power Generation Tax - Interest	8.17	2003-14	Supreme Court
Electricity Act, 2003	Excess Power Drawal Charges	0.58	2008-09	Honorable High Court of Madras
Electricity Act, 2003	Deemed Demand Charges	0.40	2012-14	Honorable High Court of Madras
TWAD Act, 1970	Water Tax	0.40	1992-2024	Honorable High Court of Madras
TWAD Act, 1970	Water Tax - Interest	7.80	1992-2022	Honorable High Court of Madras
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	0.60	2012-15	Central Government Industrial Tribunal
Income Tax Act, 1961	Income Tax	0.43	1998-99	Honorable High Court of Madras
Income Tax Act, 1961	Income Tax	0.11	2003-04 and 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.02	2006-07	Honorable High Court of Madras
Income Tax Act, 1961	Income Tax	5.30	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.43	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	19.41	2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5.58	2020-21	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	7.90	2021-22	Commissioner of Income Tax (Appeals)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Chemplast Sanmar Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

ANNEXURE B (Contd.)

of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWX6967

Place: Chennai
Date: 20 May 2024

STANDALONE BALANCE SHEET
as at March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,917.98	2,187.33
Capital work-in-progress	14.1	185.65	387.84
Right-of-use assets	14.2	11.33	12.57
Investment in Subsidiaries	15	1,555.68	1,555.68
Financial Assets			
(i) Investments	15	0.04	0.04
(ii) Other financial assets	16	26.23	19.22
Non-current Tax assets (net)		9.79	2.57
Other non-current assets	17	16.01	48.85
		4,722.71	**4,214.10**
Current assets			
Inventories	18	381.67	392.59
Financial Assets			
(i) Trade receivables	19	182.66	255.98
(ii) Cash and cash equivalents	20	282.72	512.24
(iii) Bank balances other than (ii) above	21	4.15	15.31
(iv) Other financial assets	22	104.68	57.10
Other current assets	23	151.67	46.89
		1,107.55	**1,280.11**
Total Assets		**5,830.26**	**5,494.21**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	79.06	79.06
Other equity	25	3,761.20	3,864.66
Total Equity		**3,840.26**	**3,943.72**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	26	499.31	203.97
(ia) Lease Liabilities	14.3	1.12	7.97
(ii) Other financial liabilities	27	47.04	50.64
Deferred Tax liabilities (net)	28	469.73	521.13
Other non-current liabilities	29	10.48	3.76
		1,027.68	**787.47**
Current liabilities			
Financial Liabilities			
(i) Borrowings	30	151.46	2.87
(ia) Lease Liabilities	14.3	4.11	3.27
(ii) Trade payables	31		
- total outstanding dues of micro enterprises and small enterprises		7.53	2.95
- total outstanding dues of creditors other than micro enterprises and small enterprises		587.58	565.23
(iii) Derivative liabilities	32	1.18	3.26
(iv) Other financial liabilities	33	158.55	138.86
Other current liabilities	34	31.39	24.95
Provisions	35	2.17	0.92
Current Tax liability (net)		18.35	20.71
		962.32	**763.02**
Total liabilities		**1,990.00**	**1,550.49**
Total equity and liabilities		**5,830.26**	**5,494.21**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	4	1,655.58	2,196.67
Other income	5	41.71	25.75
Total Income		**1,697.29**	**2,222.42**
Expenses			
Cost of materials consumed	6(a)	726.19	739.95
Purchase of stock-in-trade	6(b)	160.56	241.18
Changes in inventories of finished goods and work-in-progress	7	(38.40)	(3.91)
Employee benefits expense	8	117.61	99.84
Finance costs	9	32.70	22.64
Depreciation expense	14	106.73	92.40
Other expenses	10	748.07	813.83
Total expenses		**1,853.46**	**2,005.93**
Profit / (Loss) before tax and exceptional items		**(156.17)**	**216.49**
Exceptional items	18	-	49.80
Profit / (Loss) before tax		**(156.17)**	**166.69**
Tax expense :	**11**		
Current tax			
a) Current year		-	(35.89)
b) Earlier years		0.68	(1.04)
Deferred tax		51.62	15.81
Profit / (Loss) after tax		**(103.87)**	**145.57**
Other comprehensive income	**12**		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		0.63	0.55
- Deferred tax expense relating to remeasurement of defined benefit plans		(0.22)	(0.19)
Total other comprehensive income		**0.41**	**0.36**
Total comprehensive income for the year		**(103.46)**	**145.93**
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	**13**	**(6.57)**	**9.21**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For B S R & Co. LLP
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Nachiappan Subramanian
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Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**(156.17)**	**166.69**
Adjustments for:		
Depreciation expense	106.73	92.40
Finance costs	32.70	22.64
(Profit) / Loss on sale of Property, plant and equipment (net)	(18.06)	(0.02)
Liabilities no longer required written back	(0.03)	(0.21)
Interest income on financial assets at amortised cost	(22.71)	(24.77)
Difference in fair value of derivative instruments	(2.08)	1.52
Exceptional Items	-	49.80
Unrealised (gain) / loss of foreign exchange transactions (net)	(0.67)	0.31
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(60.29)**	**308.36**
Adjustments for changes in :		
Inventories	10.92	(95.40)
Trade and other receivables	(84.27)	(73.20)
Trade and other payables	44.56	178.72
CASH GENERATED FROM OPERATIONS	**(89.08)**	**318.48**
Income tax paid (net of refunds)	(8.90)	(47.89)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**(97.98)**	**270.59**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(601.57)	(397.11)
Proceeds from sale of property, plant and equipment	31.10	0.03
Deposits (placed) / realised (net) (including margin deopsit)	11.16	86.20
Interest received	22.13	24.63
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(537.18)**	**(286.25)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	340.83	211.00
Repayment of long term borrowings	(4.36)	-
Proceeds / (Repayment) from short-term borrowings (net)	106.88	-
Payment of lease liability	(4.56)	(4.56)
Receipts /(Payment) of transaction cost on issue of shares	-	(10.53)
Interest and finance charges paid	(33.15)	(25.27)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	**405.64**	**170.64**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(229.52)**	**154.98**
Cash and cash equivalents at beginning of the year	512.24	357.26
Cash and cash equivalents at end of the year	282.72	512.24

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

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Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2022	15,81,09,574	79.06
Changes during the year 2022-23	-	-
Balance at March 31, 2023	15,81,09,574	79.06
Changes during the year 2023-24	-	-
Balance at March 31, 2024	**15,81,09,574**	**79.06**

(b) Other Equity

Particulars	Capital Reserve	Securities premium	Capital Redemption Reserve	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
Balance at April 01, 2022	79.69	1,385.73	39.18	927.91	147.76	1,137.91	3,718.18
Total Comprehensive Income				145.93		-	145.93
Share issue expenses (net of taxes)	-	0.55	-	-	-	-	0.55
Depreciation on revalued assets				24.37		(24.37)	-
Balance at March 31, 2023	**79.69**	**1,386.28**	**39.18**	**1,098.21**	**147.76**	**1,113.54**	**3,864.66**
Total Comprehensive Income				(103.46)		-	(103.46)
Depreciation on revalued assets				29.90		(29.90)	-
Balance at March 31, 2024	**79.69**	**1,386.28**	**39.18**	**1,024.65**	**147.76**	**1,083.64**	**3,761.20**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
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N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)

1.1 Corporate Information

Chemplast Sanmar Limited ("the Company") is a public limited company incorporated and domiciled in Chennai and is into the production and sale of speciality chemicals. The registered office is located at Cathedral Road, Chennai. As of March 31, 2024, Sanmar Holdings Limited owns majority of Chemplast Sanmar Limited's equity share capital and has the ability to control its operating and financial policies.

2 Basis of Preparation

2.1 Statement of Compliance:

These Standalone Financial Statements of the Company have been prepared and presented from April 01, 2023 to March 31, 2024 ("year") in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis of measurement:

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial Instruments):

a. derivative financial instruments

b. investment in unquoted equity shares other than investment in subsidiaries

c. property, plant and equipment under revaluation model

The Financial Statements are presented in INR and are rounded off to the nearest Crore, except when otherwise indicated. These Financial Statements were authorised for issue by the Company's Board of Directors on May 20, 2024

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

2.3 Appropriateness of the Going Concern Assumption in the preparation of the financial statements:

During the year ended March 31, 2024, the Company has incurred a loss before tax after exceptional items of ₹ 156.17 Crores (profit before tax after exceptional items of ₹ 166.69 Crores for the year ended March 31, 2023). The management expects the demand for the Company's products to follow the trend established during the current year and considering the overall deficit in the Paste Grade PVC capacity in India, is confident that the Company would be able to operate its plant at optimal capacity to generate profitable operations for the foreseeable future.

Thus, the management is of the view that the Company will be able to achieve cash-profitable operations and raise funds as necessary, in order to meet its liabilities as they fall due. Accordingly, these standalone financial statements have been prepared on the basis that the Company will continue as a going concern for the foreseeable future.

3 Material Accounting Policies

3.1 Foreign currency transactions

The Company's functional currency is Indian Rupees. Foreign currency transactions are recorded at the rate

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currency are converted at period-end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined class of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares"

3.3 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. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3.1 Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

a. Debt instruments at amortised cost;

b. Derivatives and equity instruments at fair value through profit or loss (FVTPL);

a. Debt instruments at amortised cost;

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

All equity investments in scope of Ind AS 109 are measured at fair value Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in Note 36.11.

c. Investments at cost:

In accordance with Ind AS 27 on separate financial statements, investments in subsidiary is carried at cost in the separate financial statements of the Company.

3.3.1.1 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance:

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.3.1.2 Derecognition of financial assets

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

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

3.3.2 Financial liabilities and equity instruments

3.3.2.1 Classification as debt or equity

Debt and equity instruments issued by the Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind-AS 32.

3.3.2.2 Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.3.2.3 Convertible debt instruments

Convertible debt instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debt instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent periods.

Transaction costs are apportioned between the liability and equity components of the convertible debt instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised

Where a convertible debt instrument meets the criteria of an equity in its entirety, such instruments are classified under "Instruments entirely equity in nature".

3.3.2.4 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings:

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

3.3.2.5 Financial Guarantees

Company as a beneficiary: Financial guarantee contracts involving the Company as a beneficiary are accounted as per Ind-As 109. The Company assesses whether the financial guarantee is a separate unit of account (a separate component of the overall arrangement) and recognises a liability as may be applicable

Company as a guarantor: The Company on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind

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AS 104 on Insurance Contracts, respectively. Wherever the Company has regarded its financial guarantee contracts as insurance contracts, at the end of each reporting period the Company performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in profit or loss.

Where they are treated as a financial instrument, the financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.3.2.6 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 36.11

3.3.2.7 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.3.4 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant year. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts,. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Property, Plant and Equipment and Capital Work in Progress are initially recognised at cost when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment were valued at cost model net of accumulated depreciation until March 31, 2019. Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant

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and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss account as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company will be included.

On March 31, 2019, the Company had elected to change the method of accounting for land, buildings and plant and equipment classified as property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements. In addition, available valuation techniques provide reliable estimates of the land, buildings and plant and equipment's fair value. The Company applied the revaluation model prospectively. After initial recognition, these assets are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in statement of profit or loss. A revaluation deficit if any, is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The fair value changes are effected by eliminating the accumulated depreciation against the gross carrying amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Apart from the above, the Company follows the cost model for Motor cars, Office equipments, Furniture and Fittings. Other assets are measured at cost less deprecation. Freehold land is not depreciated.

The Company, based on technical assessment made by management estimate supported by external Chartered engineer's study, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 using straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. On addition / deletion, depreciation is charged on prorata basis based on month of addition / deletion.

Particulars	Useful life
Buildings	20 years - 60 years
Plant and equipment	1 year - 65 years
Vehicles	3 years - 6 years
Computers and peripherals and motor cars	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised

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The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Non-Current Assets Held for Sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an assetexcluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the Balance sheet.

3.6 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs incurred for bringing the inventories to their present location and condition and include appropriate overheads wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Company produces certain joint-products which are valued on joint cost basis by apportioning the total costs incurred in the manufacture of those joint-products. By-products are valued at the net realisable value.

3.7 Retirement and Employees benefits

Short term employees' benefits including accumulated compensated absence are recognised as an expense as per the Company's Scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-Retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund / Employee State Insurance:

This is a defined contribution plan and contributions made to the fund are charged to revenue. The Company has no further obligations for future provident fund benefits other than annual contributions.

Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit or loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

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Termination benefits

Termination benefits are recognised only when the Company has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

3.8 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (primarily upon dispatch or delivery, as per the terms of sale as applicable) at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment. The Company has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Contract Balances :

i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional and is measured at transaction price. Refer to accounting policies of financial assets in Note 3.3.1.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

iv) Variable consideration:

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some contracts provide customers with volume rebate.

Volume Rebates / Price concessions / Special discounts:

The Company provides for volume rebates, price concessions, special discounts to certain customers once the quantity of goods sold during a period exceeds an agreed threshold. Rebates are offset against amounts receivable from customers. To estimate the variable consideration, the Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract.

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

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Service Income

Income from services rendered is recognised at a point in time based on agreements/ arrangements with the customers as the service is performed and there are no unfulfilled obligations.

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3.9 Other Income

Interest income:

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

3.10 Leases

Company as a lessor:

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.11 Taxes

Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

Current Tax

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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3.11 Taxes

Deferred tax

Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of any unused tax losses and unabsorbed depreciation.

  Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

  Deferred tax assets are recognised only if there is a reasonable certainty, with respect to unabsorbed depreciation and business loss, that they will be realised.

  Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax / deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

  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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as a deferred tax asset if there is convincing evidence that the Company will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is recognised by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain

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tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company has determined, that it is probable that its tax treatments will be accepted by the taxation authorities.

3.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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 a finance cost.

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

3.14 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.16 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the

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Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

3.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity share holder of the Company by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.18 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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4. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Revenue from contracts with customers*		
Revenue from the sale of manufactured goods	1,481.94	1,937.06
Revenue from the sale of stock in trade	167.23	254.05
Leasing Income	0.18	0.22
(ii) Other operating revenue		
Revenue from sale of scrap	5.44	3.94
Revenue from export incentives	0.79	1.40
	1,655.58	**2,196.67**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	1,675.80	2,226.65
Adjustments towards:		
Volume rebates	11.64	11.09
Price concessions	7.42	13.26
Special discounts	7.57	11.19
Revenue as per statement of profit and loss	1,649.17	2,191.11

Contract Balances

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables (contract asset)	182.66	255.98
Advance from customers (contract liability)	13.55	10.23
Revenue recognised from opening contract liabilities	10.23	15.95
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	262.07	328.68
- Within India	1,393.51	1,867.99

*The entire revenue from contract with customers are recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115

5. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under effective interest rate method on financial assets at amortised cost	22.71	24.77
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	18.06	0.02
Provisions no longer required written back	0.03	0.21
Recovery of bad debts		0.01
Miscellaneous income	0.91	0.74
	41.71	**25.75**

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6. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Inventories of material at the beginning of the year	242.44	222.00
Add : Purchase	697.00	760.39
Inventories of material at the end of the year	213.25	242.44
	726.19	**739.95**
(b) Purchase of stock-in-trade	160.56	241.18
	160.56	**241.18**

7. Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	11.70	6.69
Finished Goods	10.82	11.92
	22.52	**18.61**
Inventories at the end of the year		
Work-in-progress	23.85	11.70
Finished Goods	37.07	10.82
	60.92	**22.52**
Difference between opening and closing inventories		
Work in progress	(12.15)	(5.01)
Finished goods	(26.25)	1.10
	(38.40)	**(3.91)**

8. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	106.58	90.72
Contribution to provident fund and others	6.54	5.90
Staff welfare expenses	4.49	3.22
	117.61	**99.84**

9. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	15.83	0.77
Other finance costs	16.79	20.78
Bank charges	0.08	1.09
	32.70	**22.64**

*Net off interest capitalised during the year ₹ 24.12 Crores (2022-23: ₹ 3.50 Crores)

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10. Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	505.54	576.32
Stores consumed	27.16	30.08
Commission on sales	0.41	0.72
Rent	2.83	1.78
Insurance	9.01	11.81
Rates and taxes	15.70	4.66
Repairs and maintenance		
Machinery	44.47	42.03
Building	8.69	7.93
Others	20.72	11.93
Freight and handling	27.85	48.84
Difference in foreign exchange (net) *	7.05	5.86
Outside processing expenses	12.07	7.97
Operation & Maintenance expenses	6.67	6.58
Legal and Professional fees	14.52	16.42
Payment to auditor^	0.62	0.62
Miscellaneous expenses	44.76	40.28
	748.07	**813.83**

Expense relating to short term leases (included in other expenses)	2.83	1.78

*Net of fair value gain on derivative instruments at FVTPL of ₹ 2.07 Crores (2022-23: loss ₹ 1.52 Crores)

^ Payment to auditor

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	0.50	0.50
Limited review	0.08	0.09
Certification services	0.01	0.01
Reimbursement of expenses	0.03	0.02
	0.62	**0.62**

11. Income taxes expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Current income tax charge	-	(35.89)
Adjustments in respect of current income tax of prior years	0.68	(1.04)
Deferred tax:		
Relating to origination and reversal of temporary differences	51.62	15.81
Income tax expense reported in statement of profit and loss	**52.30**	**(21.12)**
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
Net loss/(gain) on remeasurements of defined benefit obligations	(0.22)	(0.19)
Income tax charged to OCI	**(0.22)**	**(0.19)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

The tax on the Company's profit before tax differs from the theoritical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	(156.17)	166.69
Profit before Income tax multiplied by standard rate of corporate tax in India (34.944%) (March 31, 2023: 34.944%) as follows:	54.56	(58.24)
Effect of :		
Availment of unrecognised MAT credit	-	39.85
Ineligible expenses	(1.46)	(1.47)
Impact of income tax provision relating to earlier years	0.68	(1.04)
Differential tax rates on capital gains	(1.02)	-
Others	(0.46)	(0.22)
Net effective Income tax expense	**52.30**	**(21.12)**

* The Company continues to operate under the erstwhile tax regime and does not intend to adopt the new regime

12. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI (net of taxes) by each type of reserve in equity is shown below:

During the year ended March 31, 2024	Retained Earnings	Total
Re-measurement gains/(losses) on defined benefit obligations	0.41	0.41
During the year ended March 31, 2023	**Retained Earnings**	**Total**
Re-measurement gains/(losses) on defined benefit obligations	0.36	0.36

13. Earnings per share [EPS]:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Earnings per share :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) after tax	(103.87)	145.57
Earnings used in the calculation of earnings per share	(103.87)	145.57
Weighted average number of equity shares for basic and diluted EPS	15,81,09,574	15,81,09,574
Basic and diluted earnings per share		
Basic earnings per share (₹)	(6.57)	9.21
Diluted earnings per share (₹)	(6.57)	9.21

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

14. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total
Cost or valuation :							
Balance at April 01, 2022	1,065.50	172.54	1,026.75	4.58	1.71	2.93	2,274.01
Additions	-	9.12	44.38	1.58	0.02	1.10	56.20
Disposals	-	-	6.73	0.01	-	0.16	6.90
Balance as at March 31, 2023	**1,065.50**	**181.66**	**1,064.40**	**6.15**	**1.73**	**3.87**	**2,323.31**
Additions	33.50	101.68	700.08	6.93	2.68	2.13	847.00
Disposals	12.71	0.49	1.99	0.02	0.02	0.27	15.50
Balance as at March 31, 2024	**1,086.29**	**282.85**	**1,762.49**	**13.06**	**4.39**	**5.73**	**3,154.81**
Accumulated depreciation :							
Balance at April 01, 2022	-	2.91	46.00	2.04	1.09	1.51	53.55
Depreciation expense	-	12.01	75.85	0.89	0.18	0.38	89.31
Eliminated on disposals of assets	-	-	6.73	0.01	-	0.14	6.88
Balance as at March 31, 2023	**-**	**14.92**	**115.12**	**2.92**	**1.27**	**1.75**	**135.98**
Depreciation expense	-	11.05	90.48	1.26	0.24	0.52	103.55
Eliminated on disposals of assets	-	0.49	1.99	0.02	0.02	0.18	2.70
Balance as at March 31, 2024	**-**	**25.48**	**203.61**	**4.16**	**1.49**	**2.09**	**236.83**
Net Block							
Balance as at March 31, 2024	**1,086.29**	**257.37**	**1,558.88**	**8.90**	**2.90**	**3.64**	**2,917.98**
Balance as at March 31, 2023	**1,065.50**	**166.74**	**949.28**	**3.23**	**0.46**	**2.12**	**2,187.33**

Note:

For details of charge on Property, plant and equipment refer Note 26

14.1 Capital in work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	387.84	27.21
Additions	644.81	416.83
Assets capitalised during the year	847.00	56.20
Balance as at end of the year	**185.65**	**387.84**

Also Refer Note 48 for Capital work-in-progress ageing schedule

14.2 Carrying amounts of right-of-use assets recognised and movement during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount		
Balance as at beginning of the year	12.57	12.25
Additions	4.16	3.41
Depreciation	3.18	3.09
Modification	(2.22)	-
Balance as at end of the year	**11.33**	**12.57**

Note: The carrying amount as March 31, 2024 represents ₹ 3.86 Crores (March 31, 2023: ₹ 9.16 Crores) and ₹ 7.47 Crores (March 31, 2023: ₹ 3.41 Crores) towards plant and equipment and leasehold land respectively

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

14.3 Carrying amounts of Lease liability recognised and movement during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	11.24	14.10
Accretion of interest	1.30	1.70
Payments	4.56	4.56
Modification	(2.75)	-
Balance as at end of the year	**5.23**	**11.24**
Current	4.11	3.27
Non-current	1.12	7.97

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	4.56	4.56
Later than one year and not later than five years	1.14	9.12
Total undiscounted lease liabilities	**5.70**	**13.68**

The following are the amounts recognised in Statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use asset	3.18	3.09
Interest expense on lease liabilities	1.30	1.70
Expense relating to short term leases (included in other expenses)	2.83	1.78
Modification of lease liability	(0.53)	-
Total amount recognised in Statement of profit or loss	**6.78**	**6.57**

The following are the amounts recognised in Statement of cash flows relating to leases

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow towards lease payments (excluding short-term leases)	(4.56)	(4.56)
Total amount recognised in Statement of cash flows	**(4.56)**	**(4.56)**

14.4 Revaluation of property, plant and equipment

Fair value of property, plant and equipment was determined by using the market value method, hypothetical layout method for freehold land and depreciable replacement cost method (DRC) for Buildings and Plant and Equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of latest revaluation on January 1, 2022, the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Information of revaluation model:

If Property, plant and equipment and ROU were measured using the cost model, the carrying amounts would be as follows:

Particulars	Freehold land	Buildings	Property, plant and equipment	Right-of-use (ROU) assets	Total
Net book value					
March 31, 2024					
Cost	47.36	206.31	1,537.55	26.81	1,818.03
Accumulated depreciation	-	41.36	347.05	15.48	403.89
Net carrying amount	**47.36**	**164.95**	**1,190.50**	**11.33**	**1,414.14**
March 31, 2023					
Cost	15.64	105.12	839.46	24.51	984.73
Accumulated depreciation	-	35.61	286.83	11.94	334.38
Net carrying amount	**15.64**	**69.51**	**552.63**	**12.57**	**650.35**

Fair value hierarchy for property, plant and equipment and ROU under revaluation model:

The Company uses the following hierarchy for determining and disclosing the fair value of its freehold land,buildings and plant and equipment:

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2024				
Revalued property, plant and equipment				
Freehold land	1,086.29	-	185.25	901.04
Buildings	257.37	-	-	257.37
Plant and machinery	1,558.88	-	-	1,558.88
Revalued ROU				
Leasehold land	7.47	-	7.47	-
Plant and machinery	3.86	-	-	3.86
	2,913.87	**-**	**192.72**	**2,721.15**

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2023				
Revalued property, plant and equipment				
Freehold land	1,065.50	-	164.46	901.04
Buildings	166.74	-	-	166.74
Plant and machinery	949.28	-	-	949.28
Revalued ROU				
Leasehold land	3.41	-	3.41	-
Plant and machinery	9.16	-	-	9.16
	2,194.09	**-**	**167.87**	**2,026.22**

Significant Observable and unobservable Valuation Inputs :

The value of Freehold land was determined based on condition, location, demand, supply, plant-layout and other infrastructure facility available at and around the said plot of land.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Right of use of leasehold land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of buildings and plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (depreciated replacement cost method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value.

15. Investments at FVTPL

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Investments in the shares of bodies corporate		
Unquoted fully paid equity shares		
TCI Sanmar Chemicals S.A.E (2 Equity shares of face value of EGP 1000/- each)	0.04	0.04
	0.04	**0.04**
(ii) Investments at cost		
- Investment in subsidiaries		
Unquoted fully paid equity shares		
Chemplast Cuddalore Vinyls Limited (30,30,30,303 Equity shares)	300.35	300.35
Compulsorily Convertible Debentures (CCD)		
Chemplast Cuddalore Vinyls Limited (12,55,33,516 Debentures of face value of ₹ 100 Each)	1,255.33	1,255.33
	1,555.68	**1,555.68**
Aggregate value of unquoted investments	**1,555.72**	**1,555.72**

(Refer note 38 for details of investments and also refer note 37)

16. Other non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	24.26	17.26
Margin deposits	0.07	0.06
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry Receivables	0.56	0.56
Claims receivables	1.33	1.33
	26.23	**19.22**

17. Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	8.21	40.94
Advances other than capital advances		
Security deposit - Government Authorities	5.67	5.57
Prepaid expenses	2.13	2.34
	16.01	**48.85**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

18. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and intermediates	213.25	242.44
Work-in-progress	23.85	11.70
Finished goods	37.07	10.82
Stores and spares	107.50	127.63
	381.67	**392.59**

Note (1) Inventories includes goods in transit

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and intermediates	15.07	63.82
Stores and spares	0.92	0.40
	15.99	**64.22**

Note (2) Exceptional item -

During the previous year, the Zero COVID policy in China and the resultant COVID related shutdown there, had resulted in a sharp contraction of demand for PVC resin in that country. On account of this, there was a spike in exports of PVC resin from China, leading to a steep fall in finished products prices in India as well as feedstock prices. In line with generally accepted accounting principles, the Company had written down the carrying value of stocks of major intermediates and finished products, to levels corresponding to the net realisable value of finished products, leading to an exceptional charge of ₹ 49.80 Crores during the previous year.

19. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good**		
Receivable from related party (Refer Note 37)	0.12	115.62
Receivable from others	182.54	140.36
	182.66	**255.98**

** Trade receivables are generally non interest bearing and have a credit period of 1-60 days

** Also refer Note 49 for Trade receivables ageing schedule

20. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Bank balances		
- in current account	67.77	146.02
- Deposits with original maturity of less than three months	214.66	365.95
Cash on hand	0.26	0.26
Stamps on hand	0.03	0.01
	282.72	**512.24**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

21. Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity of more than three months but less than twelve months*	4.15	15.31
	4.15	**15.31**

*includes deposits marked as lien amounting to ₹ 4.14 Crores (March 31, 2023: Nil)

22. Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	4.41	4.01
Sundry receivable (Refer note 37)	94.05	47.42
Claims receivables	3.70	3.73
Interest receivable	2.52	1.94
	104.68	**57.10**

23. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
Prepaid expenses	4.80	2.84
Balances with Government authorities	122.88	28.19
Advance given to suppliers	23.99	15.86
	151.67	**46.89**

24. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
40,00,00,000 equity shares of ₹ 5/- each	200.00	200.00
(Previous year 40,00,00,000 equity shares of ₹ 5/- each)		
35,00,000 cumulative redeemable preference shares of ₹ 100/- each	35.00	35.00
"(Previous year 35,00,000 cumulative redeemable preference shares of ₹ 100/- each)"		
	235.00	**235.00**
Issued		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each fully paid up)		
Subscribed and fully paid-up		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each)		
	79.06	**79.06**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

A: Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of Shares	Share Capital
Balance at April 01, 2022	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2023	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2024	**15,81,09,574**	**79.06**

Shares Held by Holding company and its subsidiaries

Sanmar Holdings Limited and its nominees holds 8,69,45,065 equity shares (Previous Year 8,69,45,065 equity shares)

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Company has one class of equity shares having a par value of ₹ 5 per share (March 31, 2023: ₹ 5 per share). Each share holder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

B: Details of Share holders holding more than 5% shares in the Company

Name of the share holder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Sanmar Holdings Limited and its nominees	8,69,45,065	54.99 %	8,69,45,065	54.99 %
SBI Long Term Equity Fund	1,52,33,965	9.64 %	1,49,44,879	9.45 %
Mirae Asset Tax Saver Fund	1,18,43,766	7.49 %	1,30,26,532	8.24 %
Amansa Holdings Private Limited	81,29,958	5.14 %	-	0.00 %

C: Details of Shares held by promoters

Promoter name	As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

Promoter name	As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

D: 6,62,40,000 Equity shares of ₹ 10 each alloted as fully paid up for consideration other than cash pursuant to scheme of arrangement (Previous year: 6,62,40,000).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

25. Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	79.69	79.69
Capital redemption reserve	39.18	39.18
Securities premium (Refer A below)	1,386.28	1,386.28
Asset revaluation reserve (Refer B below)	1,083.64	1,113.54
General reserve	147.76	147.76
Retained earnings (Refer C below)	1,024.65	1,098.21
	3,761.20	**3,864.66**

(A) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,386.28	1,385.73
Transaction cost on issue of shares	-	0.55
Balances at the end of the year	**1,386.28**	**1,386.28**

(B) Asset revaluation reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,113.54	1,137.91
Depreciation on revalued assets	(29.90)	(24.37)
Balances at the end of the year	**1,083.64**	**1,113.54**

(C) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,098.21	927.91
Profit / (Loss) for the year	(103.87)	145.57
Other comprehensive income	0.41	0.36
Depreciation on revalued assets	29.90	24.37
Balances at the end of the year	**1,024.65**	**1,098.21**

Nature and purpose of reserves:

Capital reserve

The Company recognises the difference between the net assets less reserves acquired or transferred by the Company and as reduced by the shares capital issued or received respectively, pursuant to a common control business combination is adjusted to capital reserve.

Capital redemption reserve:

The Company had created Capital redemption reserve in respect of redemption of preference shares in accordance with Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, adjustment of shares issue expenses, etc in accordance with the provisions of the Companies Act, 2013.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Asset revaluation reserve:

The Company had recognised the surplus arising out of revaluation of property, plant and equipment to asset revaluation reserve in accordance with Ind-AS 16.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

26. Non Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured – at amortised cost		
Term Loans		
Term loan from banks	542.63	206.84
	542.63	**206.84**
Less : Current maturities of borrowings		
Term loan from banks	43.32	2.87
	43.32	**2.87**
	499.31	**203.97**

A) Summary of borrowing arrangements

Term loan from bank

a) Term loan from bank amounting to ₹ 138.66 Crores (March 31, 2023: ₹ 77.53 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

b) Term loan from bank amounting to ₹ 233.49 Crores (March 31, 2023: ₹ 109.56 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

c) Term loan from bank amounting to ₹ 95.23 Crores (March 31, 2023: ₹ 19.75 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

d) Term loan from bank amounting to ₹ 74.89 Crores (March 31, 2023: Nil) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

e) Vehicle loan from bank amounting to ₹ 0.36 Crores (March 31, 2023: Nil) is secured by hypothecation of the vehicle purchased out of the loan financed.

Repayment of loans

(a) Repayment of term loan amounting to ₹ 138.66 Crores in 25 structured quarterly installments, commencing from March 2024

Note: Current interest rate of the above term loan is 8.61% (March 31, 2023: 8.71%)

(b) Repayment of term loan amounting to ₹ 233.49 Crores in 25 structured quarterly installments, commencing from September 2024

Note: Current interest rate of the above term loan is 9.15% (March 31, 2023: 9.15%)

(c) Repayment of term loan amounting to ₹ 95.23 Crores in 25 structured quarterly installments, commencing from October 2024

Note: Current interest rate of the above term loan is 9.44% (March 31, 2023: 9.38%)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

(d) Repayment of term loan amounting to ₹ 74.89 Crores in 25 structured quarterly installments, commencing from November 2025

Note: Current interest rate of the above term loan is 9.30% (March 31, 2023: NA)

(e) Repayment of Vehicle loan amounting to ₹ 0.36 Crores in 60 structured quarterly installments, commencing from January 2024

Note: Current interest rate of the above term loan is 8.85% (March 31, 2023: NA)"

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short tem borrowings	Long term borrowings	Total
Debt as at April 01, 2023	-	206.84	206.84
Proceeds from borrowings	220.23	340.83	561.06
Repayment of borrowings	(113.35)	(4.36)	(117.71)
Interest payments and non-cash movements (net)	1.26	(0.68)	0.58
Debt as at March 31, 2024	**108.14**	**542.63**	**650.77**

Particulars	Liabilities from financing activities		
	Short tem borrowings	Long term borrowings	Total
Debt as at April 01, 2022	-	-	-
Proceeds from borrowings	-	211.00	211.00
Repayment of borrowings	-	-	-
Interest payments and non-cash movements (net)	-	(4.16)	(4.16)
Debt as at March 31, 2023	**-**	**206.84**	**206.84**

27. Other non-current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Trade deposits	1.87	2.25
Accrued salaries and benefits	29.82	33.22
Other payables	15.35	15.17
	47.04	**50.64**

28. Deferred tax liabilities/(assets) (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Difference between book and tax written down value of depreciable property, plant and equipment	581.36	539.74
MTM/Forward premium claimable in future	0.44	0.05
Difference in allowable expenditure on foreign exchange contracts	(0.73)	(0.14)
Unabsorbed depreciation / Carried forward business losses	(96.23)	-
Expenses allowable on payment basis	(13.98)	(16.26)
Employees separation scheme	(1.13)	(2.25)
Others	-	(0.01)
	469.73	**521.13**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of deferred tax liabilities (net)		
Opening balance	521.13	536.75
Change in statement of profit and loss	(51.62)	(15.81)
Change in other comprehensive income	0.22	0.19
Closing balance	**469.73**	**521.13**

29. Other non-current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities	10.48	3.76
	10.48	**3.76**

30. Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured – at amortised cost		
Current maturities of Long term borrowings		
-Term loan from Banks	43.32	2.87
Buyer's credit	108.14	-
	151.46	**2.87**

Security Particulars :

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts and second pari passu charge on Property, Plant and Equipment of the Company (excluding specifically charged land and buildings).

The quarterly return submitted by the Company to its Bankers are in agreement with the books of accounts.

31. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to related parties (Refer Note 37)	7.33	-
Payable to others*	587.78	568.18
	595.11	**568.18**

* General Terms: The average credit period varies for each product between 1 and 240 days. In general - No interest is charged for the initial period of 60 days. Thereafter interest / discounting charges is paid at LIBOR / SOFR + Spread on the outstanding balance

* The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Includes dues for payment to Micro and Small enterprises ₹ 7.53 Crores (March 31, 2023: ₹ 2.95 Crores) (Also refer note 42)

* Also Refer Note 50 for Trade payables ageing schedule

32. Derivative instruments

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative liability#	1.18	3.26
	1.18	**3.26**

While the Company entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

33. Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Payable / Accrual towards capital expenditure *	65.92	51.01
Accrued salaries and benefits	46.78	46.90
Trade deposits	0.26	0.05
Other payables	45.59	40.90
	158.55	**138.86**

* Includes dues for payment to Micro and Small enterprises ₹ 8.85 Crores (March 31, 2023: ₹ 10.88 Crores) (Also refer note 42)

34. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advance from customers	13.55	10.23
Withholding and other tax payables	3.84	3.72
Other liabilities	14.00	11.00
	31.39	**24.95**

35. Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	2.17	0.92
	2.17	**0.92**

36. Financial instruments

36.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings (Note 26 and 30), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Company, comprising issued capital, securities premium, and retained earnings.

Gearing ratio

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. The gearing ratios at March 31, 2024 and March 31, 2023 were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (i)	650.77	206.84
Cash and cash equivalents	282.72	512.24
Net debt	368.05	(305.40)
Equity (ii)	3,840.24	3,943.72
Gearing Ratio	0.10	(0.08)

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives)

(ii) Equity includes all capital and reserves of the Company that are managed as capital.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

36.2 Categories of financial assets and liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
36.2.1 Financial assets at amortised cost		
Cash and cash equivalents (Note 20)	282.72	512.24
Other bank balances (Note 21)	4.15	15.31
Trade receivables (Note 19)	182.66	255.98
Other financial assets (Note 16 & 22)	130.91	76.32
Total	**600.44**	**859.85**

Particulars	As at March 31, 2024	As at March 31, 2023
36.2.2 Financial liabilities- At amortised cost		
Borrowings (Note 26 & 30)	650.77	206.84
Trade payables (Note 31)	595.11	568.18
Other financial liabilities (Note 27 & 33)	205.59	189.50
Lease Liability (Note 14.3)	5.23	11.24
Total	**1,456.70**	**975.76**

36.3 Financial risk management objectives

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

The Company's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

There has been no change to the Company's exposure to market risk or the manner in which these risks are managed and measured.

36.4 Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

36.5 Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD). The Company may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Company. Exchange rate exposures are managed with in approved policy parameters.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

36.5.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Change in currency exchange rate	Impact on post tax profits and equity	Change in currency exchange rate	Impact on post tax profits and equity
USD	1 %	2.72	1 %	2.27
EUR	1 %	(0.01)	1 %	(0.04)

36.6 Commodity price risk

The Company imports Ethylene, Ethylene Dichloride (EDC), VCM for manufacture of PVC , Methanol for manufacture of Chloromethanes and coal for its Captive Power Plant.

A) Ethylene, EDC and VCM :

Prices of PVC manufactured by the Company are monitored by Company's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of Ethylene/EDC/VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore, the Company is not significantly exposed to the variation in commodity prices over a period for the above products.

B) Coal and Methanol :

The following table shows the effect of price changes for Coal and Methanol for the year ended March 2024 :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Change in Price	Impact on post tax profits and equity	Change in Price	Impact on post tax profits and equity
Coal	5 %	5.92	5 %	10.65
Methanol	5 %	0.94	5 %	1.18
Total		**6.86**		**11.83**

36.7 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. It also uses sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans.

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit / (loss) would increase or decrease as below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase / (Decrease) in basis points	Impact on post tax profits and equity	Increase / (Decrease) in basis points	Impact on post tax profits and equity
INR	100	3.53	100	1.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

36.8 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Company's cash and cash equivalents, including time deposits with banks, trade receivables and other receivables, and other loans or receivables have an expected credit loss as at March 31, 2024

36.8.1 Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed economically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired Less than 180 days	Past due but not impaired More than 180 days	Total
Trade Receivables as of March 31, 2024	181.98	0.68	-	182.66
Trade Receivables as of March 31, 2023	244.09	11.89	-	255.98

36.8.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

36.9 Liquidity risk management

The Company has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Company can be required to pay.

March 31, 2024	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	748.04	24.00	772.04
Interest bearing	162.37	523.47	685.84
	910.41	**547.47**	**1,457.88**

March 31, 2023	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	703.08	24.20	727.28
Interest bearing	13.36	238.38	251.74
	716.44	**262.58**	**979.02**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

36.10 Fair value hierarchy

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy As at March 31, 2024	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	0.04	-	-	0.04
Financial Liabilities measured at fair value				
Derivative liabilities	1.18	-	1.18	-

Fair Value Hierarchy As at March 31, 2023	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	0.04	-	-	0.04
Financial Liabilities measured at fair value				
Derivative liabilities	3.26	-	3.26	-

Derivative instruments classified under Level 2 are valued using the quotes obtained by aggregators based on deals entered between market participants. Investments in unquoted equity shares classified under Level 3 are valued using DCF method. Long-term growth rate and Weighted average cost of capital are significant unobservable inputs whose sensitivity does not significantly affect the carrying values of such investments.

36.11 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	As at March 31, 2024 Carrying Value	As at March 31, 2023 Carrying Value	As at March 31, 2024 Fair Value	As at March 31, 2023 Fair Value
Financial assets				
Investments	0.04	0.04	0.04	0.04
Other financial assets				
Deposits	32.90	36.65	32.90	36.65
Sundry receivables	97.13	49.92	97.13	49.92
Claims receivable	5.03	5.06	5.03	5.06
Trade receivables	182.66	255.98	182.66	255.98
Cash and cash equivalents	282.72	512.24	282.72	512.24
	600.48	**859.89**	**600.48**	**859.89**

Particulars	As at March 31, 2024 Carrying Value	As at March 31, 2023 Carrying Value	As at March 31, 2024 Fair Value	As at March 31, 2023 Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	542.63	206.84	542.63	206.84
Fixed rate borrowings	108.14	-	108.14	-
Lease Liability	5.23	11.24	5.23	11.24
Trade payables	595.11	568.18	595.11	568.18

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Particulars	As at March 31, 2024 Carrying Value	As at March 31, 2023 Carrying Value	As at March 31, 2024 Fair Value	As at March 31, 2023 Fair Value
Other financial liabilities				
Accrued salaries and benefits	76.60	80.12	76.60	80.12
Payable / Accrual towards Capital Expenditure	65.92	51.01	65.92	51.01
Other payables	63.07	58.37	63.07	58.37
Derivatives not designated as hedge				
Derivative (asset) / liability	1.18	3.26	1.18	3.26
	1,457.88	**979.02**	**1,457.88**	**979.02**

i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to their short-term nature.

ii. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

iii. Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

37. Related party transactions

List of parties where control exists

Sanmar Engineering Services Limited	Ultimate Holding Company
Sanmar Holdings Limited	Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow Subsidiaries

Sanmar Group International Limited

TCI Sanmar Chemicals S.A.E.

Sanmar Overseas Investments AG

Directors

Vijay Sankar

Ramkumar Shankar (Managing Director)

Chandran Ratnaswami

Dr. Amarnath Ananthanarayanan (upto May 09, 2023)

Dr. Lakshmi Vijayakumar

Aditya Jain

Sanjay Vijay Bhandarkar

Prasad Raghava Menon

Vikram Taranath Hosangady (from May 16, 2023)

Terms and conditions of transactions with related parties:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are interest free, unsecured and settlement occurs in cash.

For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

This assessment is undertaken in each financial year through examining the financial position of related party and the market in which the related party operates.

Description	Parties where control exists		Joint Venture / Subsidiaries / Fellow Subsidiaries / Associates		Directors	
Transactions during the year	**April 23 to March 24**	**April 22 to March 23**	**April 23 to March 24**	**April 22 to March 23**	**April 23 to March 24**	**April 22 to March 23**
Sale of materials						
Chemplast Cuddalore Vinyls Limited	-	-	**172.80**	255.61	**-**	-
Purchase of materials						
Chemplast Cuddalore Vinyls Limited	-	-	**4.39**	0.18	**-**	-
Purchase of services						
Chemplast Cuddalore Vinyls Limited			**0.43**			
Purchase of power and steam						
Chemplast Cuddalore Vinyls Limited	-	-	**2.68**	-	**-**	-
Sublease of Land						
Chemplast Cuddalore Vinyls Limited	-	-	**-**	1.38	**-**	-
Remuneration (Short Term Benefits)						
Ramkumar Shankar	-	-	**-**	-	**5.48**	2.28
Sitting Fees						
Dr. Lakshmi Vijayakumar	-	-	**-**	-	**0.03**	0.03
Aditya Jain	-	-	**-**	-	**0.04**	0.04
Sanjay Vijay Bhandarkar	-	-	**-**	-	**0.06**	0.05
Prasad Raghava Menon	-	-	**-**	-	**0.04**	0.04
Vikram Taranath Hosangady	-	-	**-**	-	**0.03**	-
Commission						
Dr. Lakshmi Vijayakumar	-	-	**-**	-	**0.08**	0.10
Aditya Jain	-	-	**-**	-	**0.08**	0.10
Sanjay Vijay Bhandarkar	-	-	**-**	-	**0.08**	0.10
Prasad Raghava Menon	-	-	**-**	-	**0.08**	0.10
Balances as at year end	**March 31, 2024**	**March 31, 2023**	**March 31, 2024**	**March 31, 2023**	**March 31, 2024**	**March 31, 2023**
Investments	-	-	**1,555.72**	1,555.72	-	-
Sundry receivable	-	-	**87.33**	42.60	-	-
Sundry payable	-	-	**0.02**	-	-	-
Trade receivables	-	-	**0.12**	115.62	-	-
Trade payables	-	-	**7.33**		-	-

Refer note 40 (ii) for details of guarantee provided by the Company

38. Disclosure as per Section 186(4) of Companies Act, 2013

The Company has made investments in and provided guarantee which are disclosed below as required by section 186(4) of the Companies Act 2013.

Details of Investment	Note	As at March 31, 2024	As at March 31, 2023
Unquoted fully paid equity shares			
TCI Sanmar Chemicals S.A.E.	15	0.04	0.04
March 31, 2024 : 2 (March 31, 2023 : 2) Equity shares, fully paid up, par value EGP 1000 each			
Chemplast Cuddalore Vinyls Limited	15	300.35	300.35
March 31, 2024: 30,30,30,303 (March 31, 2023: 30,30,30,303) Equity shares, fully paid up, par value ₹ 10 each			

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

The Company has pledged the entire investment held in the equity shares of TCI Sanmar Chemicals S.A.E. in favour of investee's lenders pursuant to the contractual requirements contained in respect of the borrowings availed by the investee.

Particulars	Note	As at March 31, 2024	As at March 31, 2023
Compulsorily Convertible Debentures (CCD)			
Chemplast Cuddalore Vinyls Limited	15	1,255.33	1,255.33
March 31, 2024: 12,55,33,516 (March 31, 2023: 12,55,33,516) Compulsorily Convertible Debentures (CCD) of ₹ 100 each			

(ii) Guarantees provided

The Company has provided corporate guarantee to State Industries Promotion Council of Tamil Nadu for ₹ 331.86 Crores towards the outstanding soft loan of ₹ 156.48 Crores (March 31, 2023 : ₹ 107.66 Crores) availed by the subsidiary company, Chemplast Cuddalore Vinyls Limited.

39. Segment Reporting

The Company's operations predominantly relate to manufacture and sales of Specialty Chemicals. The Board of Directors of the Company who have been identified as the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no separate reportable segment for the Company as per the requirement of Ind-AS 108 "Operating Segments". The Company's operations are predominantly conducted in India and accordingly, there are no separate reportable geographic segment.

The Company's revenues from two customers contributing to more than 10% amounts to ₹ 411.78 Crores (There was no customer during the previous year contributing to more than 10%).

40. Contingent liabilities and Guarantees*

Particulars	As at March 31, 2024	As at March 31, 2023
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts :		
On account of Direct Taxes	36.62	32.76
On account of Indirect Taxes	22.41	22.81
On account of other disputes	16.02	16.43
B. Guarantees		
Corporate guarantee given to State Industries Promotion Corporation of Tamil Nadu (SIPCOT) in respect of soft loan availed by Chemplast Cuddalore Vinyls Limited from SIPCOT	156.48	107.66
- (Total amount of the corporate guarantee given by Chemplast Sanmar Limited to SIPCOT for the soft loan facility is ₹ 331.86 Crores – Actual amount of the Loan drawn by CCVL against this facility is ₹ 156.48 Crores (Previous year ₹ 107.66 Crores)		
Total	**231.53**	**179.66**

*The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

It is not practicable for the Company to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

The Company does not expect any reimbursement in respect of the above contingent liabilities.

41. Capital Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	289.64	325.52
	289.64	**325.52**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

42. Dues to micro and small enterprises

As at March 31, 2024, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 31 and 33 have been determined to the extent such parties have been identified on the basis of information available with the Company.

43. The code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

44. Corporate Social Responsibility

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Amount required to be spent by the Company during the year	4.27	4.08
(ii) Amount of expenditure incurred	4.17	4.21
(iii) Shortfall at the end of the year (i-ii)	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Activities mentioned in i, ii,vi,vii, x & xii of Schedule VII of the Companies Act, 2013	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

The above expenditure is spent on purposes other than towards construction / acquisition of any asset.

Excess amount spent on CSR

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	0.13	-
Amount required to be spent during the year	4.27	4.08
Amount spent during the year	4.17	4.21
Closing balance	**0.03**	**0.13**

The Company has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2024 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.

45. Other Statutory Information

(i) The Company does not have any Benami property. No proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not advanced to or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that such Intermediary shall:

   (a) 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

   (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

(v) The Company has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

46. Employee benefit cost

Defined benefit plans

Gratuity:

This is a defined benefit plan and the Company's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2024 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate(s)	6.97 %	7.23 %
Return on plan assets	6.97 %	7.23 %
Expected rate(s) of salary increase	7.00 %	7.30 %
Attrition rate	2.00 %	2.00 %
Average duration of defined benefit obligations (in years)	9.40	9.20

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Cost of defined benefit plans are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	1.80	1.55
Interest on obligation	1.14	1.07
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.07)	(0.98)
Net cost recognised in the Statement of profit and loss	**1.87**	**1.64**
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains)/losses recognised in the year	(0.63)	(0.55)
Net (gain) /loss recognised in the other comprehensive income	**(0.63)**	**(0.55)**

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	17.13	16.71
Fair value of plan assets	14.96	15.79
Net liability / (asset)	**2.17**	**0.92**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Movements in the present value of the plan assets in the current year were as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	15.79	12.55
Return on plan assets	1.07	0.98
Actuarial gains / (losses)	(0.01)	0.68
Contributions from the employer	-	2.82
Transfer of obligations	(0.08)	(0.17)
Benefits paid	(1.81)	(1.07)
Closing fair value of plan assets	**14.96**	**15.79**

Movements in the present value of the define benefit obligation in the current year were as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	16.71	15.19
Current service cost	1.80	1.55
Interest cost	1.14	1.07
Actuarial (gains)/losses	(0.64)	0.14
Transfer of obligations	(0.08)	(0.17)
Benefits paid	(1.80)	(1.07)
Closing defined benefit obligation	**17.13**	**16.71**
Actuarial (gain)/loss on obligations attributable to change in financial assumptions	(0.06)	0.18
Actuarial (gain)/loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain)/loss on obligations attributable to experience adjustments	(0.58)	(0.04)
Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]		
Year 1	1.70	0.86
Year 2	3.38	3.81
Year 3	1.66	1.97
Year 4	1.02	1.27
Year 5	1.20	1.51
Years 6 through 10	5.89	5.60

Note:

I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC)

II. The expected / actual return on Plan assets is as furnished by LIC

III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Company expects to make a contribution of ₹ 3.02 Crores to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1 %	(0.10)	0.05	(1.36)
Decrease in discount rate by 1 %	0.43	(0.07)	1.61
Increase in salary escalation by 1 %	0.43	0.11	1.61
Decrease in salary escalation by 1 %	(0.11)	(0.10)	(1.39)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

47. Analytical Ratios

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	1.15	1.68	(31.55%)	Reduction in trade receivable coupled with reduction in cash and cash equivalents as on March 31, 2024, has resulted in lower current assets. Accordingly lower current ratio.
Debt-equity ratio	Total Debt	Shareholder's Equity	0.17	0.06	183.33 %	The Company has taken additional debt during the current year for the purpose of project financing. Accordingly, Debt-equity ratio has increased.
Debt service coverage ratio	Earning for Debt Service	Debt Service	0.35	10.46	(96.66%)	Increase in debt service on account of availment of new loans as stated above coupled with decrease in earnings for debt service in 2023-24 has resulted lower debt service coverage ratio.
Return on equity ratio	Net Profits after taxes	Avg. Shareholder's Equity	(3.72 %)	5.30 %	(170.19 %)	The Company has incurred loss after Tax in 2023-24 resulting in negative return on equity
Inventory turnover ratio	Net Sales	Avg. Inventory	4.28	5.94	(27.95 %)	Lower net sales in 2023-24 has resulted in lower inventory turnover ratio.
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivable	7.55	10.07	(25.02%)	Lower sales value in 2023-24 has resulted in lower trade receivable turnover ratio.
Trade payables turnover ratio	Net Purchases	Avg. Trade Payables	1.47	2.10	(30.00 %)	Decrease in value of purchases during 2023-24 on account of lower prices has caused decrease in trade payable turnover ratio.
Net capital turnover ratio	Net Sales	Working Capital	5.50	4.20	30.95 %	Lower working capital as on March 31, 2024 mainly on account of reduction in cash and bank balance, has resulted in higher net capital turnover ratio.
Net profit ratio	Net Profits after taxes	Net Sales	(6.27 %)	6.63 %	(194.57 %)	The Company has incurred loss after Tax in 2023-24 resulting in negative net profit ratio
Return on capital employed	EBIT	Capital Employed	(3.18 %)	5.30 %	(160.00 %)	The Company has incurred loss before interest and Tax in 2023-24 resulting in negative return on Capital employed
Return on investment	Net Profit after taxes	Average Total Assets	(2.51 %)	3.98 %	(163.07 %)	The Company has incurred loss after Tax in 2023-24 resulting in negative return on investment

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

1 Total Debt = Long term Borrowings (including current maturities of Long term Borrowings), lease liabilities (current and non-current), short term borrowings and Interest accrued on Debts

2 Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest +other adjustments like loss on sale of Fixed assets etc.

3 Debt service = Interest and Lease Payments + Principal Repayments

4 Avg. Shareholder's Equity = Average of Opening Total Equity and Closing Total Equity excluding revaluation reserve

5 Avg. Inventory = Average of Opening Inventory and Closing Inventory

6 Avg. Trade Receivable = Average of Opening Trade Receivables and Closing Trade Receivables

7 Avg. Trade Payables = Average of Opening Trade Payables and Closing Trade Payables

8 Working capital shall be calculated as current assets minus current liabilities (excluding current maturities of long term debt, lease liability and interest accrued on borrowings)

9 EBIT = Earning before interest and taxes

10 Capital Employed = Tangible Net Worth (excluding revaluation reserve) + Total Debt + Deferred Tax Liability

11 Average Total Assets = Average of Opening Total Assets and Closing Assets excluding revaluation impact

48. Capital Work-in-progress ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in Progress	175.61	9.48	0.30	0.26	185.65
Projects temporarily suspended	-	-	-	-	-
Total	**175.61**	**9.48**	**0.30**	**0.26**	**185.65**
As at March 31, 2023					
Projects in Progress	376.32	10.57	0.95	-	387.84
Projects temporarily suspended	-	-	-	-	-
Total	**376.32**	**10.57**	**0.95**	**-**	**387.84**

Note - There are no assets/ projects forming part of CWIP which have become overdue or where cost is exceeded compared to their original plans.

49. Trade Receivables ageing schedule

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024							
(i) Undisputed Trade receivables – considered good	181.98	0.68		-	-	-	182.66
(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	-	-	-	-	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2023							
(i) Undisputed Trade receivables – considered good	244.09	11.89	-	-	-	-	255.98
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-

50. Trade Payables aging schedule

Particulars	Unbilled	Not Due			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
		Less than 60 days	61 days - 90 days	More than 90 days					
As at March 31, 2024									
(i) MSME	0.04	7.49	-	-	-	-	-	-	7.53
(ii) Others	47.40	199.56	38.14	286.79	14.60	0.48	0.15	0.46	587.58
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-
As at March 31, 2023									
(i) MSME	0.02	2.48	-	-	0.45	-	-	-	2.95
(ii) Others	51.29	207.94	29.15	261.73	14.66	0.16	0.26	0.04	565.23
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-

51. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Company's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 46.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Fair value measurement of property, plant and equipments

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with increase in fair value being recognised in OCI. The Company had engaged an independent valuation specialist to assess fair value for revaluation of land, buildings, plant and equipment as at January 01, 2022. Fair value of land was determined by using the market approach, hypothetical layout method and building and plant and equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 14.4.

Revenue from contract with customers

The Company estimates variable considerations to be included in the transaction price for the sale of goods and volume rebates. The Company's expected rebates and discounts are analysed on a per customer basis for contracts that are subject to the applicable thresholds. Determining whether a customer will be likely entitled to rebate and discounts will depend on the customer's rebates entitlement and total purchases to date.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its borrowings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated)(Contd.)

Useful life of PPE

Estimated useful life of certain items of PPE are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

52. Employees' benefits obligations

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no further obligations under the plan beyond its monthly contributions.

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

53. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

INDEPENDENT AUDITOR'S REPORT

To the Members of

Chemplast Sanmar Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Chemplast Sanmar Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Timing of revenue recognition

See Note 4 and 3.7 to consolidated financial statements

The key audit matter	**How the matter was addressed in our audit**
The Group's revenue is derived primarily from sale of speciality chemicals and commodity chemicals. Revenue from the sale of goods is recognised upon the transfer of control of the goods to the customer. The Group and its external stakeholders focus on revenue as a key performance metric and the Group uses various shipment terms across its operating markets. Timing of revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	In view of the significance of the matter, we performed the following key audit procedures, among others to obtain sufficient appropriate audit evidence: • Assessed the Group's accounting policy for revenue recognition as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to timing of revenue recognition. • We used statistical sampling and performed substantive testing of selected samples of revenue transactions recorded during the year by verifying the underlying documents such as sale invoice, dispatch document and bill of lading and assessed the accuracy of the period in which revenue was recognised. • Tested manual journal entries posted to revenue based on a specified risk-based criteria to identify unusual items.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Write down of inventories

See Note 18 and 3.5 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group values its inventory at the lower of cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The prices of the products dealt by the Group were volatile during the year impacted by the international market conditions. This resulted in the Group recognizing write down of its inventories to NRV during the year. As NRV write downs of inventory involved significant estimates and complex computation, it is identified as a key audit matter.	In view of the significance of the matter we applied the following key audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the Group's accounting policy for measurement of inventories as per Ind AS. • Tested the design, implementation and operating effectiveness of key controls relating to inventory measurement and NRV computation. • Performed substantive testing of inventory measurement in line with the Group's accounting policy. • Assessed the estimates of NRV of the inventory such as estimated selling price and estimated cost of completion considered in NRV computation. • Assessed the adequacy of disclosures as per applicable Ind AS framework.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) 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 in the 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board 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 each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (Contd.)

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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 an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

INDEPENDENT AUDITOR'S REPORT (Contd.)

2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, 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 dealt with by this Report are in agreement with the relevant 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 of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2024.

d. (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and its subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented that, to the best of their knowledge and belief, as disclosed in the Note 45 to the consolidated financial statements, no funds have been received

INDEPENDENT AUDITOR'S REPORT (Contd.)

by the Holding Company and its subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed 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 (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

f. Based on our examination which included test checks, the Holding Company and its subsidiary have used an accounting software for maintaining their books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the audit trail feature was not enabled at the database level to log any direct data changes. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of audit trail feature being tampered with.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/payable during the current year by the Holding Company and its subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWY2345

Place: Chennai
Date: 20 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, has certain remark given by the respective auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Chemplast Sanmar Limited	L24230TN1985PLC011637	Holding Company	Clause (xvii)#
2	Chemplast Cuddalore Vinyls Limited	U24100TN1991PLC020589	Subsidiary	Clause (i)(c)* Clause (xvii)#

#This clause pertains to cash losses incurred by the Holding Company and subsidiary in the current financial year.

*This clause pertains to title deeds of certain immovable properties not held in the name of the subsidiary.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWY2345

Place: Chennai
Date: 20 May 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Chemplast Sanmar Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 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 financial statements were 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 consolidated 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit

ANNEXURE B (Contd.)

preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Nachiappan Subramanian
Partner
Membership No.: 218727
ICAI UDIN:24218727BKHGWY2345

Place: Chennai
Date: 20 May 2024

CONSOLIDATED BALANCE SHEET

as at March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	14	3,846.41	3,123.76
Capital work-in-progress	14.1	189.66	401.82
Right-of-use assets	14.2	60.42	62.16
Financial Assets			
(i) Investments	15	0.04	0.04
(ii) Other financial assets	16	35.70	27.50
Non-current Tax assets (net)		38.32	18.95
Other non-current assets	17	18.77	56.88
		4,189.32	**3,691.11**
Current assets			
Inventories	18	568.63	643.10
Financial Assets			
(i) Trade receivables	19	190.05	142.64
(ii) Cash and cash equivalents	20	724.44	1,110.98
(iii) Bank balances other than (ii) above	21	76.75	80.91
(iv) Other financial assets	22	109.25	101.73
Other current assets	23	171.86	66.30
		1,840.98	**2,145.66**
Total Assets		**6,030.30**	**5,836.77**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	79.06	79.06
Instruments entirely equity in nature	25	34.32	34.32
Other equity	26	1,587.20	1,745.08
Total Equity		**1,700.58**	**1,858.46**
Liabilities			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	27	1,102.14	929.42
(ia) Lease Liabilities	14.3	1.12	7.97
(ii) Other financial liabilities	28	50.57	54.17
Deferred Tax liabilities (net)	29	651.49	716.68
Other non-current liabilities	30	40.86	35.72
		1,846.18	**1,743.96**
Current liabilities			
Financial Liabilities			
(i) Borrowings	31	440.14	78.55
(ia) Lease Liabilities	14.3	4.11	3.27
(ii) Trade payables	32		
- total outstanding dues of micro enterprises and small enterprises		10.30	5.57
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,735.45	1,855.96
(iii) Derivative liabilities	33	4.88	9.29
(iv) Other financial liabilities	34	214.66	197.39
Other current liabilities	35	52.37	62.10
Provisions	36	3.14	1.34
Current Tax liability (net)		18.49	20.88
		2,483.54	**2,234.35**
Total liabilities		**4,329.72**	**3,978.31**
Total equity and liabilities		**6,030.30**	**5,836.77**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	4	3,922.98	4,941.08
Other income	5	80.47	79.89
Total Income		**4,003.45**	**5,020.97**
Expenses			
Cost of materials consumed	6(a)	2,715.81	3,205.58
Purchase of stock-in-trade	6(b)	0.85	-
Changes in inventories of stock-in-trade, finished goods and work-in-progress	7	(8.49)	6.12
Employee benefits expense	8	170.22	147.21
Finance costs	9	180.52	154.02
Depreciation expense	14	151.36	142.00
Other expenses	10	1,018.75	1,114.03
Total expenses		**4,229.02**	**4,768.96**
Profit / (Loss) before tax and exceptional items		**(225.57)**	**252.01**
Exceptional items	18	-	80.50
Profit / (Loss) before tax		**(225.57)**	**171.51**
Tax expense :	11		
Current tax			
a) Current year		-	(43.25)
b) Earlier years		1.69	(0.93)
Deferred tax		65.45	25.02
Profit / (Loss) after tax		**(158.43)**	**152.35**
Profit/(Loss) after tax attributable to owners of the parent		(158.43)	152.35
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		0.81	0.77
- Deferred tax expense relating to remeasurement of defined benefit plans		(0.26)	(0.25)
Total other comprehensive income		**0.55**	**0.52**
Other comprehensive income attributable to owners of the parent		0.55	0.52
Total comprehensive income for the year		**(157.88)**	**152.87**
Total comprehensive income for the year attributable to owners of the parent		(157.88)	152.87
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	13	**(10.02)**	**9.64**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**(225.57)**	**171.51**
Adjustments for:		
Depreciation expense	151.36	142.00
Finance costs	180.52	154.02
(Profit) / Loss on sale of Property, plant and equipment (net)	(18.06)	(0.02)
Liabilities no longer required written back	(0.03)	(0.23)
Interest income on financial assets at amortised cost	(59.84)	(64.31)
Difference in fair value of derivative instruments	(4.41)	2.36
Exceptional Items	-	80.50
Unrealised (gain) / loss of foreign exchange	(0.55)	(10.35)
Government grant Income	(1.58)	(14.44)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**21.84**	**461.04**
Adjustments for changes in :		
Inventories	74.46	(12.55)
Trade and other receivables	(166.88)	12.14
Trade and other payables	(154.28)	(11.84)
CASH GENERATED FROM OPERATIONS	**(224.86)**	**448.79**
Income tax paid (net of refunds)	(20.07)	(93.36)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**(244.93)**	**355.43**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(618.94)	(419.59)
Proceeds from sale of property, plant and equipment	31.10	0.03
Deposits (placed) / realised (net) (including margin deopsit)	4.17	137.44
Interest received	59.66	64.91
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	**(524.01)**	**(217.21)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	571.36	211.00
Repayment of long term borrowings	(252.71)	(59.30)
Proceeds / (Repayment) from short-term borrowings (net)	255.72	-
Payment of lease liability	(4.56)	(4.56)
Receipts / (Payment) of transaction cost on issue of shares	-	(10.53)
Interest and finance charges paid	(187.41)	(163.60)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	**382.40**	**(26.99)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(386.54)**	**111.23**
Cash and cash equivalents at beginning of the year	1,110.98	999.75
Cash and cash equivalents at end of the year	**724.44**	**1,110.98**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2022	15,81,09,574	79.06
Changes during the year 2022-23	-	-
Balance at March 31, 2023	15,81,09,574	79.06
Changes during the year 2023-24	-	-
Balance at March 31, 2024	**15,81,09,574**	**79.06**

(b) Instruments entirely equity in nature

Particulars	Number of shares	Amount
Balance at April 01, 2022	34,31,984	34.32
Changes during the year 2022-23	-	-
Balance at March 31, 2023	34,31,984	34.32
Changes during the year 2023-24	-	-
Balance at March 31, 2024	**34,31,984**	**34.32**

(c) Other Equity

Particulars	Capital Reserve	Securities premium	Capital Redemption Reserve	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
Balance at April 01, 2022	**(3,230.72)**	**1,385.73**	**39.25**	**1,650.36**	**147.76**	**1,599.28**	**1,591.66**
Total Comprehensive Income	-	-	-	152.87	-	-	152.87
Share issue expenses (net of taxes)	-	0.55	-	-	-	-	0.55
Depreciation on revalued assets	-	-	-	43.45	-	(43.45)	-

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	Capital Reserve	Securities premium	Capital Redemption Reserve	Retained Earnings	General Reserve	Asset Revaluation Reserve	Total
Balance at March 31, 2023	**(3,230.72)**	**1,386.28**	**39.25**	**1,846.68**	**147.76**	**1,555.83**	**1,745.08**
Total Comprehensive Income	-	-	-	(157.88)	-	-	(157.88)
Depreciation on revalued assets	-	-	-	45.09	-	(45.09)	-
Balance at March 31, 2024	**(3,230.72)**	**1,386.28**	**39.25**	**1,733.89**	**147.76**	**1,510.74**	**1,587.20**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated)

1 Corporate Information

Chemplast Sanmar Limited ("the Holding Company", "CSL") is a public limited Company incorporated and domiciled in Chennai. The Holding Company is listed on Bombay Stock Exchange and National Stock Exchange. The registered office is located at Cathedral Road, Chennai and is into the production and sale of speciality chemicals. As of March 31, 2024, Sanmar Holdings Limited owns majority of Chemplast Sanmar Limited's equity share capital and has the ability to control its operating and financial policies.

2 Basis of Preparation

2.1 Statement of Compliance:

These Consolidated Financial Statements which comprise the Financial Statements of the Holding Company and its Subsidiary Company (Together called as the Group) have been prepared and presented from April 01, 2023 to March 31, 2024 ("year") in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) Specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value (also refer accounting policy regarding financial instruments):

a. derivative financial instruments

b. investment in unquoted equity shares

c. property, plant and equipment under revaluation model

These Consolidated Financial Statements are presented in INR and are rounded off to the nearest Crore, except when otherwise indicated.

These Consolidated Financial Statements were authorised for issue by the Holding Company's Board of Directors on May 20, 2024.

2.2 Basis of Consolidation

Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The Holding Company, its Subsidiary re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group, loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

Consolidated Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Historical Audited Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-Group transactions that are recognised in assets, such as fixed assets, are eliminated in full). Intra-Group losses may indicate an impairment that requires

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recognition in the Historical Audited Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group 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 in line with the Group's accounting policies. All intra-Group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

If the Group loses control over a subsidiary, it:

∞ Derecognises the assets (including goodwill) and liabilities of the subsidiary

∞ Derecognises the carrying amount of any non-controlling interests

∞ Derecognises the cumulative translation differences recorded in equity

∞ Recognises the fair value of the consideration received

∞ Recognises the fair value of any investment retained

∞ Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

Particulars of consolidation

The Financial Statements of the Subsidiary was considered for Consolidation

Name of the Company	Percentage of voting Power as on	
	March 31, 2024	March 31, 2023
Chemplast Cuddalore Vinyls Limited (CCVL)	100%	100%

2.3 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

Based on the nature of products/activities, the Group has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

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2.4 Appropriateness of the Going Concern Assumption in the preparation of the Financial Statements:

During the year ended March 31, 2024, the Group has incurred a loss before tax after exceptional items of ₹ 225.57 Crores (profit before tax after exceptional items of ₹ 171.51 Crores for the comparative year ended March 31, 2023). The management expects the demand for the Group's products to follow the recent trend established towards the end of the current period and considering the overall deficit in the Paste Grade PVC capacity in India and demand for PVC, is confident that the Group would be able to operate its plant at optimal capacity to generate profitable operations for the foreseeable future.

3 Material Accounting Policies

3.1 Foreign currency transactions

The Group's functional currency is Indian Rupees. Foreign currency transactions are recorded at the rate of exchange prevailing as on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currency are converted at year end rates. Exchange differences arising on settlement / conversion are adjusted in the Statement of Profit and Loss.

3.2 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

∞ In the principal market for the asset or liability, or

∞ In the absence of a principal market, in the most advantageous market for the asset or liability

∞ The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,assuming that market participants act in their economic best interest.

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

∞ Disclosures for valuation methods, significant estimates and assumptions

∞ Quantitative disclosures of fair value measurement hierarchy

∞ Investment in unquoted equity shares

3.3 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. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Group determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3.1 Financial Assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as:

a. Debt instruments at amortised cost;

b. Derivatives and equity instruments at fair value through profit or loss (FVTPL);

a. Debt instruments at amortised cost;

A 'Debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 37.11

3.3.1.1 Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for

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measurement and recognition of impairment loss on the financial assets and credit risk exposure.

- Financial assets that are debt instruments are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

3.3.1.2 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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On Derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss.

3.3.2 Financial liabilities and equity instruments

3.3.2.1 Classification as debt or equity

Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument as per Ind AS 32.

3.3.2.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

3.3.2.3 Convertible debt instruments

Convertible debt instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible debt instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debt instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Where a convertible debt instrument meets the criteria of an equity in its entirety, such instruments are classified under "Instruments entirely equity in nature".

3.3.2.4 Financial liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

3.3.2.5 Financial Guarantees

Group as a beneficiary: Financial guarantee contracts involving the Group as a beneficiary are accounted as per Ind AS 109. The Group assesses whether the financial guarantee is a separate unit

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of account (a separate component of the overall arrangement) and recognises a liability as may be applicable.

Group as a guarantor: the Group on a case to case basis elects to account for financial guarantee contracts as a financial instrument or as an insurance contract, as specified in Ind AS 109 on Financial Instruments and Ind AS 104 on Insurance Contracts, respectively. Wherever the Group has regarded its financial guarantee contracts as insurance contracts, at the end of each reporting period the Group performs a liability adequacy test, (i.e. it assesses the likelihood of a pay-out based on current undiscounted estimates of future cash flows), and any deficiency is recognised in statement of profit and loss.

Where they are treated as a financial instrument, the financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3.3.2.6 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit and loss. Fair value is determined in the manner described in Note 37.11.

3.3.2.7 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.3.4 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense / income over the relevant period. The Effective Interest Rate (EIR) is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) but does not consider the expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.3.5 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.4 Property, plant and equipment

3.4.1 Recognition and measurement

Property, Plant and Equipment and Capital Work in Progress are initially recognised at cost when

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it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

After recognition land is measured at revaluation model. Buildings and plant and equipment are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Revaluation surplus is recorded in OCI and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in Statement of Profit and Loss. A revaluation deficit if any, is recognised in the Statement of Profit and Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The fair value changes are effected by eliminating the accumulated depreciation against the gross carrying amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Apart from the above, the Group follows the cost model for Motor cars, Office equipments, Furniture and Fittings.

Other assets are measured at cost less deprecation. Freehold land is not depreciated

Cost includes purchase price, including duties and non-refundable taxes, costs that are directly relatable in bringing the assets to the present condition and location. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit and loss account as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company will be included

The Group, based on technical assessment made by management estimate supported by external Chartered engineer's study, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 using straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. On addition / deletion, depreciation is charged on prorata basis based on month of addition / deletion.

Particulars	Useful life
Buildings	20 - 60 years
Plant and equipment	1 - 65 years
Vehicles	3 - 6 years
Computers and peripherals	3 years
Office equipments	3 - 5 years
Furniture and fixtures	5 years

The residual value for all the above assets are retained at 5% of the cost.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis and comprises all applicable costs

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incurred for bringing the inventories to their present location and condition and includes appropriate overheads wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Group produces certain joint-products which are valued on joint cost basis by apportioning the total costs incurred in the manufacture of those joint-products. By-products are valued at the net realisable value.

3.6 Retirement and Employees benefits

Short term employees' benefits including accumulated compensated absence are recognised as an expense as per the Group's Scheme based on expected obligations on undiscounted basis. The present value of other long-term employees benefits are measured on a discounted basis as per the requirements of Ind AS 109.

Post-Retirement benefits comprise of employees' provident fund and gratuity which are accounted for as follows:

Provident Fund / Employee State Insurance:

This is a defined contribution plan and contributions made to the fund are charged to revenue. The Group has no further obligations for future fund benefits other than annual contributions.

Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump- sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds administered by Life Insurance Corporation of India. The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

Remeasurement comprising actuarial gains and losses and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to Statement of Profit and Loss.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Termination benefits:

Termination benefits are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

3.7 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer (primarily upon dispatch or delivery, as per the terms of sale as applicable) at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the transaction price of the consideration received or receivable, taking into account contractually defined terms of payment. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. Revenue from the sale of goods is measured at the transaction price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Contract Balances:

i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the

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customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional and is measured at transaction price. Refer to accounting policies of financial assets in Note 3.3.1.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

iv) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Some contracts provide customers with volume rebate.

Volume Rebates / Price concessions / Special discounts:

The Group provides for volume rebates, price concessions, special discounts to certain customers once the quantity of goods sold during a period exceeds an agreed threshold. Rebates are offset against amounts receivable from customers. To estimate the variable consideration, The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Service Income

Income from services rendered is recognised at a point in time based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

3.8 Other Income

Interest income

Interest income is recognised using the Effective Interest Rate (EIR) method.

3.9 Leases Group as a lessor:

A lease is classified at the inception date as a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee.

Group as a lessee:

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.10 Taxes

Income Tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to items recognised directly in equity or in other comprehensive income.

Current Tax

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the respective reporting dates.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is accounted for using the liability method by computing the tax effect on the tax bases of temporary differences at the reporting date. Deferred tax is calculated at the tax rates enacted or substantively enacted by the Balance Sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

∞ when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of any unused tax losses and unabsorbed depreciation.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

∞ when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised only if there is a reasonable certainty, with respect to unabsorbed depreciation and business loss, that they will be realised. Current tax / deferred tax relating to items recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax / deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates

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positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. MAT paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as a deferred tax asset if there is convincing evidence that the Group will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, it is recognised by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgment in identifying uncertainties over income tax treatments. Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group has determined, that it is probable that its tax treatments will be accepted by the taxation authorities.

3.11 Cash and cash equivalents

Cash and cash equivalent in the Balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

3.12 Provisions and contingencies

Provisions are recognised when the Group has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

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

3.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.15 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to equity share holder of the Group by the weighted average number

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of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Group and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.17 Standards issued but not effective

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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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4. Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Revenue from contracts with customers*		
Revenue from the sale of manufactured goods	3,914.71	4,934.36
Revenue from the sale of stock in trade	0.85	0.17
Revenue from the rendering of services	0.43	-
Leasing Income	0.18	0.22
(ii) Other operating revenue		
Revenue from sale of scrap	6.02	4.93
Revenue from export incentives	0.79	1.40
	3,922.98	**4,941.08**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	4,043.22	5,103.81
Adjustments towards:		
Volume rebates	83.28	77.38
Price concessions	16.35	47.96
Special discounts	28.03	43.94
Revenue as per statement of profit and loss	3,915.56	4,934.53

Contract Balances

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables (contract asset)	190.05	142.64
Advance from customers (contract liability)	26.03	36.58
Revenue recognised from opening contract liabilities	36.57	29.44
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India^	262.07	328.68
- Within India	3,660.91	4,612.40

*The entire revenue from contract with customers are recognised at a point in time coinciding with the transfer of control over goods and services as per Ind AS 115

^ Relates to Specialities segment

5. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income under effective interest rate method on financial assets at amortised cost	59.84	64.31
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	18.06	0.02
Provisions no longer required written back	0.03	0.23
Amortisation of Government grants	1.58	14.44
Recovery of bad debts	-	0.01
Miscellaneous income	0.96	0.88
	80.47	**79.89**

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6. Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Inventories of material at the beginning of the year	432.59	510.53
Add : Purchase	2,654.52	3,127.65
Less: Inventories of material at the end of the year	371.30	432.60
	2,715.81	**3,205.58**
(b) Purchase of stock-in-trade	0.85	-
	0.85	**-**

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Work-in-progress	19.19	11.71
Finished Goods	35.83	49.05
Stock-in-trade	-	0.38
	55.02	**61.14**
Inventories at the end of the year		
Work-in-progress	25.13	19.19
Finished Goods	38.38	35.83
Stock-in-trade	-	-
	63.51	**55.02**
Difference between opening and closing inventories		
Work in progress	(5.94)	(7.48)
Finished goods	(2.55)	13.22
Stock-in-trade	-	0.38
	(8.49)	**6.12**

8. Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	155.54	134.81
Contribution to provident fund and others	9.09	8.31
Staff welfare expenses	5.59	4.09
	170.22	**147.21**

9. Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	86.72	72.26
Other finance costs	93.30	79.10
Bank charges	0.50	2.66
	180.52	**154.02**

* Net off interest capitalised during the year ₹ 24.12 Crores (2022-23: ₹ 3.50 Crores)

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10. Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	599.00	669.90
Stores consumed	97.77	99.99
Commission on sales	7.56	7.97
Rent	5.35	4.30
Insurance	17.38	21.79
Rates and taxes	16.72	5.69
Repairs and maintenance		
- Machinery	51.73	52.01
- Building	9.44	9.55
- Others	25.89	18.42
Freight and handling	34.16	56.91
Difference in foreign exchange (net) *	33.79	52.77
Outside processing expenses	12.07	7.97
Operation & Maintenance expenses	19.42	19.87
Legal and Professional fees	21.50	27.98
Payment to auditor	0.99	0.98
Miscellaneous expenses	65.98	57.93
	1,018.75	**1,114.03**
Expense relating to short term leases (included in other expenses)	5.35	4.30

*Net of fair value gain on derivative instruments at FVTPL of ₹ 4.41 Crores (2022-23: loss ₹ 2.36 Crores)

11. Income taxes expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Current income tax charge	-	(43.25)
Adjustments in respect of current income tax of prior years	1.69	(0.93)
Deferred tax:		
Relating to origination and reversal of temporary differences	65.45	25.02
Income tax expense reported in statement of profit and loss	**67.14**	**(19.16)**
Other comprehensive income (OCI)		
Items that will not be reclassified to profit and loss in subsequent periods		
Net loss/(gain) on remeasurements of defined benefit obligations	(0.26)	(0.25)
Income tax charged to OCI	**(0.26)**	**(0.25)**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2024

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (34.944%) as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Accounting profit before tax	(225.57)	171.51
Profit before Income tax multiplied by standard rate of corporate tax in India (34.944%) (March 31, 2023: 34.944%) as follows:	78.81	(59.92)

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Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Effect of :		
Availment of unrecognised MAT credit	-	39.85
Ineligible expenses	(2.67)	(2.41)
Effect of different tax rates of subsidiaries	(6.82)	0.47
Impact of income tax provision relating to earlier years	1.69	(0.93)
Impact of Government grant being recognised on below-par loan from Government	(2.42)	3.63
Differential tax rates on capital gains	(1.02)	-
Others	(0.43)	0.15
Net effective Income tax	**67.14**	**(19.16)**

12. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI (net of taxes) by each type of reserve in equity is shown below:

During the year ended March 31, 2024	Retained Earnings	Total
Re-measurement gains/(losses) on defined benefit obligations	0.55	0.55
During the year ended March 31, 2023	**Retained Earnings**	**Total**
Re-measurement gains/(losses) on defined benefit obligations	0.52	0.52

13. Earnings per share [EPS]:

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the holding company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the holding company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Earnings per share :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit/(Loss) after tax	(158.43)	152.34
Earnings used in the calculation of earnings per share	(158.43)	152.34
Weighted average number of equity shares for basic and diluted EPS	15,81,09,574	15,81,09,574
Basic and diluted earnings per share		
Basic earnings per share (₹)	(10.02)	9.64
Diluted earnings per share (₹)	(10.02)	9.64

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14. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixture	Office equipment	Vehicles	Total
Cost or valuation :							
Balance as at April 01, 2022	1,121.28	231.28	1,901.59	6.54	2.25	4.31	3,267.25
Additions	-	9.12	53.97	1.87	0.03	1.93	66.92
Disposals	-	-	9.57	0.73	-	0.20	10.50
Balance as at March 31, 2023	**1,121.28**	**240.40**	**1,945.99**	**7.68**	**2.28**	**6.04**	**3,323.67**
Additions	33.50	103.46	733.87	6.94	2.68	2.69	883.14
Disposals	12.71	0.54	2.98	0.21	0.02	0.27	16.73
Balance as at March 31, 2024	**1,142.07**	**343.32**	**2,676.88**	**14.41**	**4.94**	**8.46**	**4,190.08**
Accumulated depreciation							
Balance as at April 01, 2022	-	3.66	61.68	3.44	1.32	2.01	72.11
Depreciation expense	-	15.10	121.26	1.14	0.21	0.56	138.27
Eliminated on disposals of assets	-	-	9.57	0.72	-	0.18	10.47
Balance as at March 31, 2023	**-**	**18.76**	**173.37**	**3.86**	**1.53**	**2.39**	**199.91**
Depreciation expense	-	14.10	131.03	1.49	0.26	0.80	147.68
Eliminated on disposals of assets	-	0.54	2.98	0.20	0.02	0.18	3.92
Balance as at March 31, 2024	**-**	**32.32**	**301.42**	**5.15**	**1.77**	**3.01**	**343.67**
Net Block							
Balance as at March 31, 2024	**1,142.07**	**311.00**	**2,375.46**	**9.26**	**3.17**	**5.45**	**3,846.41**
Balance as at March 31, 2023	**1,121.28**	**221.64**	**1,772.62**	**3.82**	**0.75**	**3.65**	**3,123.76**

Note:

For details of charge on Property, plant and equipment refer Note 27

14.1 Capital in work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	401.82	33.66
Additions	670.98	435.08
Assets capitalised during the year	883.14	66.92
Balance as at end of the year	**189.66**	**401.82**

Also refer Note 49 for Capital work-in-progress ageing schedule

14.2 Carrying amounts of right-of-use assets recognised and movement during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amount		
Balance as at beginning of the year	62.16	63.86
Additions	4.16	2.03
Depreciation	3.68	3.73
Modification	(2.22)	-
Balance as at end of the year	**60.42**	**62.16**

Note: The carrying amount as March 31, 2024 represents ₹ 3.85 Crores (March 31, 2023: ₹ 9.16 Crores) and ₹ 56.57 Crores (March 31, 2023: ₹ 53.00 Crores) towards plant and equipment and leasehold land respectively

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14.3 Carrying amounts of lease liability recognised and movement during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	11.24	14.10
Accretion of interest	1.30	1.70
Payments	4.56	4.56
Modification	(2.75)	-
Balance as at end of the year	**5.23**	**11.24**
Current	4.11	3.27
Non-current	1.12	7.97

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	4.56	4.56
Later than one year and not later than five years	1.14	9.12
Total undiscounted lease liabilities	**5.70**	**13.68**

The following are the amounts recognised in Statement of profit and loss relating to leases

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation expense of right-of-use asset	3.68	3.73
Interest expense on lease liabilities	1.30	1.70
Expense relating to short term leases (included in other expenses)	5.35	4.30
Modification of lease liability	(0.53)	-
Total amount recognised in Statement of profit or loss	**9.80**	**9.73**

The following are the amounts recognised in Statement of cash flows relating to leases

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total cash outflow towards lease payments (excluding short-term leases)	(4.56)	(4.56)
Total amount recognised in Statement of cash flows	**(4.56)**	**(4.56)**

14.4 Revaluation of property, plant and equipment

Fair value of property, plant and equipment was determined by using the market value method, hypothetical layout method for freehold land and depreciable replacement cost method (DRC) for Buildings and Plant and Equipment. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of latest revaluation of January 01, 2022, the properties' fair values are based on valuations performed by RBSA Valuation Advisors LLP and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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Information of revaluation model:

If Property, plant and equipment and ROU were measured using the cost model, the carrying amounts would be as follows:

Particulars	Freehold land	Buildings	Property, plant and equipment	Right-of-use (ROU) assets	Total
Net book value					
March 31, 2024					
Cost	103.00	241.99	1,996.98	45.26	2,387.23
Accumulated depreciation	-	55.27	494.66	16.51	566.44
Net carrying amount	**103.00**	**186.72**	**1,502.32**	**28.75**	**1,820.79**
March 31, 2023					
Cost	71.28	139.07	1,270.71	42.26	1,523.32
Accumulated depreciation	-	48.49	418.01	12.81	479.31
Net carrying amount	**71.28**	**90.58**	**852.70**	**29.45**	**1,044.01**

Fair value hierarchy for property, plant and equipment under revaluation model:

The Group uses the following hierarchy for determining and disclosing the fair value of its freehold land, buildings and plant and equipment:

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2024				
Revalued property, plant and equipment				
Freehold land	1,142.07	-	241.03	901.04
Buildings	311.00	-	-	311.00
Plant and machinery	2,375.46	-	-	2,375.46
Revalued ROU				
Leasehold land	56.56	-	56.56	-
Plant and machinery	3.86	-	-	3.86
	3,888.95	**-**	**297.59**	**3,591.36**

Particulars	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Assets measured at fair value:				
March 31, 2023				
Revalued property, plant and equipment				
Freehold land	1,121.28	-	220.24	901.04
Buildings	221.64	-	-	221.64
Plant and machinery	1,772.62	-	-	1,772.62
Revalued ROU				
Leasehold land	53.00	-	53.00	-
Plant and machinery	9.16	-	-	9.16
	3,177.70	**-**	**273.24**	**2,904.46**

Significant Observable and unobservable Valuation Inputs :

The value of Freehold land was determined based on condition, location, demand, supply, plant-layout and other infrastructure facility available at and around the said plot of land.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Right of use of leasehold land which was based on government promoted industrial estates, was measured on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

The valuation of buildings and plant and equipment was based on its present fair market value after allowing for the depreciation of the particular assets, as well as the present condition of the assets (depreciated replacement cost method). The replacement value of the said assets as well as its maintenance up-keep is considered while working out its present fair value.

15. Investments

Particulars	As at March 31, 2024	As at March 31, 2023
i) Investments at FVTPL		
Unquoted fully paid equity shares		
TCI Sanmar Chemicals S.A.E (2 Equity shares of face value of EGP 1000 each)	0.04	0.04
Sai Regency Power Corporation Private Limited	-	-
	0.04	**0.04**
Aggregate value of unquoted investments	**0.04**	**0.04**

(Refer note 39 for details of investments and also refer note 38)

16. Other non-current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	33.73	25.54
Margin deposits	0.07	0.06
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry Receivables	0.56	0.56
Claims receivables	1.33	1.33
	35.70	**27.50**

17. Other non-current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	8.96	46.52
Advances other than capital advances		
Security deposit - Government Authorities	6.99	6.88
Prepaid expenses	2.82	3.48
	18.77	**56.88**

18. Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and intermediates	371.30	432.60
Work-in-progress	25.13	19.19
Finished goods	38.38	35.83
Stores and spares	133.82	155.48
	568.63	**643.10**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Note (1) Inventories includes goods in transit

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and intermediates	109.84	202.33
Stores and spares	0.92	1.17
	110.76	**203.50**

Note (2) Exceptional item -

During the previous year, the Zero COVID policy in China and the resultant COVID related shutdown there, had resulted in a sharp contraction of demand for PVC resin in that country. On account of this, there was a spike in exports of PVC resin from China, leading to a steep fall in finished products prices in India as well as feedstock prices. In line with generally accepted accounting principles, the Group had written down the carrying value of stocks of major intermediates and finished products, to levels corresponding to the net realisable value of finished products, leading to an exceptional charge of ₹ 80.50 Crores during the previous year.

19. Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good**		
Receivable from related party (Refer Note 38)	-	-
Receivable from others	190.05	142.64
	190.05	**142.64**

** Trade receivables are generally non interest bearing and have a credit period of 1-60 days
**Also refer Note 50 for trade receivables ageing schedule
There are no trade receivables from related parties

20. Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Bank balances		
- in current account *	207.74	256.81
- Deposits with original maturity of less than three months	516.37	853.85
Cash on hand	0.31	0.31
Stamps on hand	0.02	0.01
	724.44	**1,110.98**

* includes lien marked against debt service reserve account ("DSRA") amounting to ₹ 36.29 Crores (March 31, 2023: Nil)

21. Other bank balances

Particulars	As at March 31, 2024	As at March 31, 2023
Margin deposits	66.27	61.89
Deposits with original maturity of more than three months but less than twelve months*	10.48	19.02
	76.75	**80.91**

*includes deposits marked as lien amounting to ₹ 4.14 Crores (March 31, 2023: Nil)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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22. Other current financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	5.97	5.44
Sundry receivables (Refer note 38)	90.18	82.20
Claims receivables	8.59	9.76
Interest receivable	4.51	4.33
	109.25	**101.73**

23. Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
Prepaid expenses	8.79	3.46
Balances with Government authorities	128.29	33.81
Advance given to suppliers	34.78	29.03
	171.86	**66.30**

24. Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
40,00,00,000 equity shares of ₹ 5/- each	200.00	200.00
(Previous year 40,00,00,000 equity shares of ₹ 5/- each)		
35,00,000 cumulative redeemable preference shares of ₹ 100/- each	35.00	35.00
(Previous year 35,00,000 cumulative redeemable preference shares of ₹ 100/- each)		
	235.00	**235.00**
Issued		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each fully paid up)		
Subscribed and fully paid-up		
15,81,09,574 equity shares of ₹ 5/- each	79.06	79.06
(Previous year 15,81,09,574 equity shares of ₹ 5/- each fully paid up)		
	79.06	**79.06**

A. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	No. of Shares	Share Capital
Balance at April 01, 2022	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2023	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2024	**15,81,09,574**	**79.06**

Shares Held by Holding company and its subsidiaries

Sanmar Holdings Limited and its nominees holds 8,69,45,065 equity shares (Previous Year 8,69,45,065 equity shares)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Rights, Preferences and Restrictions attached to shares

Equity Shares: The Holding Company has one class of equity shares having a par value of ₹ 5 per share (March 31, 2023: ₹ 5 per share). Each share holder is eligible for one vote per share held. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

B: Details of Share holders holding more than 5% shares in the Holding Company

Name of the share holder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of holding	No. of Shares	% of holding
Sanmar Holdings Limited and its nominees	8,69,45,065	54.99 %	8,69,45,065	54.99 %
SBI Long Term Equity Fund	1,52,33,965	9.64 %	1,49,44,879	9.45 %
Mirae Asset Tax Saver Fund	1,18,43,766	7.49 %	1,30,26,532	8.24 %
Amansa Holdings Private Limited	81,29,958	5.14 %	-	0.00 %

C: Details of Shares held by promoters

Promoter name	As at March 31, 2024		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99%	-

Promoter name	As at March 31, 2023		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

D. 6,62,40,000 Equity shares of ₹ 10 each alloted as fully paid up for consideration other than cash pursuant to scheme of arrangement (Previous year: 6,62,40,000).

25. Instruments entirely equity in nature

A. Reconciliation of Instruments entirely equity in nature outstanding at the beginning and at the end of the year

Particulars	No. of CCD	Amount
Balance at April 01, 2022	34,31,984	34.32
Issued during the year	-	-
Balance at March 31, 2023	**34,31,984**	**34.32**
Issued during the year	-	-
Balance at March 31, 2024	**34,31,984**	**34.32**

Rights, Preferences and Restrictions attached to Compulsorily Convertible Debentures ('CCD')

(i) 7,35,000 CCD issued are compulsorily convertible into equity shares of the subsidiary company, at par, anytime as may be decided by the subsidiary company, but not later than March 31, 2029

(ii) 12,00,000 CCD issued are compulsorily convertible into equity shares of the subsidiary company, at par, anytime as may be decided by the subsidiary company, but not later than March 31, 2029

(iii) 14,96,984 CCD issued are compulsorily convertible into equity shares of the subsidiary company, at par, anytime as may be decided by the subsidiary company, but not later than March 20, 2029

(iv) The CCDs shall not carry any interest.

(v) The CCDs are not marketable securities and can be transferred only at the discretion of the issuer company of the Group.

(vi) The application for CCD shall be deemed to be the application for Shares when the conversion takes place.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

(vii) The CCD being unsecured shall rank pari passu with all other unsecured borrowings, existing and future.

(viii) The equity shares to be issued on conversion shall rank pari passu in all respects with the equity shares existing on the date of conversion.

(ix) The application for CCD shall be deemed to be the application for shares when the conversion takes place.

B. Details of Debenture holders of the group

Name of the share holder	As at March 31, 2024		As at March 31, 2023	
	No. of Debentures	% of holding	No. of Debentures	% of holding
Sanmar Engineering Services Limited (Ultimate Holding Company)of face value of ₹ 100 each	34,31,984	100.00%	34,31,984	100.00%
	34,31,984	100.00%	34,31,984	100.00%

26. Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve	(3,230.72)	(3,230.72)
Capital redemption reserve	39.25	39.25
Securities premium (Refer A below)	1,386.28	1,386.28
Asset revaluation reserve (Refer B below)	1,510.74	1,555.83
General reserve	147.76	147.76
Retained earnings (Refer C below)	1,733.89	1,846.68
	1,587.20	**1,745.08**

(A) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,386.28	1,385.73
Transaction cost on issue of shares	-	0.55
Balances at the end of the year	**1,386.28**	**1,386.28**

(B) Asset revaluation reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,555.83	1,599.28
Depreciation on revalued assets	(45.09)	(43.45)
Balances at the end of the year	**1,510.74**	**1,555.83**

(C) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Balances at the beginning of the year	1,846.68	1,650.36
Profit / (Loss) for the year	(158.43)	152.35
Other comprehensive income	0.55	0.52
Depreciation on revalued assets	45.09	43.45
Balances at the end of the year	**1,733.89**	**1,846.68**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Nature and purpose of reserves

Capital reserve

The Group recognises the difference between the net assets less reserves acquired or transferred by the Group and as reduced by the shares capital issued or received respectively, pursuant to a common control business combination as an adjustment to capital reserve.

Capital redemption reserve

The Group had created Capital redemption reserve in respect of redemption of preference shares in accordance with Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, adjustment of share issue expenses, etc in accordance with the provisions of the Companies Act, 2013.

Asset revaluation reserve

The Group had recognised the surplus arising out of revaluation of property, plant and equipment to asset revaluation reserve in accordance with Ind-AS 16.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

27. Non Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured – at amortised cost		
Term Loans		
Term loan from banks	1,173.50	693.44
Term loans from financial institutions	-	222.13
SIPCOT soft loan	110.63	92.40
	1,284.13	**1,007.97**
Less : Current maturities of borrowings		
Term loan from banks	125.76	37.18
Term loan from financial institutions	-	41.37
SIPCOT soft loan	56.23	-
	181.99	**78.55**
	1,102.14	**929.42**

A) Summary of borrowing arrangements

Term Loan from Banks

a) Term loan of holding company from bank amounting to ₹ 138.66 Crores (March 31, 2023: ₹ 77.53 Crore) is secured by first pari passu charge over over moveable and immoveable property, plant and equipment of the Company.

b) Term loan of holding company from bank amounting to ₹ 233.49 Crores (March 31, 2023: ₹ 109.56 Crore) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

c) Term loan from bank amounting to ₹ 95.23 Crores (March 31, 2023: ₹ 19.75 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

d) Term loan from bank amounting to ₹ 74.89 Crores (March 31, 2023: Nil) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

e) Vehicle loan from bank amounting to ₹ 0.36 Crores (March 31, 2023: Nil) is secured by hypothecation of the vehicle purchased out of the loan financed.

f) Term loan of the subsidiary company from bank amounting to ₹ 452.29 Crores (March 31, 2023: ₹ 486.60 Crores) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company, second pari passu charge over current assets and exclusive charge over debt service reserve bank account of the Company.

g) Corporate Guarantee of Sanmar Engineering Service Limited for ₹ 825 Crores towards the term loan, but limited to current outstanding of ₹ 452.29 Crore.

h) The Bank has a put option on the term loan amounting to ₹ 452.29 at the end of 7 years from the period of first disbursement being December-2019.

i) Term loan of subsidiary from bank amounting to ₹ 178.32 Crores (March 31, 2023: Nil) is secured by first pari passu charge over moveable and immoveable property, plant and equipment of the Company, second pari passu charge over current assets and exclusive charge over debt service reserve bank account of the Company.

j) Corporate Guarantee of Sanmar Engineering Service Limited for ₹ 181.45 Crores towards the term loan

k) The Bank has a put option on the term loan amounting to ₹ 178.32 at the end of 34th month (November 2026) from the period of first disbursement being March-2024.

l). Vehicle loan of subsidiary from bank amounting to ₹ 0.26 Crores (March 31, 2023: Nil) is secured by hypothecation of the vehicle purchased out of the loan financed.

Soft loan from SIPCOT

a) Term loans of the subsidiary company from SIPCOT amounting to ₹ 110.63 Crores (March 31, 2023: ₹ 92.40 Crores) is secured by first pari passu charge on specific land, buildings and plant and machinery of subsidiary. (Refer note 3.13)

Term loan from Financial Institution

Term loan of subsidiary from financial institution March 31, 2023: ₹ 222.13 Crores has been repaid during the year.

Repayment of loans

" a) Repayment of term loan of holding company amounting to ₹ 138.66 Crores in 25 structured quarterly installments, commencing from March 2024

Note: Current interest rate of the above term loan is 8.61% (March 31, 2023: 8.71%)

(b) Repayment of term loan of holding company amounting to ₹ 233.49 Crores in 25 structured quarterly installments, commencing from September 2024

Note: Current interest rate of the above term loan is 9.15% (March 31, 2023: 9.15%)

(c) Repayment of term loan of holding company amounting to ₹ 95.23 Crores in 25 structured quarterly installments, commencing from October 2024

Note: Current interest rate of the above term loan is 9.44% (March 31, 2023: 9.38%)

(d) Repayment of term loan amounting to ₹ 74.89 Crores in 25 structured quarterly installments, commencing from November 2025

Note: Current interest rate of the above term loan is 9.30% (March 31, 2023: NA)

(e) Repayment of Vehicle loan amounting to ₹ 0.36 Crores in 60 structured monthly installments, commencing from January 2024

Note: Current interest rate of the above term loan is 8.85% (March 31, 2023: NA)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

(f) Repayment of term loan of subsidiary from banks amounting to ₹ 452.29 Crores (March 31, 2023: 486.60 Crores) in 40 structured quarterly installments commenced from February 2020. The subsidiary company had opted for moratorium for the quarterly instalments that were due in May 2020 and August 2020, under the regulatory package notified by the Reserve Bank of India as part of COVID-19 relief measures.

Note: Current interest rate of the above term loan is 8.75% (March 31, 2023: 8.75%)

(g) Repayment of term loan of subsidiary amounting to ₹ 178.32 Croress in 25 structured quarterly installments, commencing from May 2024

Note: Current interest rate of the above term loan is 9.90% p.a. (March 31, 2023: NA)

(h) Soft loan from SIPCOT repayable in the 10th year from drawal.

(i) Repayment of vehicle loan amounting of subsidiary to ₹ 0.26 Croress (March 31, 2023: Nil) in 60 equal monthly instalments of ₹ 55024/- commencing from January 2024

Note: Current interest rate of the above term loan is 8.85% p.a. (March 2023: NA)

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short tem borrowings	Long term borrowings	Total
Debt as at April 01, 2023	-	1,007.97	1,007.97
Proceeds from borrowings	613.43	571.36	1,184.79
Repayment of borrowings	(357.71)	(252.71)	(610.42)
Interest payments and non-cash movements (net)	2.43	(42.49)	(40.06)
Debt as at March 31, 2024	**258.15**	**1,284.13**	**1,542.28**

Particulars	Liabilities from financing activities		
	Short tem borrowings	Long term borrowings	Total
Debt as at April 01, 2022	-	867.38	867.38
Proceeds from borrowings	-	211.00	211.00
Repayment of borrowings	-	(59.30)	(59.30)
Interest payments and non-cash movements (net)	-	(11.11)	(11.11)
Debt as at March 31, 2023	**-**	**1,007.97**	**1,007.97**

28. Other non-current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Trade deposits	3.92	4.30
Accrued salaries and benefits	29.82	33.22
Other payables	16.83	16.65
	50.57	**54.17**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

29. Deferred tax liabilities/(assets) (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Difference between book and tax written down value of property, plant and equipment	784.47	750.14
Payments allowable in full under Income Tax but amortised over a period in books	3.30	1.50
MTM/Forward premium claimable in future	1.36	1.22
Difference in allowable expenditure on foreign exchange contracts	(2.04)	(1.46)
Unabsorbed depreciation / Carried forward business losses	(108.96)	-
Expenses allowable on payment basis	(25.57)	(32.54)
Employees separation scheme	(1.13)	(2.25)
Others	0.06	0.07
	651.49	**716.68**
Reconciliation of deferred tax liabilities (net)		
Opening balance	716.68	741.45
Change in statement of profit and loss	(65.45)	(25.02)
Change in other comprehensive income	0.26	0.25
Closing balance	**651.49**	**716.68**

30. Other non - current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Government grant*	30.38	31.96
Other liabilities	10.48	3.76
	40.86	**35.72**

* Note: Government Grant have been received for investment in property, plant and equipments. Grants are initially recognised where there is a reasonable assurance that the Group will comply with all attached conditions.

31. Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured – at amortised cost		
Current maturities of Long term borrowings		
-Term loan from Banks	125.76	37.18
-Term loan from Financial Institutions	-	41.37
-SIPCOT Soft Loan	56.23	-
Buyer's credit	258.15	-
	440.14	**78.55**

Security Particulars :

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts and second pari passu charge on Property, Plant and Equipment of the Group (excluding specifically charged land and buildings).

The quarterly return submitted by the Group to its Bankers are in agreement with the books of accounts.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

32. Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to related parties (Refer note 38)	-	-
Payable to others*	1,745.75	1,861.53
	1,745.75	**1,861.53**

* General Terms: The average credit period varies for each product between 1 and 240 days. In general - No interest is charged for the initial period of 60 days. Thereafter interest / discounting charges is paid at LIBOR / SOFR + Spread on the outstanding balance.

* The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

* Includes dues for payment to Micro and Small enterprises ₹ 10.30 Crores (March 31, 2023: ₹ 5.57 Crore) (Also refer Note 42)

* Also Refer Note 51 for Trade payable ageing schedule

33. Derivative instruments

Particulars	As at March 31, 2024	As at March 31, 2023
Derivative liability #	4.88	9.29
	4.88	**9.29**

While the Group entered into foreign exchange forward contracts with the intention of reducing foreign exchange risk of purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss

34. Other current financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Payable / Accrual towards capital expenditure*	70.91	52.05
Accrued salaries and benefits	68.93	75.28
Trade deposits	0.26	0.05
Other payables	74.56	70.01
	214.66	**197.39**

* Includes dues for payment to Micro and Small enterprises ₹ 9.55 Crores (March 31, 2023: ₹ 10.95 Crore) (Also refer Note 42)

35. Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Government grant	1.57	1.58
Advance from customers	26.03	36.58
Withholding and other tax payables	6.15	5.33
Other liabilities	18.62	18.61
	52.37	**62.10**

36. Current provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits	3.14	1.34
	3.14	**1.34**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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37. Financial instruments

37.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings (Note 27 and 31), cash and cash equivalents (Note 20) and equity attributable to equity holders of the Holding company, comprising issued capital, premium, and retained earnings.

Gearing ratio

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. The gearing ratios at March 31, 2024 and March 31, 2023 were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (i)	1,542.28	1,007.97
Cash and cash equivalents	724.44	1,110.98
Net debt	**817.84**	**(103.01)**
Equity (ii)	1,700.56	1,858.46
Gearing Ratio	0.48	(0.06)

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives)

(ii) Equity includes all capital, compulsorily convertible debentures and reserves of the Company that are managed as capital

37.2 Categories of financial assets and liabilities carried at amortised cost

Particulars	As at March 31, 2024	As at March 31, 2023
37.2.1 Financial assets at amortised cost		
Cash and cash equivalents (Note 20)	724.44	1,110.98
Other bank balances (Note 21)	76.75	80.91
Trade receivables (Note 19)	190.05	142.64
Other financial assets (Note 16 & 22)	144.95	129.23
Total	**1,136.19**	**1,463.76**

Particulars	As at March 31, 2024	As at March 31, 2023
37.2.2 Financial liabilities- At amortised cost		
Borrowings (Note 27 & 31)	1,542.28	1,007.97
Trade payables (Note 32)	1,745.75	1,861.53
Other financial liabilities (Note 28 & 34)	265.23	251.56
Lease liability (Note 14.3)	5.23	11.24
Total	**3,558.49**	**3,132.30**

37.3 Financial risk management objectives

The Group's principal financial liabilities other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Group's activities expose it primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk.

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The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance. There has been no change to the Group's exposure to market risk or the manner in which these risks are managed and measured.

37.4 Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

37.5 Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The currencies, in which these transactions primarily are denominated in American Dollars (USD). The Group may use forward exchange contract towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Group. Exchange rate exposures are managed with in approved policy parameters.

37.5.1 Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rates.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Change in currency exchange rate	Impact on post tax profits and equity	Change in currency exchange rate	Impact on post tax profits and equity
USD	1 %	12.24	1 %	11.70
EUR	1 %	(0.01)	1 %	(0.04)

37.6 Commodity price risk

The Group imports Ethylene, Ethylene Dichloride (EDC), VCM for manufacture of PVC, Methanol for manufacture of Chloromethanes and Coal for its Captive Power Plant.

A) Ethylene, EDC and VCM:

Prices of PVC manufactured by the Group are monitored by Group's management and adjusted to respond to change in import parity price of PVC in Indian market. The prices of Ethylene/EDC/VCM (Input) and PVC (Output) generally move in the same direction thereby maintaining the margins more or less at the same levels over a period of time. Therefore, the Group is not significantly exposed to the variation in commodity prices over a period for the above products.

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B) Coal and Methanol:

The following table shows the effect of price changes for Coal and Methanol for the year 2023-24:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Change in Price	Impact on post tax profits and equity	Change in Price	Impact on post tax profits and equity
Coal	5 %	5.92	5 %	10.65
Methanol	5 %	0.94	5 %	1.18
Total		**6.86**		**11.83**

37.7 Interest rate risk management

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 long-term debt obligations with floating interest rates. It also uses sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term loans. Wherever the Group has fixed interest borrowings there is no exposure to risk of changes in market rates.

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit / (loss) would increase or decrease as below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Increase / (Decrease) in basis points	Impact on post tax profits and equity	Increase / (Decrease) in basis points	Impact on post tax profits and equity
INR	100	8.25	100	6.68

37.8 Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience, other publicly available financial information, its own trading records and other factors, where appropriate, as means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across various industries and geographical areas.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

None of the Group's cash and cash equivalents, including time deposits with banks, trade receivables and other receivables, and other loans or receivables have an expected credit loss as at March 31, 2024

37.8.1 Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed economically.

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The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired Less than 180 days	Past due but not impaired More than 180 days	Total
Trade Receivables as of March 31, 2024	188.27	1.78	-	190.05
Trade Receivables as of March 31, 2023	130.75	11.89	-	142.64

37.8.2 Financial instruments and cash deposits

Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process.

37.9 Liquidity risk management

The Group has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for their financial liabilities. The contractual maturities of the financial instruments have been determined on the basis of earliest date on which the Group can be required to pay.

March 31, 2024	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	1,958.49	27.53	1,986.02
Interest bearing	451.05	1,126.30	1,577.35
	2,409.54	**1,153.83**	**3,563.37**

March 31, 2023	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	2,060.99	27.73	2,088.72
Interest bearing	89.04	963.83	1,052.87
	2,150.03	**991.56**	**3,141.59**

37.10 Fair value hierarchy

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy As at March 31, 2024	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	0.04	-	-	0.04
Financial Liabilities measured at fair value				
Derivative liabilities	(4.88)	-	(4.88)	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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Fair Value Hierarchy As at March 31, 2023	Carrying value	Level 1	Level 2	Level 3
Financial Assets measured at fair value				
Investments	0.04	-	-	0.04
Financial Liabilities measured at fair value				
Derivative liabilities	(9.29)	-	(9.29)	-

Derivative instruments classified under Level 2 are valued using the quotes obtained by aggregators based on deals entered between market participants. Investments in unquoted equity shares classified under Level 3 are valued using DCF method. Long-term growth rate and Weighted average cost of capital are significant unobservable inputs whose sensitivity does not significantly affect the carrying values of such investments.

37.11 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	As at March 31, 2024 Carrying Value	As at March 31, 2023 Carrying Value	As at March 31, 2024 Fair Value	As at March 31, 2023 Fair Value
Financial assets				
Investments	0.04	0.04	0.04	0.04
Other financial assets				
Deposits	116.53	111.96	116.53	111.96
Sundry receivables	95.25	87.09	95.25	87.09
Claims receivable	9.92	11.09	9.92	11.09
Trade receivables	190.05	142.64	190.05	142.64
Cash and cash equivalents	724.44	1,110.98	724.44	1,110.98
	1,136.23	**1,463.80**	**1,136.23**	**1,463.80**

Particulars	As at March 31, 2024 Carrying Value	As at March 31, 2023 Carrying Value	As at March 31, 2024 Fair Value	As at March 31, 2023 Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	1,173.50	915.57	1,173.50	915.57
Fixed rate borrowings	368.78	92.40	368.78	92.40
Trade payables	1,745.75	1,861.53	1,745.75	1,861.53
Other financial liabilities				
Accrued salaries and benefits	98.75	108.50	98.75	108.50
Payable / Accrual towards Capital Expenditure	70.91	52.05	70.91	52.05
Other payables	95.57	91.01	95.57	91.01
Lease Liability	5.23	11.24	5.23	11.24
Derivatives not designated as hedge				
Derivative (asset) / liability	4.88	9.29	4.88	9.29
	3,563.37	**3,141.59**	**3,563.37**	**3,141.59**

i. The management assessed that cash and cash equivalents, short-term investments, trade receivables, trade payables, other current financial liabilities, other current financial assets, current sundry receivables, current deposits, accrued salaries and benefits approximate their carrying amounts largely due to their short-term nature.

ii. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

iii. Fixed rate Borrowings have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

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38. Related party transactions

List of parties where control exists

Sanmar Engineering Services Limited	Ultimate Holding Company
Sanmar Holdings Limited	Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow Subsidiaries

Sanmar Group International Limited

TCI Sanmar Chemicals S.A.E.

Sanmar Overseas Investments AG

Directors

Vijay Sankar

Ramkumar Shankar (Managing Director)

Chandran Ratnaswami

Dr. Amarnath Ananthanarayanan (upto May 09, 2023)

Dr. Lakshmi Vijayakumar

Aditya Jain

Sanjay Vijay Bhandarkar

Prasad Raghava Menon

Vikram Taranath Hosangady (from May 16, 2023)

Terms and conditions of transactions with related parties:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are interest free, unsecured and settlement occurs in cash.

For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties

This assessment is undertaken in each financial year through examining the financial position of related party and the market in which the related party operates.

Description	Parties where control exists		Fellow subsidiaries		Directors	
Transactions during the year	**April 23 to March 24**	**April 22 to March 23**	**April 23 to March 24**	**April 22 to March 23**	**April 23 to March 24**	**April 22 to March 23**
Remuneration (Short Term Benefits)						
Ramkumar Shankar	-	-	-	-	5.48	2.28
Sitting Fees						
Dr. Lakshmi Vijayakumar	-	-	-	-	0.06	0.06
Aditya Jain	-	-	-	-	0.06	0.07
Sanjay Vijay Bhandarkar	-	-	-	-	0.06	0.05
Prasad Raghava Menon	-	-	-	-	0.04	0.04
Vikram Taranath Hosangady	-	-	-	-	0.03	-
Commission						
Dr. Lakshmi Vijayakumar	-	-	-	-	0.08	0.10
Aditya Jain	-	-	-	-	0.08	0.10
Sanjay Vijay Bhandarkar	-	-	-	-	0.08	0.10
Prasad Raghava Menon	-	-	-	-	0.08	0.10

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Balances as at year end	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments	-	-	0.04	0.04	-	-
Sundry Receivable	-	-	87.33	42.60	-	-

Refer note 27 for details of guarantee provided on behalf of the Group.

39. Disclosure as per Section 186(4) of Companies Act, 2013

The Group has made investments which are disclosed below as required by section 186(4) of the Companies Act 2013.

Details of investment	Note	As at March 31, 2024	As at March 31, 2023
Unquoted fully paid equity shares			
TCI Sanmar Chemicals S.A.E.*	15	0.04	0.04
March 31, 2024 : 2 (March 31, 2023 : 2) Equity shares, fully paid up, par value EGP 1000 each			
Sai Regency Power Corporation Private Limited	15	-	-
March 31, 2024 : 600,000 (March 31, 2023: 600,000) Shares of face value ₹ 10 each			

*The Group has pledged the entire investment held in the equity shares of TCI Sanmar Chemicals in favour of investee's lenders pursuant to the contractual requirements contained in respect of the borrowings availed by the investee.

40. Contingent liabilities*

Particulars	As at March 31, 2024	As at March 31, 2023
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts :		
On account of Direct Taxes	36.89	33.01
On account of Indirect Taxes	27.42	28.33
On account of other disputes	16.21	16.62
Corporate guarantee given to State Industries Promotion	156.48	107.66
Total	**237.00**	**185.62**

* The Group is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

It is not practicable for the Group to estimate the timing of the cash flows, if any, in respect of above, pending resolution of the respective appellate proceedings with various forums / authorities.

The Group does not expect any reimbursement in respect of the above contingent liabilities.

41. Capital Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	292.81	341.22
	292.81	**341.22**

42. Dues to micro and small enterprises

As at March 31, 2024, there is no interest paid or payable to Micro and Small Enterprises as defined under The Micro, Small and Medium Enterprises Act, 2006. This information and that disclosed in Note 32 and 34 have been determined to the extent such parties have been identified on the basis of information available with the Group.

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43. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

44. Corporate Social Responsibility

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Amount required to be spent by the Company during the year	9.10	7.76
(ii) Amount of expenditure incurred	8.99	7.92
(iii) Shortfall at the end of the year (i-ii)	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	Activities mentioned in i, ii,vi,vii, x & xii of Schedule VII of the Companies Act, 2013	
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	-	-
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Excess amount spent on CSR

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	0.16	-
Amount required to be spent during the year	9.10	7.76
Amount spent during the year	8.99	7.92
Closing balance	**0.05**	**0.16**

The Group has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2024 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.

45. Other Statutory Information

(i) The Group does not have any Benami property. No proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not advanced to or loaned to or invested funds (either borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding whether recorded in writing or otherwise, that such the Intermediary shall:

"(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

(iii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

"(a) 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

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,"

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

(v) The Group has not been declared as a wilful defaulter as prescribed by Reserve Bank of India.

46. Segment reporting

"Operating segments are those components of the business whose operating results are regularly reviewed by the management to make decisions for performance assessment and resource allocation. Segment performance is evaluated based on the profit or loss of reportable segment and is measured consistently. The Operating segments have been identified on the basis of the nature of products.

a. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

b. Expenses that are directly identifiable with / allocable to segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure

c. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.

d. Segment result includes margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

e. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment."

The Board of Directors of the Group whom have been identified as the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicators of the Group into manufacture and sale of speciality chemicals and commodity chemicals as per the requirement of Ind-AS 108 "Operating Segments". The Group's operations are predominantly conducted in India and accordingly, there are no separate reportable geographic segment.

Description	Specialities		Commodity		Inter segment elimination		Unallocated		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Revenue (Net of Goods and Services Tax)										
External revenue	1,482.78	1,941.06	2,440.20	3,000.02	-	-	-	-	3,922.98	4,941.08
Inter segment revenue	172.80	255.61	7.50	0.18	(180.30)	(255.79)	-	-	-	-
Segment revenue	**1,655.58**	**2,196.67**	**2,447.70**	**3,000.20**	**(180.30)**	**(255.79)**	**-**	**-**	**3,922.98**	**4,941.08**
Other income	41.71	25.75	38.76	54.14	-	-	-	-	80.47	79.89
Segment results	**1,697.29**	**2,222.42**	**2,486.46**	**3,054.34**	**(180.30)**	**(255.79)**	**-**	**-**	**4,003.45**	**5,020.97**
Segment result (Profit before interest, exceptional item and tax)	(123.47)	239.13	78.58	166.86	(0.16)	0.04	-	-	(45.05)	406.03
Less: Finance Cost	32.70	22.64	147.82	131.38	-	-	-	-	180.52	154.02
Exceptional Items	-	49.80	-	30.70	-	-	-	-	-	80.50
Profit before tax	**(156.17)**	**166.69**	**(69.24)**	**4.78**	**(0.16)**	**0.04**	**-**	**-**	**(225.57)**	**171.51**
Provision for tax										
Current	-	(35.89)	-	(7.36)	-	-	-	-	-	(43.25)

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Description	Specialities		Commodity		Inter segment elimination		Unallocated		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deferred	51.62	15.81	13.83	9.21	-	-	-	-	65.45	25.02
Income Tax relating to earlier years	0.68	(1.04)	1.01	0.11	-	-	-	-	1.69	(0.93)
Profit / (Loss) after tax	**(103.87)**	**145.57**	**(54.40)**	**6.74**	**(0.16)**	**0.04**	**-**	**-**	**(158.43)**	**152.35**
Other Comprehensive Income										
Items that will not be reclassified to Profit or Loss in subsequent years										
- Remeasurement of Defined Benefit Plans	0.63	0.55	0.18	0.22	-	-	-	-	0.81	0.77
- Deferred tax expense on the above items	(0.22)	(0.19)	(0.04)	(0.06)	-	-	-	-	(0.26)	(0.25)
Other Comprehensive Income	**0.41**	**0.36**	**0.14**	**0.16**	**-**	**-**	**-**	**-**	**0.55**	**0.52**
Total Comprehensive Income	**(103.46)**	**145.93**	**(54.26)**	**6.90**	**(0.16)**	**0.04**	**-**	**-**	**(157.88)**	**152.87**
Other Information										
Segment assets	4,274.39	3,938.50	1,767.26	2,013.87	(11.35)	(115.60)	-	-	6,030.30	5,836.77
Total assets	**4,274.39**	**3,938.50**	**1,767.26**	**2,013.87**	**(11.35)**	**(115.60)**	**-**	**-**	**6,030.30**	**5,836.77**
Segment liabilities	1,990.00	1,550.49	2,351.07	2,543.42	(11.35)	(115.60)	-	-	4,329.72	3,978.31
Total liabilities	**1,990.00**	**1,550.49**	**2,351.07**	**2,543.42**	**(11.35)**	**(115.60)**	**-**	**-**	**4,329.72**	**3,978.31**
Capital expenditure	847.00	56.21	36.14	10.72	-	-	-	-	883.14	66.93
Depreciation	106.73	92.40	44.63	49.60	-	-	-	-	151.36	142.00

47. Employee benefit cost

Defined benefit plans

Gratuity:

This is a defined benefit plan and the Group's Scheme is administered by Life Insurance Corporation of India (LIC). The liability is determined based on the actuarial valuation using projected unit credit method as at Balance Sheet date.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at March 31, 2024 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate(s)	6.97 %	7.23 %
Return on plan assets	6.97 %	7.23 %
Expected rate(s) of salary increase	7.00 %	7.30 %
Attrition rate	2.00 %	2.00 %
Average duration of defined benefit obligations (in years)	9.40	9.20

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

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Cost of defined benefit plans are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Current service cost	2.51	2.20
Interest on obligation	1.76	1.66
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.66)	(1.52)
Net cost recognised in the Statement of profit and loss	**2.61**	**2.34**
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains)/losses recognised in the year	(0.81)	(0.77)
Net (gain) /loss recognised in the other comprehensive income	**(0.81)**	**(0.77)**

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	26.28	25.97
Fair value of plan assets	23.14	24.63
Net liability / (asset)	**3.14**	**1.34**

Movements in the present value of the plan assets in the current year were as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	24.63	19.35
Return on plan assets	1.66	1.52
Actuarial gains / (losses)	(0.01)	1.12
Contributions from the employer	-	4.20
Transfer of obligations	(0.31)	0.56
Benefits paid	(2.83)	(2.12)
Closing fair value of plan assets	**23.14**	**24.63**

Movements in the present value of the define benefit obligation in the current year were as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	25.97	23.31
Current service cost	2.51	2.20
Interest cost	1.76	1.66
Actuarial (gains)/losses	(0.82)	0.36
Transfer of obligations	(0.31)	0.56
Benefits paid	(2.83)	(2.12)
Closing defined benefit obligation	26.28	25.97

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gain)/loss on obligations attributable to change in financial assumptions	(0.09)	0.27
Actuarial (gain)/loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain)/loss on obligations attributable to experience adjustments	(0.73)	0.09
Projected Undiscounted Expected Benefit Outgo		
Year 1	1.98	1.18
Year 2	4.66	5.41
Year 3	2.42	2.52
Year 4	1.94	1.87
Year 5	2.51	2.68
Years 6 through 10	11.10	11.14

Notes:

I. The entire plan assets are invested in insurer managed funds with Life Insurance Corporation of India (LIC)

II. The expected / actual return on Plan assets is as furnished by LIC

III. The estimate of future salary increase takes in to account inflation, likely increments, promotions and other relevant factors.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation.

The Group expects to make a contribution of ₹ 4.13 Crores to the defined benefit plans during the next financial year.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate and salary escalation:

Change in assumption	Impact on service cost	Impact on interest cost	Impact on defined benefit obligation
Increase in discount rate by 1 %	(0.12)	0.09	(2.01)
Decrease in discount rate by 1 %	0.55	(0.11)	2.34
Increase in salary escalation by 1 %	0.55	0.17	2.35
Decrease in salary escalation by 1 %	(0.13)	(0.14)	(2.05)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

48.

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended March 31, 2024 and March 31, 2023.

Name of entity	For the year ended March 31, 2024							
	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive Income	
	as % of Consolidated Net Assets	Amount	as % of Consolidated Profit and Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	225.82 %	3840.26	65.56 %	(103.87)	75.65 %	0.41	65.52 %	(103.46)
Subsidiary								
Chemplast Cuddalore Vinyl Limited	(125.82%)	(2139.69)	34.44 %	(54.57)	24.35 %	0.14	34.48 %	(54.43)
Total	**100.00%**	**1700.58**	**100.00%**	**(158.43)**	**100.00%**	**0.55**	**100.00%**	**(157.88)**

Name of entity	For the year ended March 31, 2023							
	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive Income	
	as % of Consolidated Net Assets	Amount	as % of Consolidated Profit and Loss	Amount	as % of Consolidated Other Comprehensive Income	Amount	as % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	212.35%	3946.38	95.58%	145.61	69.23%	0.36	95.49%	145.97
Subsidiary								
Chemplast Cuddalore Vinyl Limited	(112.35%)	(2087.92)	4.42%	6.74	30.77%	0.16	4.51%	6.90
Total	**100.00%**	**1858.46**	**100.00%**	**152.35**	**100.00%**	**0.52**	**100.00%**	**152.87**

49. Capital Work-in-progress ageing schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2024					
Projects in Progress	177.89	11.21	0.30	0.26	189.66
Projects temporarily suspended	-	-	-	-	-
Total	**177.89**	**11.21**	**0.30**	**0.26**	**189.66**
As at March 31, 2023					
Projects in Progress	389.67	11.20	0.95	-	401.82
Projects temporarily suspended	-	-	-	-	-
Total	**389.67**	**11.20**	**0.95**	**-**	**401.82**

Note : There are no assets/ projects forming part of CWIP which have become overdue or where cost is exceeded compared to their original plans.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

50. Trade Receivables ageing schedule

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Inter-Company Elimination	Total
As at March 31, 2024								
(i) Undisputed Trade receivables – considered good	195.72	1.78	-	-	-	-	(7.45)	190.05
(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	-	-	-	-	-	-	-	-

Particulars	Not Due	Less than 6 months	6 months - 1 Year	1-2 years	2-3 years	More than 3 years	Inter-Company Elimination	Total
As at March 31, 2023								
(i) Undisputed Trade receivables – considered good	246.35	11.89	-	-	-	-	(115.60)	142.64
(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	-	-	-	-	-	-	-	-

51. Trade Payables aging schedule

Particulars	Unbilled	Not Due			Less than 1 year	1-2 years	2-3 years	More than 3 years	Inter-Company Elimination	Total
		Less than 60 days	61 days - 90 days	More than 90 days						
As at March 31, 2024										
(i) MSME	0.04	10.26	-	-	-	-	-	-	-	10.30
(ii) Others	71.04	531.84	182.54	941.31	15.01	0.51	0.17	0.48	(7.45)	1,735.45
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023										
(i) MSME	0.02	4.90	-	-	0.65	-	-	-	-	5.57
(ii) Others	70.64	715.53	132.89	1,034.77	17.23	0.18	0.27	0.05	(115.60)	1,855.96
(iii) MSME Disputed dues	-	-	-	-	-	-	-	-	-	-
(iv) Others Disputed dues	-	-	-	-	-	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024
(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

52. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Judgements

In the process of applying the Group's accounting policies, management has not made any judgements, which have significant effect on the amounts recognised in the financial statements.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 47

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

Fair value measurement of property, plant and equipments

The Group measures land, buildings, plant and machinery classified as property, plant and equipment and leasehold land classified as right-of-use assets at revalued amounts with increase in fair value being recognised in OCI. The Company had

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2024

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

engaged an independent valuation specialist to assess fair value for revaluation of land, buildings, plant and equipment as at January 01, 2022. Fair value of land was determined by using the market approach, hypothetical layout method and building and plant and equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 14.4

Revenue from contract with customers

The Group estimates variable considerations to be included in the transaction price for the sale of goods and volume rebates. The Group's expected rebates and discounts are analysed on a per customer basis for contracts that are subject to the applicable thresholds. Determining whether a customer will be likely entitled to rebate and discounts will depend on the customer's rebates entitlement and total purchases to date.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its borrowings.

Useful life of PPE

Estimated useful life of certain items of PPE are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

53. Employees' benefits obligations

a. Defined contribution plan

Employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the Group make monthly contributions to the Regional Provident Fund equal to a specified percentage of the covered employees' salary. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no further obligations under the plan beyond its monthly contributions.

b. Defined benefit plan

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy. Fund is maintained with Life Insurance Corporation of India.

54. Previous year's figures have been regrouped wherever necessary

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number : 101248W/W-100022

Nachiappan Subramanian
Partner
Membership No. 218727
Place: Chennai
Date: May 20, 2024

For and on behalf of the Board of Directors of
Chemplast Sanmar Limited

Vijay Sankar
Chairman
DIN: 00007875
Place : Chennai

Ramkumar Shankar
Managing Director
DIN: 00018391
Place : Chennai

Sanjay Vijay Bhandarkar
Chairman - Audit Committee
DIN: 01260274
Place: Mumbai

N Muralidharan
Chief Financial Officer
Place : Chennai
Date: May 20, 2024

M Raman
Company Secretary
Memb No. ACS 06248
Place : Chennai

NOTES

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CHEMPLAST SANMAR LIMITED