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CIN L24230TN1985PLC011637

18th July, 2025

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
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Dear Sir/Madam,

Sub: Annual Report 2024-25

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 2024-25 which is being dispatched today, through electronic mode, to the Shareholders who have registered their e-mail addresses with the Depositories/Registrar and Share Transfer Agent of the Company.

The Annual Report 2024-25 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

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



CHEMPLAST SANMAR LIMITED
ANNUAL REPORT 2024-25



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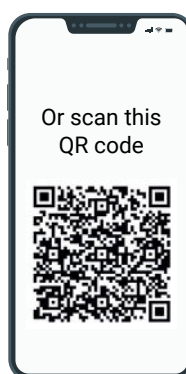
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Investor Information

Market Capitalisation as on March 31, 2025	: ₹ 6,878.56 Crores
CIN	: L24230TN1985PLC011637
BSE Code	: 543336
NSE Symbol	: CHEMPLASTS
AGM Date	: August 12, 2025
AGM Venue	: Video Conferencing (VC)/Other Audio-Visual Means (OAVM)



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

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 and Analysis section of this Annual Report.



Managing Volatility Today, Building for Tomorrow



The past year tested the resilience and adaptability of businesses worldwide. Chemplast Sanmar confronted an increasingly volatile macroeconomic environment, marked by persistent global oversupply, pricing pressures from producers in China, Europe, Japan and the UK alongside dampened industry sentiment. In this context, agility, operational discipline, and strategic clarity became paramount.

Despite the formidable headwinds mentioned above, the Company has resolutely moved forward on its strategic journey. By decisively addressing immediate challenges, Chemplast has secured the necessary momentum to fortify its foundation for a sustainable and long-term growth. This is exemplified by the successful and timely execution of scheduled capex expansion plans, achieved despite a complex external environment.

The strategic flexibility gained from effectively managing these immediate challenges empower the Company to strengthen its core capabilities. This is being accomplished by robust backward-integrated facilities, cultivation of global partnerships, and an intensified focus on quality and sustainability. These initiatives collectively enhance competitive positioning, enabling the Company to scale operations and diversify its product

portfolio. Further, by aligning with evolving domestic demand patterns and adapting to shifting global supply chain dynamics, we are building a future-ready organisation, optimally positioned to capitalise on emerging opportunities and ensure sustainable long-term growth.

As Chemplast Sanmar navigates through this period of disruption, we embrace these challenges as a powerful catalyst for a transformative progress. Anchored by inherent resilience and driven by a clear sense of purpose, Chemplast Sanmar remains dedicated in its commitment to mitigating ongoing challenges while simultaneously forging a stronger, more sustainable future. This unshakeable commitment is designed to ensure enduring value for all stakeholders and to firmly establish the Company as a leader in the industry.

About the Company

Reputation Anchored in Proven Expertise

01

Delivering Excellence in Custom Manufactured Chemicals

02

Among India's pioneering producer of Chloromethanes, with a legacy of excellence

03

India's leading producer of Speciality Paste PVC resin, driving innovation and quality excellence

04

A proud member of The Sanmar Group – one of South India's most respected industrial conglomerates with a decades-long legacy of leadership

Chemplast Sanmar Limited (also referred to as 'Chemplast', 'Chemplast Sanmar', or 'The Company') stands as a pre-eminent force in India's speciality chemicals landscape, synergising technical prowess with market knowledge and customer focus. The Company commands undisputed market leadership in Speciality Paste PVC Resin while maintaining a strategically diversified portfolio encompassing:

Bespoke Chemical Solutions

High-purity intermediates for the agrochemical and fine chemical sectors

Vertical Integration

Proprietary control over mission-critical feedstock

The broader product mix spans Chloromethanes, Caustic Soda, Hydrogen Peroxide and Refrigerant Gas, which cater to diverse industrial needs. Chemplast, through its wholly-owned subsidiary Chemplast Cuddalore Vinyls Limited (CCVL), is also engaged in the manufacturing of Suspension PVC. CCVL is the second-largest producer of Suspension PVC resin in India and the leading manufacturer in South India.

Powering this scale are integrated manufacturing facilities in Tamil Nadu and the Union Territory of Puducherry. These units run on a closed-loop model that maximises resource efficiency, reduces cost, and strengthens supply chain endurance.

Anchored by six decades of manufacturing excellence under the aegis of The Sanmar Group, among South India's most acclaimed industrial institutions, Chemplast Sanmar delivers:



Scale

India's largest Speciality Paste PVC resin producer



Innovation

R&D-driven solutions for regulated industries



Sustainability

ESG-aligned manufacturing processes

The Company serves global markets through technical collaborations and stringent quality compliance.



Sustainability at the Core: Driving Excellence and Responsible Growth

Chemplast Sanmar fundamentally integrates sustainability into its core operational framework, establishing new benchmarks in the speciality chemicals sector. This strong commitment manifests through:

Environmental Leadership

Implementing cutting-edge technologies to minimise ecological impact while maximising resource efficiency

Safety as a Fundamental Value

Cultivating an organisational culture where workplace safety transcends compliance to become an intrinsic value

Governance with Purpose

Aligning business strategies with global sustainability frameworks through transparent, ethical decision making



The Company's holistic approach harmonises industrial progress with social responsibility, demonstrating that chemical innovation and environmental stewardship are

mutually reinforcing imperatives. By continuously elevating its sustainability paradigm, Chemplast Sanmar not only future-proofs its operations but also catalyses

positive transformation across the entire speciality chemicals value chain.

Strategic Advantage through CCVL

Chemplast Sanmar's market leadership is further fortified by its wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited (CCVL) - an industrial powerhouse that dominates South India's PVC landscape. CCVL holds the distinguished position of:

Top National Player

India's second-largest Suspension PVC resin producer

Regional Dominance

Unrivalled as South India's foremost PVC manufacturer

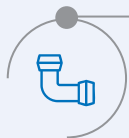
Integrated Value Creation

Enhancing the Group's competitive positioning through operational synergies

This strategic asset strengthens Chemplast Sanmar's sectoral presence, creating a winning combination of scale, geographic advantage, and technical expertise in the Indian Vinyls market. CCVL's production capabilities serve as both a growth accelerator and a stability anchor, reinforcing parent company's leadership across the PVC value chain.

Market Leadership at a Glance

Competitive Standing



PVC Dominance

The top producer of Speciality Paste PVC in India;
Leader in Suspension PVC production across South India and second-largest nationwide*



Hydrogen Peroxide

Premier producer in South India



Caustic Soda

Among South India's top producers with a strong industrial foothold

Operational Excellence



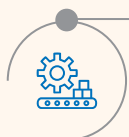
Pan-India Presence

Strategically embedded across India, ensuring widespread market penetration



Global Reach

Exporting to 9 countries, reinforcing international competitiveness



Integrated Manufacturing

4 state-of-the-art facilities with deep backward integration#, enhancing cost efficiency and supply chain resilience

*Through the Company's wholly owned subsidiary, CCVL

#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:** Pursue professional excellence to meet and exceed customer expectations.
- › **Employees:** Enhance skills, and provide opportunities for growth and a safe work environment.
- › **Society:** Uphold good corporate citizenship and act as a responsible community member.
- › **Work Ethics:** Maintain intellectual honesty in all actions and continuously monitor the Company's ethical standards.



Credibility

- › CRISIL Ratings has assigned a long-term rating of 'CRISIL A+/Stable' to Chemplast Sanmar.
- › The Company distinguished itself globally by securing the 'Sustainability Award for Carbon Reduction,' one of only two winners among 19 entries, presented by a leading global innovator and key customer of its Custom Manufactured Chemicals Division (CMCD).



Certifications

- › Manufacturing facilities at Berigai, Cuddalore, Karaikal, and Mettur hold **ISO certifications** in environmental, quality, occupational health, and safety management systems.
- › Some of the plants have earned the prestigious **Sword of Honour** and **Five Star Rating from the British Safety Council** for outstanding safety practices.
- › Chemplast and its subsidiary, CCVL, are among the few Indian chemical companies authorised to use the **Responsible Care** logo, reflecting the Company's commitment to responsible chemical management.

Product Portfolio

Solutions Delivered
Across Industries

Speciality Chemicals

Description

Speciality Paste PVC Resin Division

- › Stands among the only two companies in India producing Speciality Paste PVC resin.
- › Accounts for approximately 83% of domestic production capacity.
- › Holds around 66% market share in the Paste PVC segment.
- › Ensures backward integration of over 60% of the production process, enhancing operational flexibility, reducing supplier dependence and mitigating supply chain disruptions.

End Uses



Footwear

Auto &
Furniture
UpholsteryArtificial
Leather
Products

Mats

Plastisol
ApplicationsCapacity 1,07,000 Metric
Tonnes per Annum (MTPA)Custom Manufactured
Chemicals Division (CMCD)

- › Manufactures starting materials, advanced intermediates, and active ingredients for leading global originator and innovator companies.
- › Protects customer intellectual property by following a 'One Product, One Customer' model.
- › Commissioned Phase 1 of the new multipurpose block last year and completed Phase 2 on schedule this year. Work is currently underway on Phase 3 of this block, as well as setting up the civil infrastructure for the next production block.
- › Provides comprehensive value chain services beyond a diverse product range, including process research, development, scale-up, analytical studies, plant engineering, and commercial manufacturing.



Pharma



Agrochemicals



Fine Chemicals

Capacity 4,500 MTPA





Value-added Chemicals

Description

Caustic Soda

- Produced jointly along with Chlorine, serving multiple industries.

End Uses



Paper



Textiles



Alumina



Organic and Inorganic Chemicals

Capacity 1,19,000 MTPA

Hydrogen Peroxide

- Produced as a value-added derivative of the Caustic Soda manufacturing process as part of downstream integration.
- Chemplast holds the position of being the largest manufacturer of this chemical in South India.



Paper



Textiles



Effluent Treatment at Refineries



Disinfectants

Capacity 34,000 MTPA

Chloromethanes

- Comprise chemicals such as Methyl Chloride, Methylene Di Chloride, Chloroform and Carbon Tetra Chloride.
- Generated as value-added derivatives of the Caustic Soda manufacturing process.



Pharma



Agrochemicals



Refrigerants (HFOs)

Capacity 35,000 MTPA

Chemplast Cuddalore Vinyls Limited (CCVL)

- Operates as a 100% subsidiary of Chemplast.
- Ranks as India's second-largest Suspension PVC manufacturer and the largest in South India.
- Facilitates import of VCM, a key raw material for S-PVC production, through a captive import terminal.
- Positioned for growth due to low per capita PVC consumption, rising end-user demand, and robust infrastructure supporting expansion.



Irrigation



Urban Infrastructure



Drinking Water Pipes

Capacity 3,31,000 MTPA

Milestones

Trajectory Forged through Decades

1962

Chemicals and Plastics India Limited was established.



1967

The Mettur facility commenced production of PVC resin.



1997

PVC resin manufacturing capacity expanded to 60,000 MTPA.



2003

The Company acquired the Karaikal Caustic Soda facility from Kothari Petrochemicals.



2007

A Marine Terminal and an EDC Plant were inaugurated at Karaikal.

2009

The greenfield Suspension PVC facility was established at Cuddalore.



2024

The new Paste PVC facility at Cuddalore, with a capacity of 41,000 MTPA, was commissioned.

Phase 2 of the new multi-purpose block in the Custom Manufacturing Chemicals Division was commissioned.

2023

Phase 1 of the new multi-purpose block in the Custom Manufacturing Chemicals Division was inaugurated.

2022

Suspension PVC facility capacity grew to 3,31,000 MTPA through strategic debottlenecking.

2021

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

2019

The Company inaugurated the Hydrogen Peroxide plant at Mettur; demerged Suspension PVC operations at Cuddalore; and merged Sanmar Speciality Chemicals Limited with the Company.

2013

Capacity expansion of the Speciality Paste PVC facility at Mettur to 66,000 MTPA and the Suspension PVC facility at Cuddalore to 3,00,000 MTPA.



Presence

Operations Rooted in World-Class Facilities

Chemplast Sanmar strategically anchors its operations at state-of-the-art manufacturing facilities. These sites, distinguished by their advanced technological infrastructure, Zero Liquid Discharge (ZLD) systems, and comprehensive sustainable practices, stand as prime examples of the Company's deep commitment to both operational excellence and environmental stewardship.

Building on a rich legacy of innovation and consistently setting industry benchmarks, Chemplast Sanmar remains dedicated to pushing the frontiers of responsible manufacturing.



Mettur

TAMIL NADU

Total installed capacity till March 31, 2025

Speciality Paste
PVC resin: **66 Kilo
Tonnes per Annum
(KTPA)**

Chloromethanes:
35 KTPA

Hydrogen
Peroxide: **34 KTPA**

Refrigerant
Gas: **1.7 KTPA**

Caustic Soda: **119 KTPA**
(combined capacity of
Mettur and Karaikal)

Key Features

- › Houses 4 plants producing a diverse range of chemicals with strong backward integration.
- › Operates a ZLD system that treats and reuses effluents.
- › Captive salt pans in Vedaranyam ensure uninterrupted access to salt, which is a critical raw material.



48.5 MW

Captive Power Plant



Disclaimer: This simplified map is for general understanding only, not to scale and not for reference use. The Company and its representatives are not liable for any misuse or misinterpretation.



Karaikal

PUDUCHERRY

Total installed capacity till March 31, 2025

Caustic Soda: **119 KTPA**
(Combined capacity of
Mettur and Karaikal)

EDC (for captive
use): **84 KTPA**

Key Features

- Manufactures EDC in-house, an essential input for Speciality Paste PVC.
- Features a ZLD system and a desalination plant to reduce freshwater dependence.
- Harbours a captive terminal with a 1.3 km long trestle platform to facilitate transportation of raw materials and finished products.
- Houses a double-walled cryogenic tank to store ethylene with precise temperature control and safety.
- Stands close to the captive salt pans at Vedaranyam, securing a steady supply of salt, which is a crucial raw material.



Disclaimer: This simplified map is for general understanding only, not to scale and not for reference use. The Company and its representatives are not liable for any misuse or misinterpretation.



Berigai

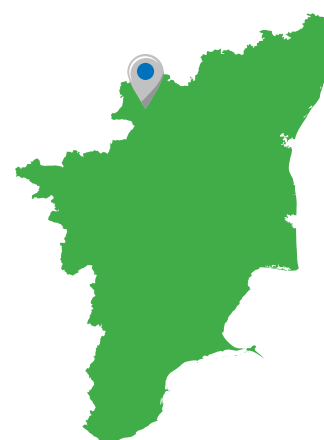
TAMIL NADU

Total installed capacity till March 31, 2025

Custom Manufactured
Chemicals Division
(CMCD): **4,500 MTPA**

Key Features

- Supports manufacturing of starting materials, advanced intermediates, and active ingredients.
- Boasts 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.
- Features distributed control systems and advanced technologies, making the facility fully automated.
- Houses a pilot plant facility with GLR, SSR, and Hastelloy reactors and Hydrogenators.
- Phase 1 of the multipurpose block (MPB-3) was commissioned in September 2023, while Phase 2 was commissioned in December 2024. Work is underway on Phase 3 of this block, alongside the development of civil infrastructure for the upcoming production block.



Disclaimer: This simplified map is for general understanding only, not to scale and not for reference use. The Company and its representatives are not liable for any misuse or misinterpretation.

Cuddalore

TAMIL NADU

Total installed capacity till March 31, 2025

Suspension PVC: **331 KTPA**
(through a wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited)

Speciality Paste
PVC resin: **41 KTPA**

Key Features

- › Serves as a shore-based facility with a captive marine terminal for seamless and efficient transportation of raw materials.
- › Harbours two refrigerated storage tanks for storing Vinyl Chloride Monomer (VCM), a crucial material in manufacturing processes.
- › Houses a ZLD system and a desalination plant to reduce freshwater dependence.

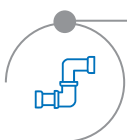


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7,500 MT EACH

Refrigerated Storage Tanks for Storing VCM



41 KTPA

New Speciality Paste PVC Facility Commissioned in 2023-24





Vedaranyam

TAMIL NADU

Total installed capacity till March 31, 2025

Industrial Salt:
400 KTPA

Key Features

- › Produces salt from captive pans to manufacture caustic soda and chlorine at Mettur and Karaikal.
- › Uses advanced brine treatment procedure to reduce sludge and increase operational efficiency.
- › Houses a washing facility that reduces calcium and magnesium content in industrial salt.
- › Promotes bird conservation and ecological awareness through collaboration with Bombay Natural History Society (BNHS), attracting bird watchers and contributing to the local economy.



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*KTPA stands for kilo tonnes per annum

*MTPA stands for metric tonnes per annum

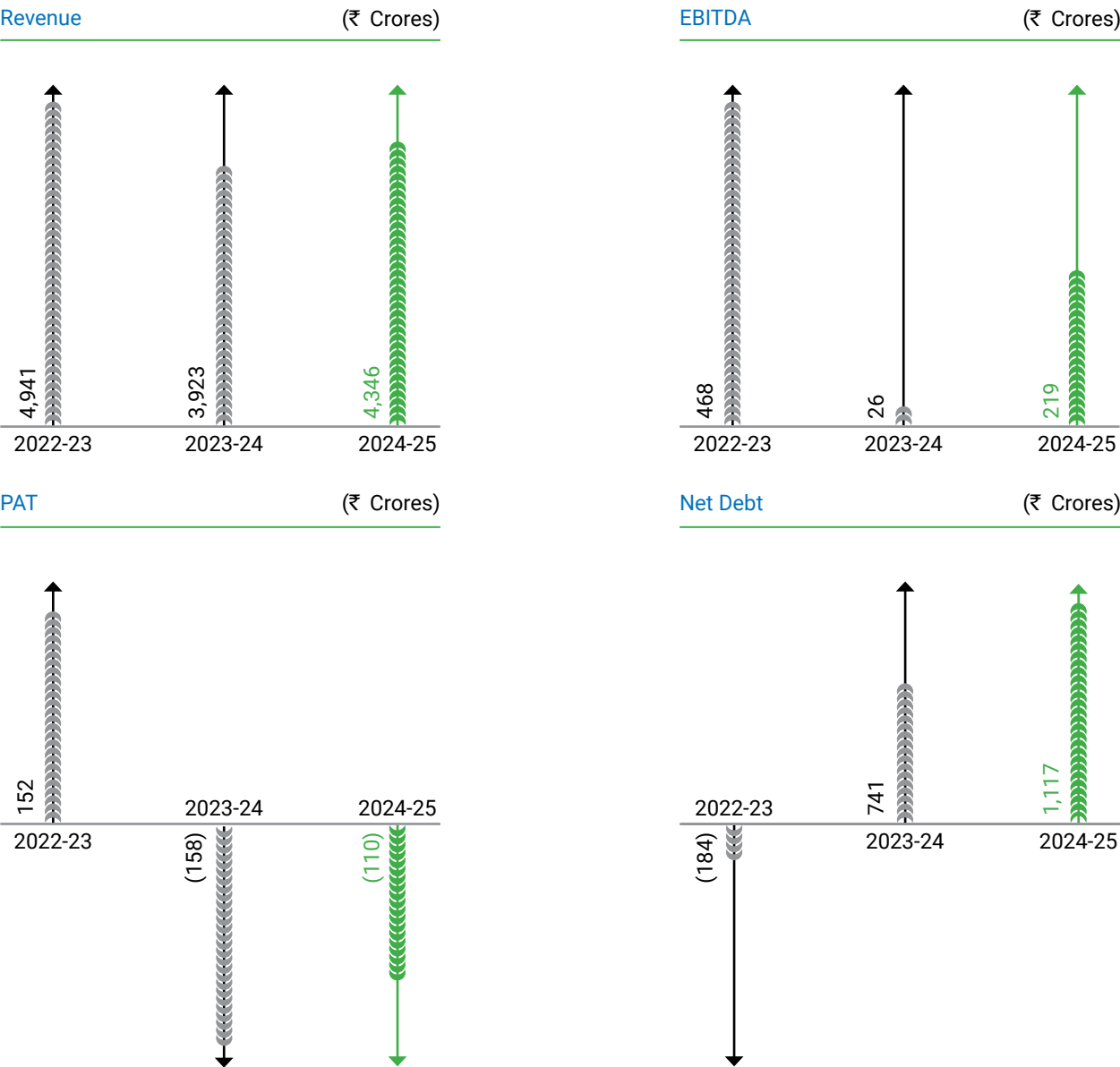


Financial Performance

Financial Prudence:
The Bedrock of
Sustainable Growth

Chemplast Sanmar recognises financial stability as an indispensable pillar supporting its long-term sustainability. Through judicious capital allocation and rigorous financial oversight, the Company effectively drives innovation, optimises operational efficiency, and fuels strategic growth. This disciplined approach firmly establishes Chemplast as a reliable leader in the industry.

Consolidated Performance

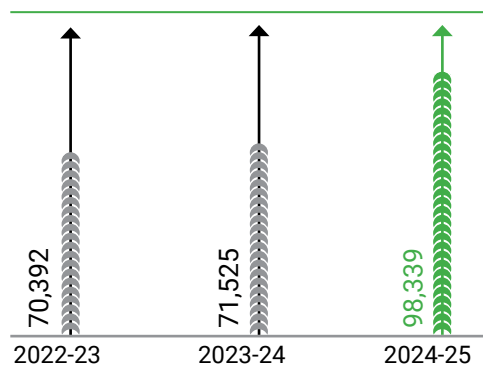




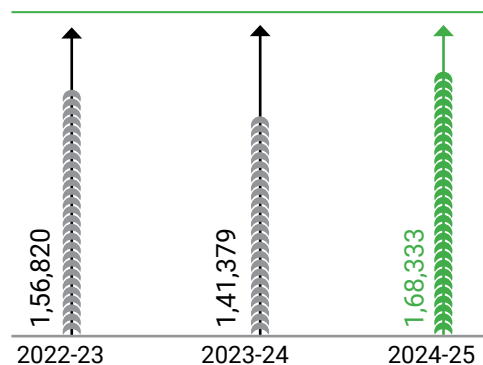
Product Group-wise Performance

Sales Volume (MTPA)

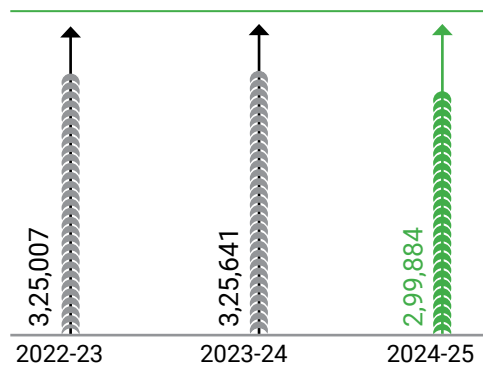
Speciality Chemicals



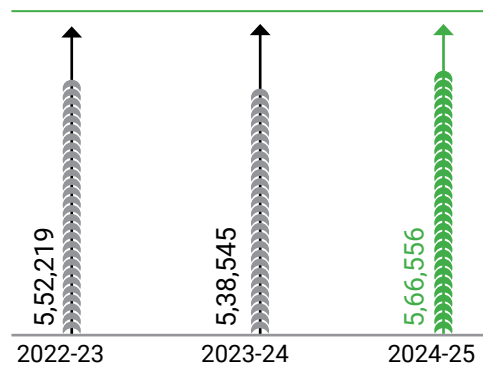
Value-added Chemicals



Suspension PVC

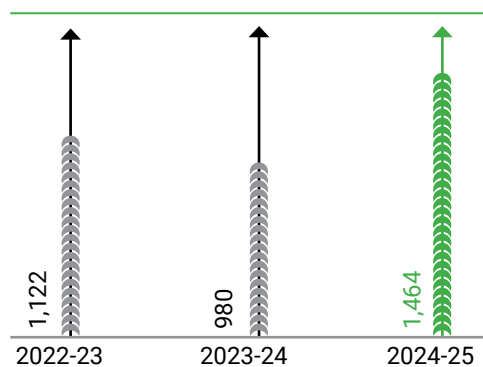


Overall Sales Volume

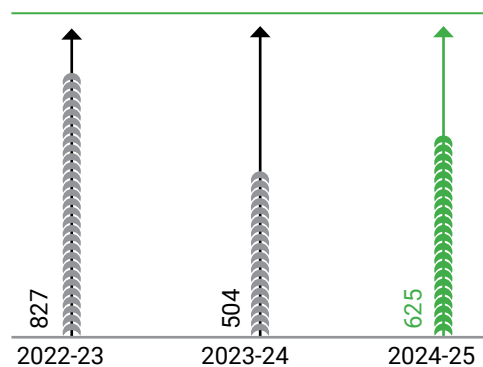


Revenue (₹ Crores)

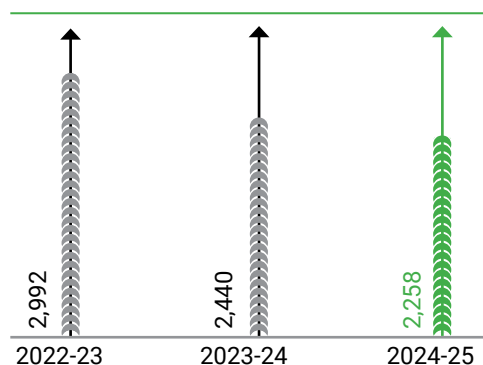
Speciality Chemicals



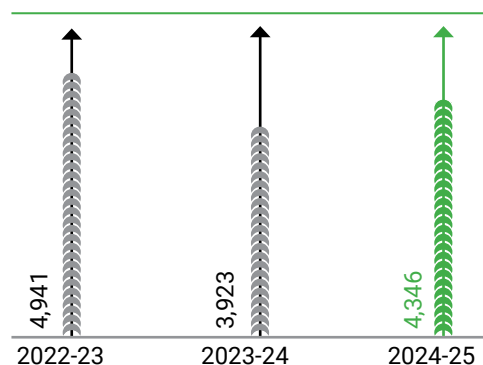
Value-added Chemicals



Suspension PVC



Total Revenue



Message from the Chairman

Vision Driven by Thoughtful Leadership



Strategic Growth: Staying Focused on the Long Game

Amid external headwinds, our strategy remained clear and consistent — focussed on innovation, integration, and incremental growth:

“Rooted in ethics, driven by safety, and powered by resilience – we are building a future of purposeful growth.”

Dear Stakeholders,

It is my honour to share with you our reflections on a year defined by uncertainty — and our determination to convert that uncertainty into direction.

The global business environment in 2024-25 was anything but stable. Against a backdrop of global uncertainties, including slowing demand across major economies, rising input costs, escalating geopolitical tensions, and new tariffs imposed by USA followed by countermeasures from other nations, businesses faced a challenging environment marked by disrupted trade flows and heightened volatility

in prices and supply chains. Amidst this turbulence, India stood out as a beacon of relative stability, driven by strong infrastructure spending, manufacturing-supportive policies, and consistent rural and urban consumption.

At Chemplast Sanmar, we did more than respond. We stayed true to our values, acted decisively in the present, and continued to build with foresight. The year tested our systems, and in doing so, reaffirmed the strength of our strategy and the calibre of our people.

- › The Paste PVC speciality plant at Cuddalore, commissioned in late 2023-24, reached 90% utilisation by March 2025.
- › We advanced the expansion of the CMCD platform by completing Multi-purpose Block 3 (Phases 1 and 2) and commencing work on Phase 3 and MPB 4.
- › We have commenced investments in the manufacture of R-32 gas at our Karaikal facility, marking a strategic milestone in our transition towards low-GWP molecules. This initiative leverages our deep expertise in the R-22 chemistry platform and aligns with global climate imperatives.

In total, our investment is over ₹ 1,600 Crores across these strategic initiatives, underscoring our confidence in the long-term potential of our speciality platforms.



Sharpening Our Portfolio

This year, we sharpened our capital allocation strategy, placing greater emphasis on long-term growth opportunities in the speciality chemicals space. While our operations continue to be anchored in two distinct platforms: speciality and commodity, our investments are increasingly skewed towards high-value, differentiated offerings within the speciality segment. This focused approach is not only aligned with our long-term aspirations but also leverages the macro tailwinds of the China +1 strategy, which continues to drive global interest in India as a reliable alternative manufacturing hub.

We maintained our leadership position in the speciality chemicals segment, underpinned by our dominant presence in the Paste PVC space. In Suspension PVC, we maintained our leadership position in South India by leveraging strong customer relationships, operational scale, and integrated processes.

We remain committed to fostering a fair and competitive domestic market.

The industry continues to grapple with challenges arising from the dumping of products at predatory prices by certain countries, which has placed considerable strain on domestic manufacturers.

Investigations into these practices are currently in progress. Although the process has taken longer than anticipated, we are encouraged by the momentum and remain hopeful that a resolution will soon pave the way for a more equitable and sustainable operating environment.



*We strategise wisely,
plan meticulously and
execute faithfully to be
successful.*



*Safety isn't expensive.
It is priceless.*



Safety: Embedded in Our Culture

Amid uncertainty, one value remained non-negotiable: Safety. At Chemplast Sanmar, it is not just a protocol but a deeply embedded mindset, reflected in everyday actions across all levels. We continued to strengthen our behavioural safety culture through greater awareness, ownership, and proactive intervention. Our leadership team reinforces this culture daily through audits, open forums, and by example. This year, we enhanced site audits, introduced predictive risk tools, and expanded cross-functional safety dialogues and awareness programmes across the organisation.



*No growth or success
will be worth its salt,
if it is acquired under
anything other than
completely ethical
behavioural standards.
In the long run, only
a completely ethical
company can win this
marathon race.*



– N Sankar
The Sanmar Group

CSR & ESG: Responsibility in Action

We continue to deliver on our broader responsibilities - to the environment, and to the communities that surround us.

Highlights from 2024-25 include:

- › A major initiative to replace grid power with renewable energy across key facilities – set for commissioning in 2025-26.

- › Ongoing community engagement through school infrastructure development, women's livelihood training, and healthcare programmes in Tamil Nadu and Puducherry.
- › Greater ESG transparency and accountability, with clearer KPIs and board-level oversight.

Closing Thoughts

The world may remain unpredictable, but our foundation is firm. Our culture, rooted in ethics, driven by safety, and powered by resilience, is enabling us to build a future of purposeful growth. This year has been better than the last, and we believe the year ahead holds even greater promise.

As we navigate today's volatility, we remain steadfast in our commitment to making Chemplast Sanmar agile, inclusive, and future-ready.

To every employee, partner, investor, and community we serve, thank you for your belief in us. We look forward to continuing this journey with courage, clarity, and purpose.

With a strong pipeline of opportunities, a focus on innovation, and a passionate team, we remain optimistic for the future.

Sincerely,

Vijay Sankar
Chairman

Message from the Managing Director

Overcoming Challenges on the Path to Growth



Dear Stakeholders,

As I reflect on the year gone by, I am reminded of the sheer determination and collective spirit that define Chemplast Sanmar. Despite persistent external pressures, it has been a year of immense learning, bold choices, and measured progress. I take this opportunity to speak to you not just as the Managing Director but also as someone who has closely witnessed our teams navigate complexities and deliver outcomes with purpose and clarity.

Navigating through Complex Industry Dynamics

The global economy remained subdued in 2024-25, with growth lagging pre-pandemic levels amid stabilising inflation, cautious policy moves, trade frictions, and geopolitical uncertainty. In contrast, India's macroeconomic fundamentals stood out, buoyed by strong domestic demand, public spending, and resilient sectors.

India's Paste PVC market witnessed strong growth, driven by rising domestic consumption, although challenged by a surge in unfairly priced imports. Suspension PVC demand has been characterised by strong underlying growth drivers, particularly from the construction and infrastructure sectors along with continued growth in irrigation and water infrastructure which resulted in domestic consumption reaching 4.38 Million tonnes, up by nearly 7.50%. However, prices and margins were



adversely impacted due to significant dumping at unfairly low prices.

The year has been one of struggle against unfair trade practices by exporters to India, of two of the Company's largest product segments, Suspension PVC and Paste PVC. We have represented to the regulators on the urgent need to address this problem of dumping, and we are confident that we will see action on this front in the year ahead.

The Custom Manufactured Chemicals Industry is on track for sustained growth, with a projected

caused by expanded domestic capacity and low-priced imports.

Developments of the Year

In the short term, challenges such as dumping and unfair trade practices by various countries have caused significant disruption in the Indian market, leading to a decline in prices and, consequently, margins. Despite these headwinds, the year has shown directional improvement over the previous year, with capacity expansion projects being commissioned and reaching optimal operating rates by the end of the year. Recognising that sustained progress requires resilience against cyclical volatility, we

Over the past two years, we have signed multiple Letters of Intent (LoI) with global agrochemical innovators, which represent a strong and promising pipeline. The development of other products, too, provides clear visibility on capacity utilisation. As part of our strategy to enhance long-term growth, we are also broadening our customer base, across sectors and within each industry. There is strong traction and positive momentum on this front, and we are well-positioned to capitalise on these opportunities.



The year 2024-25 saw the commissioning of Phase 2 of our third Multi-Purpose Block (MPB-3) at Berigai, adding to Phase 1, which became operational in September 2023.



global CAGR of 5.50% from 2026 to 2033. This upward trajectory is fuelled by increasing demand from the agrochemical industries, and rising applications across the pharmaceutical, speciality chemicals, food and beverage, automotive, electronics, and textiles sectors.

The Value-added Chemicals segment, which includes Chloromethanes, Caustic Soda, and Hydrogen Peroxide, registered broad-based demand from varied industries such as pharmaceuticals, agrochemicals, refrigerant gases, alumina, textiles, paper, and home care. However, all products were subjected to pricing pressures

have doubled down on building our speciality chemicals capabilities.

The expansion of the Paste PVC facility at Cuddalore, commissioned in 2023-24, has already begun contributing to revenue growth. The year 2024-25 saw the commissioning of Phase 2 of our third Multi-Purpose Block (MPB-3) at Berigai, adding to Phase 1, which became operational in September 2023. These facilities are already supporting commercial production. The Company has also begun civil and foundational work on MPB-4, along with Phase 3 of MPB-3.

Beyond Business – Sustainability, Safety and Responsibility

While navigating challenges and expanding our capacity to grow the business, we have not lost focus on our sustainability goals. Our unrelenting efforts towards these goals reinforce our position as a leading role model in sustainability. Zero liquid discharge (ZLD) plants across all our facilities, rainwater harvesting, groundwater recharging, desalination units at coastal plants, and responsible effluent management are part of our everyday operations.

These are complemented by stringent EHS standards that are validated by regular audits and

customer approvals. Through the SANSafe protocol, Corporate Safety efforts are being strengthened by streamlining key performance indicators related to Process Safety Management and Workplace Safety. In addition, this year, CCVL achieved 5 Million safe man-hours without a lost-time injury. We received further recognition for our safety efforts with multiple 'Sword of Honour' awards from the British Safety Council for various plants.

We have also entered into a Power Purchase Agreement (PPA) with JSW Green Energy Nine Ltd, a special purpose vehicle established by JSW Neo Energy Ltd for renewable power generation in Tamil Nadu. This strategic step aligns with our sustainability goals by securing long-term access to green energy, reducing our carbon footprint, and lowering energy costs, with the SPV functioning as a captive power generator supplying renewable electricity exclusively to us and our subsidiaries.

Alongside these achievements, our dedication to community outreach has also remained unshaken. We successfully launched and completed multiple programmes focussed on health, education, and community welfare, during the year.

Expanding into the Future

Looking ahead, we see tailwinds returning gradually. The combination of stronger demand, higher volumes from expanded capacities, and policy support is setting the stage

for improved realisations. A key element of our strategy is to continue deepening our presence in Custom Manufactured Chemicals, where we enjoy high customer stickiness, strong margins, and a clear runway for growth.

We are also excited to share our foray into manufacturing R-32 refrigerant gas through a ₹ 340 Crores greenfield investment at Karaikal. R-32 is a next-generation refrigerant with significantly lower global warming potential than R-22 and is gaining rapid traction in HVAC and cooling systems across the world. As a tropical nation, India is witnessing a sharp rise in demand for air conditioning. This trend presents a sizeable opportunity to meet market needs while supporting the transition to more sustainable refrigerant alternatives. Our long-standing experience in producing refrigerant gases places us in a strong position to take this step forward with confidence and competence.

Enabling a Fair Playing Field

We remain actively engaged with policy and regulatory authorities to push for a level playing field. We are hopeful of a favourable decision on the long-pending anti-dumping duty case for Suspension PVC and are also pursuing outcomes on dumping of Paste PVC from the EU and Japan. These developments are vital for the long-term viability of the domestic chemical industry, and we continue to advocate for balanced and responsible trade practices.

Separately, the Quality Control Order (QCO) requiring BIS certification for PVC resin sold in India, which was to have come into effect in August 2024 originally, has since been extended thrice to December 2024, June 2025 and now December 2025. When implemented, this measure will ensure that only good quality PVC resin is sold in India.

With Gratitude and Conviction

Let me take a moment to thank all who are part of our journey. To our customers and partners, thank you for trusting us and for believing in our ability to deliver consistently. To our employees, your commitment, resilience, and execution excellence are the true enablers of all that we have achieved. To our investors, we remain focussed, even in the face of short-term challenges, on building enduring long-term value, anchored in innovation, execution discipline, and a deep sense of responsibility to all our stakeholders.

As we enter a new year, we do so with optimism, energy, and resolve. The future is ours to shape, and at Chemplast Sanmar, we are determined to shape it with responsibility, vision, and a strong commitment to excellence.

With best wishes,

Ramkumar Shankar

Managing Director



Message from the Business Head, CMCD

Momentum Directed by Proven Expertise



Dear Stakeholders,

The Custom Manufactured Chemicals Division (CMCD) remains central to Chemplast Sanmar's growth, closely aligned with its vision to create an innovation-driven, customer-focussed portfolio. As a trusted partner to global innovators in life sciences and agrochemicals, CMCD combines a strong focus on safety and sustainability, deep chemistry

expertise, dependable execution, and agility to meet the changing needs of customers.

Building on a Strong Foundation

Continued focus on safety and sustainability is a differentiator and fosters long term partnerships with our stakeholders.

The manufacturing site at Berigai achieved a significant milestone of

operating for 10 Million man-hours without any lost time injury. We continue to invest in a number of initiatives linked to sustainability. Over the next 24 months, a new bio mass based boiler is planned for commissioning to reduce our carbon foot print thereby enabling our customers to meet their carbon reduction goals.



The year 2024-25 marked consistent progress within our product pipeline and infrastructure. Multiple new products attained commercialisation, alongside others that advanced effectively through their developmental and pre-commercial stages. This momentum underscores our robust capabilities, diversified pipeline and effective collaborative approach with customers, aligning seamlessly with their requirements.

Our capabilities in handling complex chemistries was significantly reinforced by securing an Letter of Intent (LoI) with a prominent global

December 2024, which is now operational. Phase 1 was commissioned in September 2023. Work is currently underway on Phase 3 of this block, as well as setting up the civil infrastructure for the next production block, both of which are designed to enhance responsiveness to customer demand and broaden our manufacturing footprint. We also continue to invest in our Research and Development and Pilot scale capabilities. These steps align with our long-term goal to grow in this segment.

As we move forward, we remain committed to building long-term relationships through science-led innovation, operational excellence, and strategic alignment with our partners' evolving needs.

With best wishes,

Krishna Kumar Rangachari, Ph.D.
Business Head, CMCD



Our capabilities in handling complex chemistries was significantly reinforced by securing Letter of Intent (LoI) with a prominent global innovator for two novel products. We also broadened our customer base by securing an LoI with another innovator.



innovator for two novel products. We also broadened our customer base by securing an LoI with another innovator. The above developments contribute to a remarkable two-year span, during which we have garnered multiple LoIs from global innovators, proving our customers' trust in our technical capabilities and consistent delivery.

Expanding Capacity for the Future

Our capacity expansion plan has progressed well, marked by the commissioning of Phase 2 of the Multi-Purpose Block (MPB 3) in

Going Forward

As we look ahead, our focus will remain on deepening strategic partnerships, accelerating product development cycles, and enhancing supply chain robustness. Continued investment in technology platforms, talent, and flexible infrastructure will be vital to sustaining our growth trajectory. With an agile approach and strong execution capabilities, CMCD is well positioned to make meaningful contributions to Chemplast's future-readiness and market leadership in the custom manufacturing space.

Message from the CFO

Stability Secured through Financial Vigilance



Dear Stakeholders,

The year gone by was one of transition for us. The macroeconomic environment remained volatile, while the chemical sector continued facing global supply chain disruptions and pricing uncertainties. The Indian PVC industry, in particular, struggled with dumping of Suspension and Paste PVC, which caused significant pricing distortions. Despite these challenges in 2024-25, we stayed focussed on operational discipline and strategic execution.

Driving Recovery with Operational Discipline

We delivered a notable financial turnaround despite the challenging environment. Total revenue rose 11% to ₹ 4,346 Crores, up from ₹ 3,923 Crores in 2023-24. More significantly, EBITDA surged to ₹ 219 Crores, a substantial increase from ₹ 26 Crores last year. This performance was supported by higher volumes from the new Paste PVC facility at Cuddalore, and strong CMCD gains.

Realising Potential from Capital Investments

Our Speciality Chemicals segment reported a 49% increase in revenue, reaching ₹ 1,764 Crores in 2024-25. CMCD drove this surge, posting over 80% year-on-year growth, supported by better asset utilisation and a wider customer base. Value-added chemicals also performed well, with revenue rising 24% to ₹ 624 Crores due to stable demand and improved throughput. Suspension PVC, however, saw a 6% decline in



revenue, down to ₹ 2,298 Crores, impacted by volume pressures and continued adverse pricing dynamics caused by dumping in the Indian market.

Balancing Sales Across Portfolios

Chemplast Sanmar's sales volumes showed a mixed trend across segments. Speciality Chemicals sales increased 38% to 98,339 MT, backed by new capacity and strong demand. In Value-added Chemicals, volumes grew by 19%, reaching 1,68,333 MT, indicating sustained demand and supply-side stability. However, Suspension PVC sales volumes declined by 8%, closing the year at 2,99,884 MT, largely due to intensified competitive pressures from imports.

As demand recovers and stabilises, these capacities will enable the Company to respond with agility, preserve scale advantages, and strengthen market presence. Financially, they are expected to enhance operating leverage, improve cost competitiveness, and contribute meaningfully to long-term value creation.

Project Update

The Company continued its focus on speciality chemicals business for capital allocation. We commissioned Phase 2 of the expansion in the custom manufactured chemicals business and also commenced the next phase of expansion. Strengthening its presence in the speciality chemicals space, the

Sanmar and its wholly owned subsidiary. The project is expected to deliver substantial long-term cost savings on power, while also supporting our transition to cleaner and more sustainable energy sources.

Building Strength for the Future

As we enter 2025-26, our focus stays clear: boost profitability through portfolio rebalancing, efficiency gains, and deeper specialisation. With our strategic bets now delivering outcomes, we are set to scale financial resilience, seize new opportunities, and shape a stronger, more future-ready Chemplast Sanmar.

With best wishes,

N. Muralidharan

Chief Financial Officer



Our Speciality Chemicals segment reported a 49% increase in revenue, reaching ₹1,764 Crores in 2024-25. CMCD drove this surge, posting over 80% year-on-year growth, supported by better asset utilisation and a wider customer base.



Realisation of Capex and Future Readiness

The year under review also marked the beginning of returns from the Company's recent capital investments. The commissioning of new facilities at Cuddalore and Berigai has significantly expanded capacity in both Custom manufactured Chemicals and Paste PVC. These assets supported this year's growth and strategically positioned Chemplast to meet the rising demand.

Company has announced a new project for the manufacture of refrigerant gas R-32. We believe that this strategic focus on speciality chemicals will drive the growth of this segment in the coming years and help create significant value for all stakeholders.

We are collaborating with JSW Green Energy Nine Ltd, a Special Purpose Vehicle (SPV) set up by JSW Neo Energy Ltd to secure 64.9 MW of solar and 20 MW of wind power through a group captive arrangement. This renewable energy will be used for captive consumption by Chemplast

Key Strategies and Growth Drivers

Paradigms Devised for Expansion

Chemplast's endurance and advancement stem from well-defined strategies, shaped by clear vision and deep understanding. Supporting these efforts are robust growth catalysts that the Company aims to harness, fuelling sustained expansion and lasting success.

Core Strategies

1

Strategic Manufacturing Footprint

Chemplast Sanmar has established a geographically optimised production network across South India, strategically positioned to efficiently serve key markets in the Southern and Eastern regions. Our manufacturing advantage includes:

› Coastal Access

Two plants with dedicated marine terminal facilities, enabling seamless and cost-efficient logistics for both inbound raw materials and outbound finished products.

› Regional Dominance

Prime locations that ensure rapid delivery and enhanced supply chain reliability for customers across core markets.

› Infrastructure Synergies

Integrated transport connectivity that reduces operational costs while improving service responsiveness.

This strategically designed footprint reinforces the Company's competitive edge, combining proximity to customers with superior logistics capabilities to drive sustainable growth.

2

Strategic Capacity Expansion and Growth Initiatives

Chemplast has proactively undertaken significant capacity expansions to capitalise on burgeoning market demand. To address the escalating domestic requirement for Speciality Paste PVC, with the commissioning of the Cuddalore facility last year, the production capacity was successfully expanded to 107 KTPA.

Furthermore, the Company has substantially reinforced its presence in the Custom Manufactured Chemicals (CMC) segment, commissioning Phase 2 of the Multi Purpose-Block (MPB) in 2024-25, while Phase 1 was commissioned in 2023-24.

Our commitment to innovation and reliability in speciality chemicals is further underscored by the six Letters of Intent (LoIs) secured from leading global agrochemical innovators over the past two years, solidifying our reputation as a trusted partner. Critically, the availability of industrial land at our existing sites provides a robust foundation for future brownfield expansion, ensuring sustained growth potential.



3

Chemplast's Strategic Edge: Unlocking Profitability through Backward Integration

Chemplast has orchestrated a powerful competitive advantage through its **deeply embedded vertical integration**. This strategic foresight enables to control the supply chain from the ground up, translating directly into superior cost efficiency and a fortified market position.

Chemplast leverages its backward integration through:

› In-House Raw Material Mastery

By **producing critical raw materials** like **EDC, VCM, chlorine, and hydrogen** internally, Chemplast bypasses external supplier dependencies. This crucial control not only slashes raw material expenses but also ensures a stable, high-quality input stream.

› Assured Supply Chain Resilience

Captive salt pans guarantee an **uninterrupted and steady supply of salt** for vital caustic soda production, eliminating procurement risks and price volatility.

› Optimised Operational Economics

Chemplast further refines its cost structure by **generating its own power and steam** from internal plants. This energy self-sufficiency translates into **significant operational cost savings**, insulating them from ever increasing energy costs and directly boosting their bottom line.

› Green Power (Wind & Solar)

Chemplast and its WOS Chemplast Cuddalore Vinyls Limited have entered into Agreements to source environment friendly Green Energy (Wind and Solar) for captive consumption which would help achieve higher usage of Green Energy and reduction in energy costs significantly in the years to come.

› Streamlined Logistics & Control

Bringing production in-house naturally **streamlines logistics**. Fewer external transactions mean reduced transportation costs, less administrative overhead, and tighter control over the entire production cycle.

4

Operational Excellence: Precision Engineered for Peak Performance

Chemplast prioritises efficiency across all operations. The Company employs a multi-faceted approach to optimise performance and ensure sustained operations excellence:

› Integrated IT Systems

Advanced IT systems, real-time monitoring and robust reporting mechanisms are utilised to maintain stringent quality control and facilitate seamless information exchange.

› Workforce Empowerment

Regular training programmes are conducted to upskill employees, thereby improving workforce productivity and fostering a culture of continuous improvement.

› Compliance and Sustainability Audits

Routine audits are performed across all manufacturing facilities to ensure compliance, optimise operational efficiency and support long-term business sustainability.

5

High Entry Barriers, Higher Ground: Chemplast's Unassailable Market Position

The speciality chemicals sector presents formidable entry barriers - stringent regulatory mandates, complex technical expertise and capital-intensive infrastructure requirements that inherently reinforce Chemplast Sanmar's robust market position. The Company has strategically over the years cultivated niche competitive advantages:

› **Proprietary process technologies** and specialised technical know-how.

› **Vertically integrated infrastructure** purpose-built for complex chemistries.

› **Decades-deep customer relationships** anchored in reliability and quality excellence.

› **Cutting-edge R&D capabilities** driving continuous innovation.

Through this multi-layered strategic moat, Chemplast Sanmar not only sustains superior operational excellence but also maintains agility to navigate sector complexities, positioning itself as the partner of choice in high-value chemical solutions.

Strategic Growth Catalysts: Driving Chemplast's Expansion Trajectory

1

Speciality Paste PVC: Seizing Domestic Imperatives

› Import Substitution Imperative

India's substantial reliance on imported Speciality Paste PVC presents an unparalleled opportunity for domestic manufacturers. Chemplast is strategically poised to expand local production, thereby mitigating import dependency and fostering national self-sufficiency within this critical segment.

› Capacity Constraints & Market Stability

The absence of new capacity announcements, coupled with formidable technological barriers to entry, confers a significant competitive advantage upon existing players. This environment ensures stable pricing dynamics and underpins Chemplast's sustained market leadership.

› Technology Barrier

Very few players have technology for the speciality chemicals space and Chemplast is one of them. The would enable Chemplast to expand and maintain its leadership position.

› Surging End-User Adoption

Low per capita consumption in pivotal end-use industries signals robust long-term demand. Accelerating economic development and industrialisation are poised to catalyse broad-based growth across these end-use sectors.

› Entrenched Customer Relationships

Decades-long relationships, underpinned by superior product consistency and technical collaboration, significantly reinforces the Company's market position.

2

Custom Manufactured Chemicals: Capitalising on Global Realignments

› India's Ascendant Role in Global Agro CMC

India's share in the global outsourced Agro Custom Manufacturing (CMC) market is experiencing rapid expansion, projected at 10-12%. This growth is infused by robust manufacturing expertise and compelling cost efficiencies. Furthermore, tightening EU regulatory frameworks are compelling global agrochemical entities to seek out reliable, compliant manufacturing partners, solidifying India's status as a preferred destination.

› "China Plus One" Strategic Shift

The global imperative for supply chain diversification beyond China is accelerating India's prominence as a strategic alternative for custom manufacturing. An enduring chemical ecosystem, a highly skilled workforce, and supportive government incentives are collectively expediting this transition, positioning India as a pre-eminent manufacturing hub.



3

Value-added Chemicals: Responding to Evolving Industrial Needs

› Expanding Chloromethanes Applications

The chloromethanes market demonstrates consistent growth, fuelled by its diversified applications across pharmaceuticals, agrochemicals, and silicone manufacturing. As these pivotal industries scale production, the demand for chloromethanes is poised for a corresponding surge, affirming its indispensable role as a critical input across multiple sectors.

› Rising Demand for Caustic Soda and Chlorine

Key industries such as pulp and paper, textiles, soap and detergents, and alumina production are driving sustained demand for caustic soda and chlorine. Their fundamental role in manufacturing processes, coupled with increasing industrial output, ensures uninterrupted market growth for these essential chemicals.

› Emergence of Eco-friendly Applications

Hydrogen peroxide is gaining significant traction due to its expanding use as a disinfectant in food processing and as a bleaching agent in the pulp and paper industry. Government initiatives promoting environmentally conscious chemicals are further accelerating its adoption across water treatment and pollution control applications.

4

Suspension PVC: Bridging the Domestic Demand-Supply Chasm

› Persistent Domestic Demand-Supply Gap

Despite planned capacity expansions, India's Suspension PVC market remains markedly deficient. Demand substantially outpaces current supply, presenting a clear and compelling opportunity for domestic producers to expand and rectify this structural gap.

› Import Substitution Opportunity

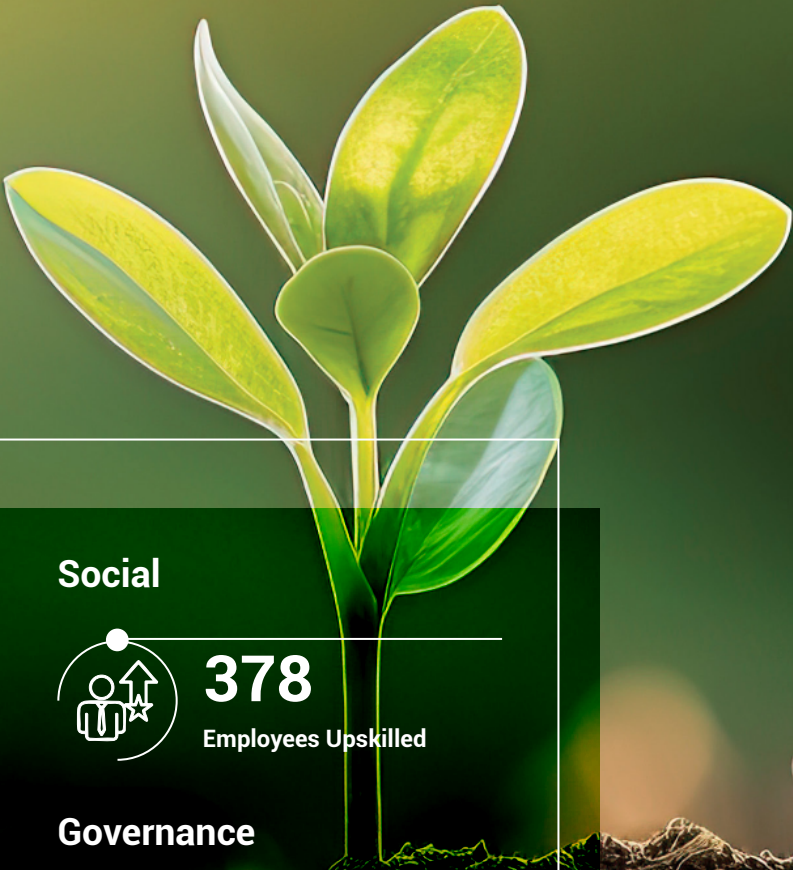
With imports fulfilling nearly 60% of India's demand, there exists considerable scope for local producers to scale up production. Strengthening domestic capabilities will be instrumental in reducing dependency on global supply chains and enhancing self-sufficiency in the sector.

› Rising End-User Demand

Currently low per-capita consumption in key end-user industries highlights the potential for future growth in demand. As industrial activity and consumer awareness progressively increase, the sector is poised for sustained expansion, creating long-term opportunities for manufacturers.



Responsible Growth Evidenced through Impactful Metrics



Environment



2,947 Gigajoule (GJ)
Green Energy Sourced



1,499 MT
Hazardous Waste Recovered
and Recycled



₹ 37.07 Crores
Environmental Expenditure

Social



378
Employees Upskilled

Governance



6
Board Committees



37
Training Programmes
Conducted for KMPs

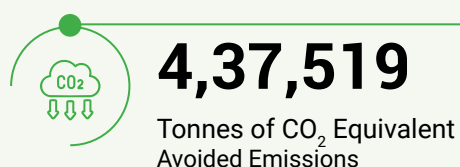


Environment

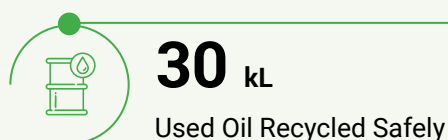
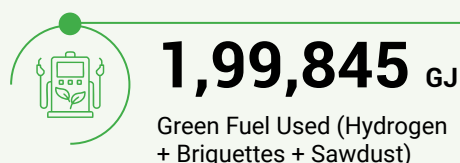
Impact Created through Conscious Choices

Chemplast continues to embed environmental responsibility into every aspect of its operations. With a strong foundation built over the years, the Company remains committed to reducing its environmental footprint while enhancing process efficiency and compliance with evolving standards.

This commitment drives targeted investments in advanced technology, rigorous monitoring, and continuous upgrades across key areas like emissions, effluent treatment, water conservation, and waste management.



ISO 14001
Certified



Energy and Emission Management

To minimise dependence on fossil fuels, the Company continues to prioritise energy-saving initiatives across its operations. Several energy conservation projects have been implemented, including the installation of Variable Frequency Drives (VFDs) on motors, use of energy-efficient lighting systems, and optimisation of process parameters. Wherever feasible, clean energy sources are being explored to substitute conventional fuels. In addition, internal audits are used to identify opportunities for reducing specific energy consumption, thereby contributing to lower GHG emissions. Some of the Company's key initiatives include:

- ▶ Use of bio-briquettes alongside coal in boilers at the Mettur plant since January 2023.
- ▶ Operation of a captive incinerator fuelled by hydrogen at the Mettur plant.
- ▶ Utilisation of compressed sawdust as an alternative fuel at the Cuddalore facility.
- ▶ Chemplast and its wholly owned subsidiary, Chemplast Cuddalore Vinyls Limited, have entered into agreements to procure environment-friendly green energy (wind and solar) for captive consumption. This initiative is expected to significantly increase the share of green energy in the overall energy mix and lead to a substantial reduction in energy costs in the coming years.



Waste Management

Hazardous and non-hazardous waste streams are managed strictly according to statutory requirements, with a strong emphasis on recycling and co-processing. Registration on the CPCB's EPR Portal forms a key part of these efforts.

The Company also continues to divert waste from landfills through partnerships with authorised co-processors and recyclers. Furthermore, source segregation, material recovery, and process innovation have led to increased rates of reuse and responsible disposal. To put these measures in place, all waste handlers are audited regularly to ensure adherence to environmental norms.

5S Framework



Sort



Set in Order



Shine



Standardise



Sustain



Water Conservation

Keeping in mind the Company's water-intensive operations, Chemplast has implemented targeted measures to reduce and optimise water consumption. The Company remains focussed on responsible water management, ensuring it does not compete with nearby communities for scarce groundwater. Where necessary, the Company supports these communities by supplying potable water.

Desalination Plants

Chemplast has installed desalination plants at its Karaikal and Cuddalore sites, sourcing seawater directly from the Bay of Bengal. This approach significantly reduces dependence on external sources such as third-party supply, groundwater, and freshwater reserves.

Rainwater Harvesting

Reducing freshwater dependency remains a key focus. Therefore, the Company has prioritised closed-loop water systems and adopted rainwater harvesting mechanisms at the Mettur plant. Water recycling and reuse, facilitated by these mechanisms, led to a measurable decrease in net consumption per tonne of production.

Effluent Management

Chemplast's commitment to ZLD continues to be upheld across all manufacturing locations. Wastewater is treated using a multi-stage process, involving pre-treatment, biological treatment, and tertiary membrane-based systems. Recovered water is reused in utilities, significantly lowering freshwater draw. System upgrades and process recalibrations during the year further enhanced recovery rates, while maintaining full compliance with discharge standards. Treated water from the STP is also utilised for gardening within the green belt developed around the manufacturing facilities.



5,10,295 kL

Total Amount of Water Recycled and Reused



Sustainable Supply Chain

Chemplast centres its sustainable sourcing strategy on nurturing enduring supplier relationships. The Company organises regular awareness programmes for its value chain partners, emphasising principles such as business integrity, health, safety, human rights, and environmental protection.

Through its stakeholder engagement initiatives, Chemplast carefully evaluates the social, economic, and environmental implications of its procurement activities. Located in South India, the Company's manufacturing facilities are strategically positioned to serve both Southern and Eastern India, ensuring efficient logistics and competitive freight costs. The Cuddalore and Karaikal plants benefit from their coastal positions, featuring marine terminals that enable cost-effective transport of raw materials like ethylene and VCM, alongside finished goods such as caustic soda.



Social

Change Driven through Collective Commitment

Chemplast values each individual equally and firmly commits to nurturing its workforce. The Company believes growth stems from offering personal and professional development through focussed training and mentorship programmes. Beyond its employees, Chemplast also invests in society through impactful CSR initiatives, fostering community upliftment and sustainability.

Our People

People form the foundation of operational excellence and long-term value creation. Therefore, the Company is focussed on building an agile, motivated, and future-ready workforce through thoughtful engagement and capability enhancement. Efforts are directed towards creating a workplace that not only meets professional aspirations but also supports personal well-being, while aligning employees with the Company's evolving business priorities and sustainability goals.



1,503

Team Strength as of March 31, 2025



ISO 9001 and 45001
Certified



232

No. of New Hires

Employee Training and Development

Chemplast is committed to fostering a work environment that supports employee growth and satisfaction. The Company continually implements new engagement strategies, including comprehensive training, mentorship, and performance assessments. These initiatives are designed to address the unique needs of each employee while ensuring compliance with all relevant regulations.

Regular training opportunities on topics such as emergency response, safety, and environmental management are offered to employees across all locations. The effectiveness of these programmes is regularly evaluated through feedback from trainers and performance reviews, ensuring a culture of continuous improvement. By implementing various measures, Chemplast continues to focus on sustainable growth while developing talent at every level.



70,970

Training Hours



Occupational Health and Safety

Employee safety remains a top priority at Chemplast. The Company has established a thorough Process Safety Management System designed to safeguard the well-being of its workforce and reduce the risk of incidents. Through the implementation of processes such as Hazard Identification and Risk Assessment (HIRA), Hazard and Operability Study (HAZOP), a robust emergency preparedness plan, and regular drills, Chemplast strengthens this commitment. The Company also offers periodic safety training for employees, contractors, and transport personnel, focussing on safe chemical handling and emergency procedures.



ZERO

Fatalities

Employee Benefits

Beyond physical safety, Chemplast provides extensive healthcare services, accessible both during and outside work hours. Its in-house medical centre, staffed by qualified physicians and nurses, offers comprehensive care. Additionally, pre-employment and routine medical examinations form part of the Company's proactive approach to maintaining employee health.

Diversity and Inclusion (D&I)

By fostering an environment where every individual, regardless of gender, age, or ethnicity, has the chance to excel, the Company nurtures a culture of inclusivity. Its ethics guidelines, including a clear Code of Conduct, ensure fair and respectful treatment for all. This inclusive culture enables Chemplast to harness diverse perspectives, sparking innovation and enriching collective creativity.



Grievance Redressal Mechanism

To ensure that employees' voices are heard, Chemplast has established a robust grievance redressal system. Employees can share their concerns directly with the HR department or plant leadership through various channels, ensuring transparency and accountability. Moreover, the Whistleblower Policy allows confidential reporting of misconduct without fear of reprisal, underscoring the Company's commitment to fairness and openness.



Chemplast Sanmar CSR Initiatives 2024-25

Chemplast Sanmar is committed to inclusive and sustainable development through its Corporate Social Responsibility (CSR) initiatives, addressing the immediate needs as well as the long-term developmental objectives of the local communities. Planned and executed in direct consultation with stakeholders, the projects actively drives positive social change.

Focussing on key areas such as rural development, education, healthcare and social welfare, Chemplast's

CSR initiatives aim to enhance access to quality education, improve public health standards, and uplift rural life, through targeted projects focussed on infrastructure development and livelihood support.

Chemplast Sanmar strives to create meaningful and lasting impact in the regions it serves.

CSR Initiatives 2024-25

Rural Development

Rural Development accounted for 44.57% of Chemplast's total CSR expenditure across all plants. Projects focussed on improving access to water, sanitation, public safety, and overall quality of life in rural areas. Some of the projects are as follows:

Access to Safe Drinking Water–Mettur

Ensuring access to safe drinking water, Chemplast Mettur continues to provide several villages with reliable water distribution. The initiative has had a direct positive impact on the overall health care of the community.

Over 30,000 people have sustained access to safe drinking water every day.

Bus Shelter Construction at Suligunta Village, Berigai

Suligunta village, located in the B. Kurubarapalli Panchayat, is home to around 450 residents who rely heavily on Government and private buses for their daily commute to nearby towns. However, the lack of a proper bus shelter forced villagers to wait in harsh weather, especially during the summer and monsoon. To address this, Chemplast Sanmar constructed a well-equipped bus shelter along the Berigai–Theertham Road, complete with seating slabs and ventilation windows, providing commuters with a safer and more comfortable waiting space. Over 450 commuters now benefit from a comfortable and safe bus shelter.



Veterinary Camps at Mettur and Berigai

Rural communities in Mettur and Berigai depend on agriculture and livestock for their livelihood. However, accessing veterinary care is a challenge, as farmers must travel long distances, often at high cost, to reach a dispensary. This makes it difficult to treat sick animals in time, increasing the risk of livestock loss. To bridge this gap, veterinary camps were conducted in B. Kurubarapalli Panchayat, Berigai, and Thippampatti, Mettur, in collaboration with the Government Animal Husbandry Department. These camps offered vaccinations, deworming, calf care, and nutritional advice, along with free medicines for bacterial and respiratory infections, parasites, pain, inflammation, and nematode-related issues.

More than 100 farmers and their 1,000+ livestock benefitted from the camps.





Education

Support in the field of education accounted for 28.92% of Chemplast's CSR expenditure, and was targeted to enhance learning environments in Government Institutions and other education-related initiatives, emphasising community development through learning.

Renovation of Government Higher Secondary School, Maruthi Nagar, Berigai

The Government Higher Secondary School in Maruthi Nagar serves four panchayats. Construction of a secure gate and a compound wall, ensured enhance safety of the children. Renovation of an unused classroom building was carried out. This initiative has created a safer and more stimulating learning environment for students and their teachers.

Comfortable, safe and clean learning environment for more than 1,400 students and 40 teachers.

Infrastructure Development at Municipality Primary School and Anganwadi Centre, Thangamapuripattinam, Mettur

To transform the school into an engaging and secure space for young learners, the focus was on creating a vibrant, child-friendly atmosphere and enhancing the overall learning environment. A newly installed wash station encourages hygienic habits among students. The traditional play area stimulates cognitive development by helping children grasp numerical concepts, while other play equipment supports their physical well-being. Safety grills have also been added along the corridors to prevent accidental falls and ensure a safer campus.

45 children and 12 women receive essential Antenatal and Postnatal Care (ANC and PNC) in an improved and nurturing environment.



Anganwadi renovation of Mudalimedu, Karaikal and Suligunta Village, Berigai

The Anganwadi Centres, under the ICDS (Integrated Child Development Services) scheme, play a vital role in delivering early childhood education along with nutritional and health support to children, pregnant women, and lactating mothers. To enhance the safety and functionality of the centre, infrastructure upgrades transformed the Anganwadis into a more supportive space, ensuring child safety and aiding early childhood development.

The upgraded centres provide a clean and welcoming space for 20 children aged 1-6 years, women accessing antenatal and postnatal care and programmes for adolescent girls.

Mudalimedu, Karaikal



Other initiatives include:

- Tuition classes making academic support accessible to children in underserved areas.
- Water access in schools by installing RO water facilities, ensuring clean and safe drinking water for students.
- Health services in schools, such as eye camps.

Healthcare

Support in the area of Healthcare accounted for 12.92% of the CSR expenditure. The healthcare projects implemented focussed on strengthening medical infrastructure and organising health camps and regular health services in various villages.

Strengthening Access to Primary Healthcare, Mettur

To improve access to essential health services, new health sub-centres were constructed and established at Kunjandiyur Pudhu Colony, Panagadu and Thangamapuripattinam, in partnership with the Government. These centres serve as the first point of contact for surrounding communities, offering maternal and child care, immunisation, disease prevention, and health education. A dedicated staff nurse has been deployed to ensure daily medical support and timely referrals, significantly reducing the distance and time villagers have to travel for basic healthcare.

A foot fall of more than 2,000 community members in a month accessing primary healthcare in their village.



Supporting a Primary Health Centre in Agasthiyanpalli, Vedaranyam

To strengthen Primary Healthcare services in rural areas, essential medical and biomedical equipment was provided to the Primary Health Centre (PHC) in Agasthiyanpalli. This initiative aims to enhance basic healthcare delivery and improve the centre's diagnostic capabilities for both routine and emergency services. By equipping the facility with critical tools, the project has significantly improved the PHC's ability to offer timely, reliable treatment, reduce diagnostic delays, and respond more efficiently to the community's healthcare needs.

Over 1,500 community people access the services of this PHC in a given month.



Other initiatives include:

- Various free mega medical camps provide specialised health check-ups, towards preventive care.
- Regular rural health services, ensure that people in remote locations have access to basic healthcare services and medical attention.



Social Welfare

Support in the area of Social Welfare accounted for 8.91% of Chemplast's CSR expenditure. The Social Welfare Projects focus on empowering women through vocational training and livelihood programmes, fostering gender equality.



Empowering Women in Mettur

As part of Chemplast's commitment to building sustainable livelihoods, a five-day training programme was conducted to equip women with practical skills in designing, crafting, and marketing artificial jewellery. The initiative targeted aspiring jewellery makers and women artisans who were keen to start their own small businesses in the field. The training covered a range of essential topics, including design and craftsmanship, quality control, marketing and sales, and entrepreneurship development.

18 women empowered with skills in jewellery design, craftsmanship, and entrepreneurship through specialised training.

Infrastructure Support for Differently-Abled Children, Mettur

Recognising the need for a more accessible and engaging environment, key upgrades were implemented at the day care centre for differently-abled children in Mettur. This initiative included installing a safe drinking water facility, enhancing the sensory room, and using mural art as an educational aid. Children were also provided with mobility support such as wheelchairs, CP chairs, splints, and artificial limbs to ease movement and encourage participation.

20 children benefitted from an upgraded, accessible day-care centre with enhanced facilities and mobility support.

Other initiatives include:

- Tailoring centres
- Financial literacy workshop

Governance

Transparency Ensured by Ethical Accountability

At Chemplast, governance transcends mere compliance; it drives responsible growth and upholds organisational integrity. Guided by an experienced, visionary Board, the Company commits to transparency, ethical conduct, and sound judgement across all operations. This dedication fosters lasting progress, nurtures accountability, and reinforces stakeholder trust amid a dynamic business environment.

Board Oversight and Leadership



Chemplast has established a robust governance system that clearly defines its operational framework, policies, and strategic oversight mechanisms. The Board of Directors, composed of seasoned professionals, brings deep expertise and diverse industry experience. Their leadership directs long-term strategy, strengthens compliance, and aligns the Company’s objectives with stakeholder expectations. The Board’s diversity further enriches its perspectives, promoting inclusive, well-informed governance across the organisation.



1

Executive Director



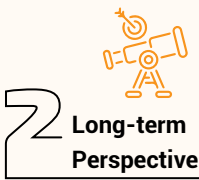
7

Non-Executive Directors

Our Value System



1 The Right Way



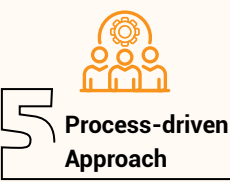
2 Long-term Perspective



3 Prioritising Health, Safety and Environment



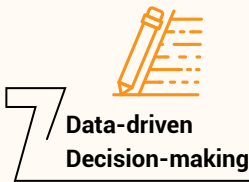
4 Stakeholder Commitment



5 Process-driven Approach



6 Focus on Core Competency



7 Data-driven Decision-making



8 Sustainable Growth



Board Committees

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

Policies



- › Supplier Code of Conduct
- › 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 IDs
- › 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

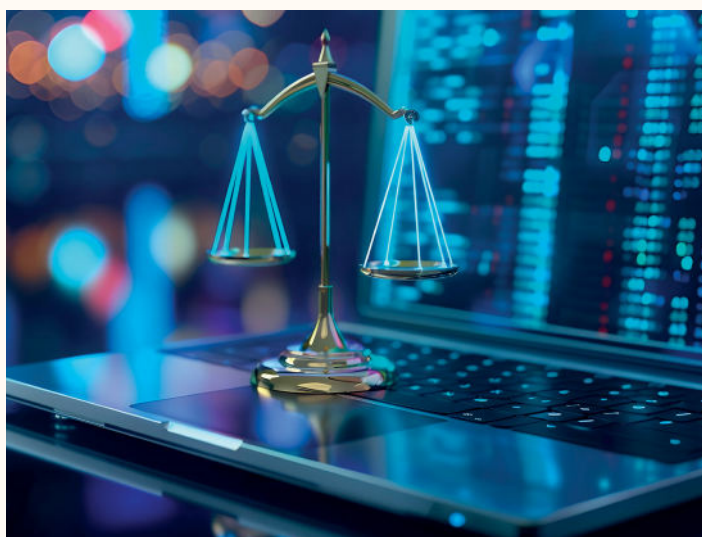
Risk Governance and Resilience



A structured and anticipatory approach to risk is integral to Chemplast's strategic outlook. Aligned with statutory mandates under the Companies Act 2013 and SEBI guidelines, the Company's risk management model spans all divisions and group entities.

Risks are continuously identified, analysed, and addressed through a well-coordinated system that includes periodic assessments of financial, operational, regulatory, environmental, and cyber domains. These insights are woven into internal audits and strategic planning processes. The framework also ensures the Board receives regular updates to review progress and strengthen risk controls. This approach ensures that Chemplast remains agile, responsive, and future-ready in an increasingly complex operating environment.

Please scan this QR code to know more about the corporate policies



Meet the Board

Decisions Informed by Collective Wisdom

Board of Directors



Mr Vijay Sankar

Chairman & Non-Executive Director

A Chartered Accountant (CA) and an MBA from the Kellogg School of Management, Mr Vijay Sankar brings extensive expertise in managing diverse businesses. He serves on the Boards of several esteemed companies, including Oriental Hotels Limited, TVS Motor Company Limited and Transport Corporation of India Limited. Currently he is the Vice President of the Federation of Indian Chambers of Commerce and Industry (FICCI).



Mr Ramkumar Shankar

Managing Director

With qualifications as a CA and Cost Accountant, Mr Ramkumar Shankar has held key leadership roles in the industry. He served as the President of the Alkali Manufacturers' Association of India from 2014 to 2016 and actively contributes as a member of the Confederation of Indian Industry's (CII) National Committee on Chemicals and Petrochemicals. Currently, he holds the position of the President at The Madras Chamber of Commerce and Industry.



Mr Aditya Jain

Independent Director

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



Dr (Mrs) Lakshmi Vijayakumar

Independent Director

A distinguished medical practitioner, Dr (Mrs) Lakshmi holds a Postgraduate Diploma in Psychological Medicine from the University of Madras. She is an Honorary Associate Professor at the University of Melbourne and the founder of SNEHA, a Chennai-based NGO dedicated to mental health and suicide prevention.



Mr Prasad Raghava Menon

Independent Director

Mr Prasad is a seasoned industry leader with extensive experience. He is the former CEO of Tata Power and Tata Chemicals, and former Chairman of Tata Vistara. An alumnus of IIT Kharagpur, he currently acts as an Independent Director at Data Patterns India Limited and Neuland Laboratories Limited.



Mr Sanjay Vijay Bhandarkar

Independent Director

Mr Sanjay, former Managing Director of Rothschild India, holds a Postgraduate Diploma in Management from XLRI, Jamshedpur. He serves as a Director at Tata Consultancy Services, Tata Power, Tata Projects, HDFC AMC, Newage Power and NIIF Limited.



Mr Vikram Taranath Hosangady

*Independent Director**

A qualified CA and Cost Accountant, Mr Vikram brings over 26 years of experience as a strategic advisor to leading Indian and global corporations. He held key leadership roles at KPMG (India and Global) from 2005 to 2022. He is also on the Board of Directors of MRF Limited, Rane (Madras) Limited, Bajaj Electricals Limited and Indef Manufacturing Limited.

*Mr Vikram Taranath Hosangady was appointed as a Non-Executive and Independent Director by the Board of Directors with effect from May 13, 2025, subject to the approval of the Shareholders of the Company.



Mr Sumit Maheshwari

Non-Executive Director

(w.e.f. May 20, 2024)

Mr Sumit is a CA with a Postgraduate Programme in Management from the Indian School of Business, Hyderabad. He also holds Bachelor's and Master's degrees in Commerce from the University of Mumbai. Joining Fairbridge Capital in 2011, he has been the Managing Director & CEO since May 2018. With prior experience in audit and accounting advisory at KPMG in India and the UK, he currently sits on the Boards of Thomas Cook (India) Limited, CSB Bank Limited, and other companies.

Awards & Accolades

Merit Validated by Notable Recognitions



Chemplast Sanmar received the esteemed 'CII Industry Trendsetters Award under Sustainability Category' at the CII Tamil Nadu State Annual Meeting 2024-25 held on March 14, 2025.



Chemplast has received the British Safety Council's Sword of Honour award for the below plants
Cuddalore in 2020
Mettur Plant 2 in 2021
Mettur Plants 1 & 4, and Karaikal in 2023

The British Safety Council 5-Star Rating was also awarded to all plants at Cuddalore and Mettur.



For Chemplast Sanmar Limited - valid upto
 January 2028
 For Chemplast Cuddalore Vinyls Limited (CCVL) -
 valid upto February 2028



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

Independent Director

(w.e.f. May 13, 2025)

Mr Aditya Jain

Independent Director

Mr Sumit Maheshwari

Non-Executive Director

(w.e.f. May 20, 2024)

Mr Prasad Raghava Menon

Independent Director

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,
Rangareddi, Hyderabad- 500 032, Telangana, India

Corporate Identification Number

L24230TN1985PLC011637

DIRECTORS' REPORT

The Board of Directors present the Company's Forty First Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2025.

Financial Summary – Standalone and Consolidated

₹ Crores

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations and Other income	2409	1697	4393	4003
Profit before interest, depreciation and taxes	123	(17)	266	106
Depreciation	148	107	199	151
Interest	87	33	236	181
Profit / (Loss) before tax	(112)	(156)	(169)	(226)
Tax Expenses	46	52	59	67
Profit / (Loss) after tax	(66)	(104)	(110)	(158)
Total Other Comprehensive Income for the year	422	0	478	1
Total Comprehensive Income for the year	356	(103)	368	(158)
Basic and Diluted Earnings per share (equity shares, par value ₹5/- each)	(4.15)	(6.57)	(6.92)	(10.02)

Financial Performance – Standalone

On a Standalone basis, the revenue from operations and other income increased to ₹ 2409 Crores for FY 2024-25 from ₹ 1697 Crores in FY 2023-24. Loss before Tax for FY 2024-25 was ₹ 112 Crores against ₹ 156 Crores loss in FY 2023-24.

Financial Performance – Consolidated

On a consolidated basis, the revenue from operations and other income stood at ₹ 4393 Crores for FY 2024-25 against ₹ 4003 Crores for FY 2023-24. Loss Before Tax for FY 2024-25 was ₹ 169 Crores against ₹ 226 Crores in FY 2023-24.

Dividend and Transfer to Reserves

Considering the loss incurred for the FY 2024-25, the Directors have decided not to recommend any dividend for the FY 2024-25. 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, 2025, 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 ₹ 1840.60 Crores as on March 31, 2025 as against ₹ 1542.28 Crores as on March 31, 2024.

Capacity Expansion

During the year, the Company commissioned Phase 2 multipurpose facility for Custom Manufactured Chemicals at Berigai.

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 2024-25 registered a healthy growth of 9%, growing from 161 kt in FY 2023-24 to 176 kt in FY 2024-25. With additional volume from the new facility at Cuddalore, the Company registered a growth of 26% in sales volumes, registering market share of 55% (up from 44% last year).

Indian demand for artificial leather grew on the back of growth of allied industries and consumer spending in India for footwear and other essential items of daily use.

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 Russia-Ukraine war also affected the sales by European producers into



DIRECTORS' REPORT (CONTD.)

Russia, resulting in more quantities being dumped into India.

The Company has been working with the regulatory authorities to counter this very serious problem of dumping. During the year, anti-dumping duties have been imposed on imports from a few countries and another investigation is ongoing on dumping from certain other countries.

The new Paste PVC facility at Cuddalore was commissioned towards the end of the last financial year. This year, the operations of this new facility have been steadily ramped up and have reached 100% by the end of the year.

The Company recorded the highest ever production and sale of Speciality Paste PVC Resin during FY 2024-25, with a 26% growth in Sales volumes for FY 2024-25.

Custom Manufactured Chemicals

The Custom Manufactured Chemicals business manufactures advanced intermediates for global innovators and originators in the 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, internally, 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

the 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 in FY 23-24 and Phase 2 was commissioned in December 2024. Apart from this, the Company had commissioned a new R&D block this year. This year, the Company has signed multiple letters of intent with global agrochemical innovators for the manufacture of advanced intermediates.

During the year, in spite of ongoing weak global demand and inventory rationalisation in speciality chemicals, Company saw strong ongoing demand for the new molecules which were commercialised during last year.

II. Value added Chemicals

Chloromethanes

During FY 2024-25, more capacities for Chloromethanes were added in the country, especially in South India, thereby increasing the supply in the market.

The demand for Methylene dichloride was stable during the year from both Pharma and Polyurethane foam segments, and grew by 6% to reach 425 KT. Though end product demand for Methylene dichloride from the key sectors was stable, the excess supply scenario severely impacted domestic prices. On a positive note, the shift in refrigerant gas demand from HydroChloroFluoro Carbons (HCFC) to HydroFluoroCarbons (HFC) is likely to increase the demand for Methylene Chloride in the coming years.

Chloroform too witnessed headwinds despite near normal demand from key sectors like Pharma, Footwear, Polymer and Adhesives, due to excess availability of material in the domestic market. Demand from the refrigerant gas segment dropped by 50% starting January 2025, in line with the Montreal Protocol quota reduction for HCFC – 22. Prices of Chloroform continued to remain low following intense competition from domestic players for the available market besides regular import arrivals in bulk.

DIRECTORS' REPORT (CONTD.)

The market demand for Carbon tetrachloride (CTC) during the year remained stable. Increased supply forced producers to adjust prices downwards through the year. During the coming year, recovery in synthetic pyrethroids demand is expected to help stabilise the market prices for CTC.

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 and Pulp sectors. Prices by and large remained stable to bullish for most quarters of FY 2024-25. This was mainly due to stronger Asian prices for Caustic Soda, driven by weaker demand for chlorine derivatives. Indian players were able to take advantage of stronger international prices, and exported to the Middle East, Africa and South East Asia. Demand from Textile segment improved during the year.

Prices for caustic saw a jump of around 20% through FY 2024-25 in North East Asia, from \$400 pdmt to \$485 pdmt. The prices appear to have peaked during Q4 FY25. 2025-26 has started with trade uncertainties between different geographies, which is expected to soften demand across different segments and thus prices.

Hydrogen Peroxide

The Hydrogen Peroxide market saw capacity addition during the second half of the year by competition. Increased volumes of Hydrogen Peroxide were imported into India from Bangladesh, following political developments impacting demand in that country. These increased volumes put pressure on prices in India.

The demand from Paper and Pulp, Textile segments were stable to strong through the year. The increased availability from new capacity and lower price imports from Bangladesh would continue to remain a challenge for the industry during FY 2025-26.

Performance of Subsidiary:

Chemplast Cuddalore Vinyls Limited (CCVL)

The Company's wholly owned subsidiary, CCVL, incurred a Loss before tax of ₹ 56 Crores for FY 2024-25 against ₹ 69 Crores loss for FY 2023-24. The Loss after tax for FY 2024-25 was ₹ 44 Crores, as against loss of ₹ 54 Crores in FY 2023-24.

CCVL is the second largest manufacturer in India

of Suspension PVC resin. The domestic demand of Suspension PVC in FY 2024-25, at 4.38 Million mt, was healthy, registering a year-on-year growth of close to 7.5%. Import in India touched a new high of 2.89 Million mt in the year, up by around 0.3 Million mt compared to the previous year. While the year started well with prices improving till July, prices quickly started to fall subsequently and remained depressed for the rest of the year as the demand in the rest of the world remained weak for a variety of reasons. There was a flood of low-priced imports into India, particularly from China. This led to a situation where market sentiments in India tended towards maintaining low inventory in the anticipation of further price decreases. Margins were therefore adversely impacted, though there was a marginal improvement as compared to the previous year. The domestic Suspension PVC industry has represented to the Government for the imposition of anti-dumping duties and the Company is confident that these efforts will bear fruit in the year ahead.

Agreements - Green Energy (Wind and Solar)

In February 2025, the Company and its wholly owned subsidiary (WOS) Chemplast Cuddalore Vinyls Limited (CCVL) had entered into Power Purchase Agreement with JSW Green Energy Nine Limited (SPV) and a Share Subscription and Shareholders' Agreement with JSW Neo Energy Limited and JSW Green Energy Nine Limited. These Agreements, entered into under Group Captive Power Scheme, would enable the Company and CCVL to source environment friendly Green Energy (Wind and Solar) for captive consumption on a long-term basis and would help in reducing the energy costs of the Company and CCVL significantly in the years to come.

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.

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



DIRECTORS' REPORT (CONTD.)

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, Business Responsibility and Sustainability Report is presented in a separate section, forming part of this Report as **Exhibit C**.

Safety and Environment

The Company is systematically working towards creating a "Zero Harm Culture" by implementing various standards like ISO 45001, Responsible Care Codes, Process Safety Management and Behaviour Based Safety practices.

A. Responsible Care Codes: It is a voluntary initiative, which goes beyond legislative and regulatory compliance and commits companies towards continual improvement in Safety, Health and Environment. This consists of 7 codes.

Responsible Care Codes

1. **Process Safety Code:** Helps in establishing risk-based awareness of the safety impacts due to technology, facilities and personnel.
2. **Employee Health and Safety Code:** Enables achieving Zero accidents and Zero injuries or harm to human health and the environment.
3. **Pollution Prevention Code:** Achieves ongoing reductions in the amount of all contaminants, and pollutants released to the air, water and land.
4. **Emergency Response Code:** Guide companies to prepare a set of detailed emergency plans, based on potential risks a facility might face.
5. **Distribution Code:** To prevent or mitigate

the consequences of incidents during distribution activities to the General public, Environment, Employees customer etc.

6. **Product Safety and Stewardship Code:** To understand, manage and communicate the health and environmental impacts of chemical products.
7. **Security Code:** To reduce the potential for theft and subsequent misuse, the intentional release of chemicals or sabotage of chemical processes causing a release in fixed facilities.

B. SANSAFE - Transforming Safety Culture:

The Company has engaged the reputed agency DSS+ (formerly called as Dupont Sustainable Solutions) to implement Risk Based Process Safety Management and Behaviour Based Safety Management with the view of Transforming Safety Culture to the highest level.

C. Safety Performance:

The Company continues to focus on leading indicators such as hazard reporting and elimination, near miss reporting, employee's suggestions to improve process safety and work place safety. Software has been implemented to aid the above.

D. Awards

- Mettur Plant III has received the "Sword of Honour" for Occupational Health and Safety Performance from British Safety Council in October 2024.
- Chemplast Sanmar has received "ICC-EPSILON CARBON" Certificate of Merit for Best Compliant Company for Distribution code from Indian Chemical Council.

Finance

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

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

DIRECTORS' REPORT (CONTD.)

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 in 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 have 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 2024-25 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 The Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 and as on March 31, 2025, 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 the Notes forming part of the Financial Statements for the year ended March 31, 2025.

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 6, 2016 as amended from time to time.



DIRECTORS' REPORT (CONTD.)

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, 2025

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 Sumit Maheshwari (DIN:06920646) 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 13, 2025 has approved his reappointment, liable to retire by rotation and recommended to the Shareholders for their approval at the ensuing 41st Annual General Meeting.

The Board of Directors, at its meeting held on May 13, 2025, on the recommendation of Nomination and Remuneration Committee has approved the appointment of Mr Vikram Taranath Hosangady (DIN: 06920646) as a Non-Executive and Independent Director of the Company for a term of five (5) consecutive years, subject to the approval of shareholders at the ensuing 41st Annual General Meeting of the Company. Mr Vikram Taranath Hosangady has also submitted declaration stating that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and under the applicable Regulations of Listing Regulations. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member of the Company, proposing the appointment of Mr Vikram Taranath Hosangady as a Non-Executive Independent Director of the Company for a term of five (5) consecutive years, not liable to retire by rotation.

The Independent Directors of the Company 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

DIRECTORS' REPORT (CONTD.)

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, 2025, 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, 2025 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 Nine (9) times as per details furnished in the Corporate Governance Report.

Audit Committee

The Members of the Audit Committee met Six (6) times during the financial year under review. The details of the constitution of the Audit Committee, terms of reference and the meetings held during the financial

year have been stated in the Corporate Governance Report.

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

Nomination and Remuneration Committee

The Members of the Nomination and Remuneration Committee met four (4) 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

Stakeholders Relationship Committee

The Members of the Stakeholders Relationship Committee met once (1) during the financial year under review. The details of the constitution of the Stakeholders Relationship Committee, terms of reference have been stated in the Corporate Governance Report.

Risk Management Committee

The Members of the Risk Management Committee met two (2) times during the financial year under review. The details of the constitution of the Risk Management Committee, 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 (1) 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 2024-25 as per the criteria laid down by Nomination and Remuneration Committee. The evaluation process contained various aspects of the



DIRECTORS' REPORT (CONTD.)

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.
- 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 (CSR)

In the year under review, the Company continued to work closely with the communities around its plants, with an emphasis on making a tangible difference to their quality of life.

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, form 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

DIRECTORS' REPORT (CONTD.)

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 2024-25.

As recommended by the Audit committee, the Board of Directors at its meeting held on May 13, 2025 has also 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 2025-26.

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 auditors for FY 2025-26 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 2024-25. 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 Regulation 24A (1) (b) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 read with Section 204 of Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed B Ravi & Associates (Firm Registration No. P2016TN052400; Peer Review Certificate Number 930/2020), Company Secretaries in Practice, Chennai as Secretarial Auditor for a term of five (5) years from the Financial Year 2025-26.

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 Auditor forms part of the financial statement. The Report of the Secretarial Auditor is annexed herewith as **Annexure 4** and forms part of this Report.

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 thereunder by officers or employees reported by the Statutory Auditor of the Company during the course of the audit conducted.

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, 2025 is available on the Company's website at <https://www.chemplastsanmar.com/downloads/csllfinancials/CSL-Extract-of-Annual-Return-MGT-7-2024-25.pdf>

Green initiative

The Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules



DIRECTORS' REPORT (CONTD.)

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 2024-25 to all the shareholders only through electronic means as per the relaxations provided by MCA Circulars dated May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024 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 thank 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 13, 2025

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, 2025.

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. Variable Frequency Drive ("VFD") Installation at Mettur Plant II
Energy Saving by installation of VFD in PU-7B/4 Seal Cooling Water Pump Motor and P 103 Crystalliser feed pump Motor VFD installation
2. Installation of Hydrogen Compressor KPCL - 550 nm³/Hr in Mettur Plant III
Energy saving in Installation of Hydrogen Compressor KPCL - 550 nm³/Hr
3. Installation of 270 TR VCM Chilled water unit-1 In Plant III
Saving of steam by Installation 270 TR VCM Chilled water unit-1
4. Replacement of ammonia compressor in Plant III
Energy saving in Replacement of ammonia compressor in Plant III
5. VFD Installation at Mettur Plant III
Energy Saving by Installation of VFD in Raw water pump-01
6. Optimisation of Rectifier cooling tower spray pump in Plant III
We have optimised the working of the Rectifier cooling tower spray pump from two pump operation to one pump operation
7. Energy Efficiency motors and Solar Lights at Mettur Plant IV
We have installed 6 IE3 energy efficiency motors and Solar Lights at Plant IV
8. Installation of VFD, Motors and LED at Karaikal
We have installed 13 VFD in pumps to reduce power consumption and 50 Energy Efficiency Motors have been replaced. We have also replaced 255 LED fittings in place of conventional fittings.
9. Energy Efficiency motors and Solar Lights at Berigai Plant
We have installed 27 IE3 energy efficiency motors

b. Additional Investment

₹ 236.42 Lakhs



ANNEXURE 1 (CONTD.)

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

Particulars	Substitution/ Reduction in energy consumption per annum	Savings in Cost of Production (Annualised) (₹ in Lakhs)
VFD Installation at Mettur Plant II	0.42 Lakhs KWh	3.4
Installation of Hydrogen Compressor KPCL - 550 nm ³ /Hr – Mettur Plant III	1.64 Lakhs KWh	13.4
Installation 270 TR VCM Chilled water unit-1 Mettur Plant III	0.09 Lakhs Tonnes Steam	146.3
Replacement of ammonia compressor in Plant III	0.52 Lakhs KWH	4.3
VFD Installation at Mettur Plant III	1.77 Lakhs KWH	14.5
Optimisation of Rectifier cooling tower spray pump in Plant III	0.51 Lakhs KWH	4.2
Energy Efficiency motors and Solar Lights at Mettur Plant IV	0.15 Lakhs KWH	1.2
Installation of VFD, Motors and LED at Karaikal	1.58 Lakhs KWH	1.3
Energy Efficiency motors and Solar Lights at Berigai Plant	0.24 Lakhs KWH	2.0
Total		190.6

2. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- 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.
- 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.
- 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

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.

ANNEXURE 1 (CONTD.)

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	:	₹ 3286.65 Lakhs
Revenue	:	₹ 790.53 Lakhs
Total	:	₹ 4077.19 Lakhs
Total R & D expenses as a		
percentage of total turnover	:	1.71%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(₹ Lakhs)
Foreign exchange outgo	118442.32
Foreign exchange earnings	26939.87



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 programs 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 programs 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 EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.

Not Applicable as the total CSR Expenditure is below ₹10 Crores.

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

Average Profit for last three financial years: ₹ 14,805 Lakhs.

(b) Two percent of average net profit of the Company as per section 135(5)

₹ 296.10 Lakhs

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years

Nil

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

₹ 3.14 Lakhs

(e) Total CSR obligation for the financial year (5b+5c-5d)

₹ 292.96 Lakhs

ANNEXURE 2 (CONTD.)

6. (a) 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 (₹)	Amount spent in the current financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency- Name- CSR Registration Number
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Not Applicable

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 (₹ in Lakhs)	Mode of implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency - Name - CSR Reg. No
1	Expenditure towards Environmental sustainability	Ensuring environmental sustainability (Covered under Item -(iv) of the Schedule VII)	Yes	Berigai, Krishnagiri Dist and Karaikal	5.50	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,Vedaranyam, Nagapattinam Dist and Karaikal	38.45	Yes	NA
3	Education and Training expenses	Promoting education (Covered under Item -(ii) of the Schedule VII)	Yes	Mettur, Salem Dist, Berigai, Krishnagiri Dist,Vedaranyam, Nagapattinam Dist and Karaikal	86.07	Yes	NA
4	Expenditure towards Armed forces benefit	Measures for benefit of armed forces, veterans (Covered under Item -(vi) of the Schedule VII)	Yes	Mettur, Salem Dist and Vedaranyam, Nagapattinam Dist	1.37	Yes	NA
5	Expenditure towards Rural development	Rural development projects (Covered under Item -(x) of the Schedule VII)	Yes	Mettur, Salem Dist, Berigai, Krishnagiri Dist and Karaikal	132.67	Yes	NA
6	Expenditure towards Social Welfare	Promoting gender equality, empowering women (Covered under Item -(iii) of the Schedule VII)	Yes	Mettur, Salem Dist, Vedaranyam, Nagapattinam Dist ,Karaikal and Cuddalore	26.52	Yes	NA
7	Training to promote Sports	Training to promote nationally recognised Sports (Covered under Item -(vii) of the Schedule VII)	Yes	Karaikal	5.07	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 (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency - Name - CSR Reg. No
8	Expenditure towards Art, Culture and heritage	Protection of national heritage, art and culture(Covered under Item -(v) of the Schedule VII)	Yes	Karaikal	2.00	Yes	NA

- b. **Amount spent in Administrative Overheads:** Not Applicable.
- c. **Amount spent on Impact Assessment, if applicable:** Not Applicable.
- d. **Total amount spent for the Financial Year (6a+6b+6c):** ₹ 297.65 Lakhs
- e. **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹)				
	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
297.65	Nil	NA	NA	Nil	NA

- f. **Excess amount for set off, if any.**

S No	Particulars	Amount (₹ in Lakhs)
(i)	2% of average net profit of the Company as per sub section (5) of section 135	296.10
(ii)	Amount required to be set off from previous years	3.14
(iii)	Amount to be spent after set off	292.96
(iv)	Total amount spent for the Financial Year	297.65
(v)	Excess amount spent for the financial year [(iv)-(iii)]	4.69
(vi)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(vii)	Amount available for set off in succeeding financial years	4.69

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

S No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135(in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (₹)	Date of transfer		
1	2023-24	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	2022-23	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year -No

If yes, enter the number of Capital assets created/ acquired – Not Applicable

ANNEXURE 2 (CONTD.)

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

S No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or Asset(sa)	Date of Creation	Amount of CSR spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address

Not Applicable

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

Not Applicable

Vijay Sankar

Chairman
DIN: 00007875

Ramkumar Shankar

Managing Director
DIN: 00018391

Place: Chennai

Date: May 13, 2025



ANNEXURE 3

Disclosure u/s 197(12) of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2025

- Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2025

Sl. No.	Director	Ratio to median remuneration
1	Mr Vijay Sankar, Chairman and Non-executive Director @@	NA
2	Mr Ramkumar Shankar, Managing Director**	74.89
3	Mr Chandran Ratnaswami, Non-Executive Director @@	NA
4	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	2.10
5	Mr Aditya Jain, Independent Director	2.23
6	Mr Sanjay Vijay Bhandarkar, Independent Director	2.55
7	Mr Prasad Raghava Menon, Independent Director	2.23
8	Mr Vikram Taranath Hosangady, Non-Executive Director	0.77
9	Mr Sumit Maheshwari, Non - Executive Director @@	NA

@@ For these non-executive Directors, no remuneration was paid during the FY 2024-25. Hence percentage increase is not applicable

- 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 @@	NA
2	Mr Ramkumar Shankar, Managing Director**	-16%
3	Mr Chandran Ratnaswami, Non-Executive Director @@	NA
4	Dr (Mrs) Lakshmi Vijayakumar, Independent Director	18%
5	Mr Aditya Jain, Independent Director	17%
6	Mr Sanjay Vijay Bhandarkar, Independent Director	13%
7	Mr Prasad Raghava Menon, Independent Director	12%
8	Mr Vikram Taranath Hosangady, Non-Executive Director	73%
9	Mr Sumit Maheshwari, Non - Executive Director @@	NA
10	Mr N Muralidharan, Chief Financial Officer**	4%
11	Mr M Raman, Company Secretary and Compliance Officer**	13%

@@For these non-executive Directors, no remuneration was paid during the FY 2024-25. Hence percentage increase is not applicable.

**Remuneration data between the years are not comparable.

- Percentage increase in the median remuneration of employees in the financial year: 11 %
- The number of permanent employees on the rolls of the Company as at March 31, 2025: 1503
- 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: 8%
- It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Vijay Sankar
Chairman
(DIN: 00007875)

Place: Chennai
Date: May 13, 2025

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 03, 2025

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, 2025

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

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, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** 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
- (e) The Explosives Act, 1884

ANNEXURE 4 (CONTD.)

- (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 Extra-ordinary General Meeting convened during the period under review.

We further report that during the audit period: -

1. The shareholders in their 40th Annual General Meeting held on August 8, 2024
 - a. have accorded approval for the appointment of Mr Sumit Maheshwari (DIN:06920646) as Non-Executive Non-Independent Director of the Company liable to retire by rotation, in the casual vacancy caused by the retirement of Mr Chandran Ratnaswami (DIN: 00109215).
 - b. have approved the payment of commission at the rate not exceeding 1% of the net profits of the Company or remuneration in the event of loss or inadequacy of profits in any financial year in accordance with Schedule V of the Act, subject to the maximum of ₹ 1 Crores every year, in aggregate to all the independent directors for a period of three years commencing and effective from the Financial year 2023-24.
 - c. have approved raising of funds by issue of equity shares and /or convertible instruments including through Qualified Institutions Placement for an aggregate amount not exceeding ₹1,000 Crores or an equivalent amount thereof (inclusive of such premium as may be fixed on such securities)

Place: Chennai
Date: April 03, 2025

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: F001810G000016242



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 03, 2025

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, 2025

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

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, 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** 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
- d) The Water (Prevention and Control of Pollution) Act, 1974 and rules framed there under
- e) The Standards of Weights and Measures Act, 1976



ANNEXURE 5 (CONTD.)

- 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, and 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 1, 2024 in the 33rd Annual General Meeting held on 06.08.2024.

Further the Managing Director was re-appointed for another period of one year in the Board Meeting held on February 07, 2025 with effect from April 01, 2025 subject to the approval of the shareholders at the ensuing Annual General Meeting to be held in 2025.

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 Extra-ordinary General Meeting convened during the period under review.

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.

Place: Chennai
Date: April 03, 2025

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: F001810G000016781

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 31,2025
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 and surplus	(2,164)
8	Total assets	1,633
9	Total Liabilities	2,205
10	Investments	-
11	Turnover	2,298
12	Profit before taxation	(56)
13	Provision for taxation	(12)
14	Profit after taxation	(44)
15	Proposed Dividend	NIL
16	% of shareholding	100%

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

- Names of subsidiaries which are yet to commence operations- Nil
- 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

Chairman
DIN: 00007875

Ramkumar Shankar

Managing Director
DIN: 00018391

Sanjay Vijay Bhandarkar

Chairman - Audit Committee
DIN: 01260274

N Muralidharan

Chief Financial Officer

M Raman

Company Secretary
Memb No. ACS 06248

Place: Chennai

Date: May 13, 2025

EXHIBIT A

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

Global Economy

The global economy entered a phase of recalibration in calendar years 2024 and 2025, shaped by stabilising inflation, measured policy responses, and continued adaptation to post-pandemic realities. The IMF estimates global growth at 3.30% in 2024, with projected growth of 2.80% in 2025 and 3.00% in 2026. These figures remain below the pre-pandemic average of 3.70% recorded between 2000 and 2019, reflecting persistent structural headwinds.

Global growth is expected to soften across regions and sectors. In advanced economies, growth is projected to moderate from 1.80% in 2024 to 1.40% in 2025. Emerging Markets and Developing Economies (EMDEs) are also anticipated to experience a deceleration, with growth easing from 4.30% to 3.70% over the same period. Amid this broad-based moderation, India retains a strong position, with the IMF projecting it to remain the fastest-growing major economy over the next two years. The nation's GDP is expected to grow at 6.20% in 2025, supported by resilient domestic demand, continued structural reforms, and sustained expansion in manufacturing and services.

Global trade is evolving amid growing protectionist measures. In 2024 and early 2025, trade tensions escalated. This was exemplified by new tariffs imposed by the US, including a 10% baseline US duty on all imports announced in April 2025. This further triggered retaliatory countermeasures from Canada, the EU, and China through targeted tariffs on US goods. While the U.S. tariffs on Indian exports have intensified sectoral pressures, India has prioritised diplomatic negotiations and strategic realignment – diversifying trade partners and deepening

regional agreements such as the Quad and Indo-Pacific alliances, enhancing supply chain endurance.

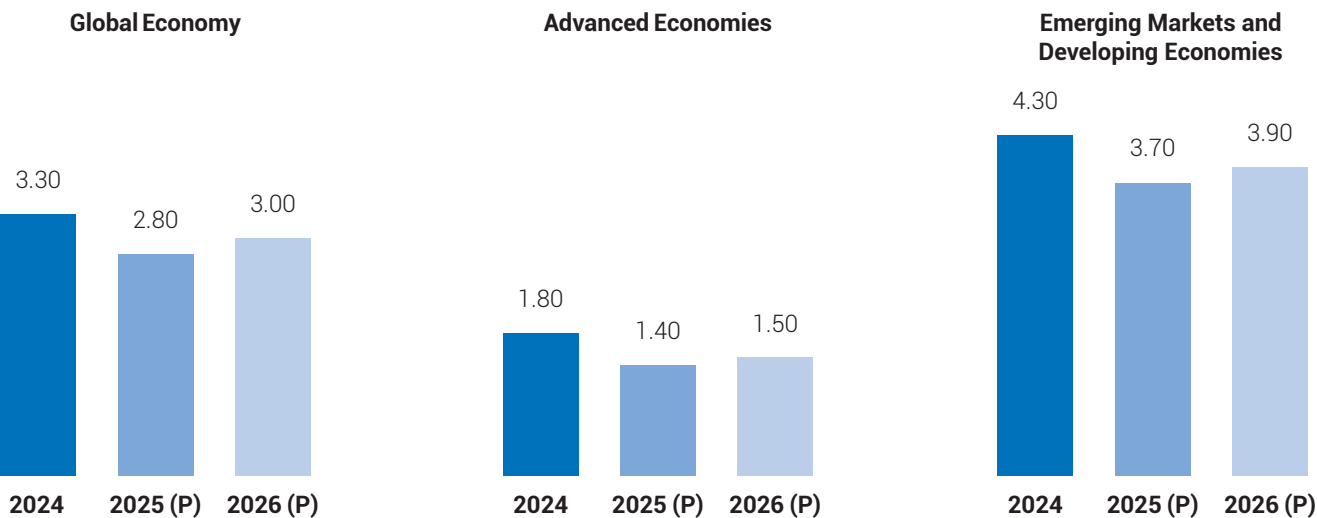
Central banks have largely pursued cautious and differentiated monetary policies. While headline inflation is expected to decline steadily from 6.80% in 2023 to 4.50% in 2025 globally, core inflation is projected to decline more gradually, reflecting persistent price pressures particularly in the services sector and in emerging markets and developing economies (EMDEs). The IMF highlights that inflation in advanced economies is moderating faster than in EMDEs, where core inflation remains elevated due to factors such as wage pressures and supply constraints in services.

Labour markets are gradually easing but remain tight enough to support wage growth. Despite geopolitical tensions, commodity volatility, and policy uncertainty, the global economy has remained strong. Moreover, structural reforms, digitalisation, and selective monetary easing are driving gradual recovery.

Outlook

The global economy is expected to grow steadily, though at a moderate pace. Despite lingering risks, adaptive policies, supply chain diversification, and emerging trade frameworks provide grounds for cautious optimism over continued global expansion and transformation. Global GDP growth is projected at 2.80% in 2025 and 3% in 2026. Region-wise, the European area's growth is expected to be modest, at just 1.2% in 2026, while the US economy is likely to experience further slowdown, with expansion decelerating to 1.70% by 2026. Inflationary pressures will remain, though a gradual easing is anticipated. For instance, inflation in G20 economies is forecasted to decline from 3.80% in 2025 to 3.20% in 2026.

REAL GDP GROWTH PROJECTIONS (IN %)



P-Projected

(Source: International Monetary Fund, World Economic Outlook Projections, April 2025)



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

(Sources:

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

<https://pib.gov.in/PressReleasePage.aspx?PRID=2123826>

https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-march-2025_89af4857-en.html

<https://www.businesstoday.in/world/us/story/april-5-trumps-first-round-of-global-tariffs-kicks-in-next-round-set-for-april-9-470828-2025-04-05>)

Indian Economy

India's macroeconomic strength remains noteworthy, even as the global economy contends with divergent growth patterns, geopolitical tensions, and tight financial conditions. As per IMF's projections, India's GDP grew by 6.20% in 2024-25, fuelled by strong domestic demand and a significant surge in government expenditure on infrastructure and social welfare, especially in the second half of the fiscal year. This momentum helped offset a moderation in private consumption and provided crucial support to overall economic activity.

Agriculture continues to be a key pillar of economic strength. In 2024-25, foodgrain production reached an estimated 330.90 Million tonnes, driven by favourable monsoons and strong kharif and rabi harvests. This performance helped sustain rural incomes and supported consumption in non-urban areas, ensuring a buffer against slower growth in manufacturing and construction sectors.

The services sector upheld its position as the primary growth driver, led by IT, financial services, real estate, and trade. Concurrently, manufacturing exports in high-value segments like electronics and pharmaceuticals demonstrated endurance. This affirmed India's rising position in global value chains, even amid prolonged trade headwinds.

On the inflation front, headline CPI inflation eased to 3.61% in February 2025, marking a seven-month low. This decline stemmed mainly from falling food prices with the arrival of winter crops. For the full fiscal year, inflation averaged 4.80%, staying within the Reserve Bank of India's target range. It is expected to average around 4.20% in the near term.

Responding to the easing trend, the RBI cut the repo rate to 6.25% in February 2025, marking its first rate cut in nearly five years, followed by a further 25 bps cut in April, bringing it down to 6%. These measures aim to spur investment and economic activity, while maintaining price stability. Despite the reduction, the central bank continues to maintain a prudent and data-dependent stance, aiming to balance growth with price stability. Government measures, including

higher buffer stocks and key subsidies, also supported price stability and a favourable macroeconomic outlook.

India's external accounts remained stable, with the current account deficit contained at 1.10% of GDP in 2024-25. This marked a slight rise from 0.70% in the previous fiscal year. Strong financial inflows and a steady services trade surplus helped offset risks from foreign portfolio outflows and currency fluctuations. Furthermore, steady domestic investment, easing inflation, and timely policy measures enhanced India's ability to sustain economic momentum in a turbulent global scenario.

Outlook

India's economic outlook for the remainder of 2025 remains cautiously optimistic. Despite ongoing global trade tensions, protectionist trends, and geopolitical uncertainties, GDP expansion is projected to range between 6.50% and 6.80%. Strong domestic demand, steady public investment, and resilience in services and export-driven manufacturing support this trajectory.

External challenges such as tariff barriers and supply chain disruptions may affect exports. Nonetheless, India's strategic trade diversification and its focus on manufacturing and digital transformation enhance adaptability.

With inflation moderating and supportive monetary and fiscal measures in place, India is well-prepared for external headwinds. Additionally, ongoing structural reforms and deeper global integration continue to reinforce the country's economic base, enabling sustainable and broad-based growth amid evolving global trade dynamics.

(Sources:

<https://www.goldmansachs.com/insights/articles/indias-economy-is-likely-to-stand-firm-in-an-uncertain-world>

<https://pib.gov.in/PressReleasePage.aspx?PRID=2110779>

<https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

<https://www.domain-b.com/economy/agriculture/india-s-2024-25-foodgrain-production-estimated-at-330-9-million-tonnes>)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

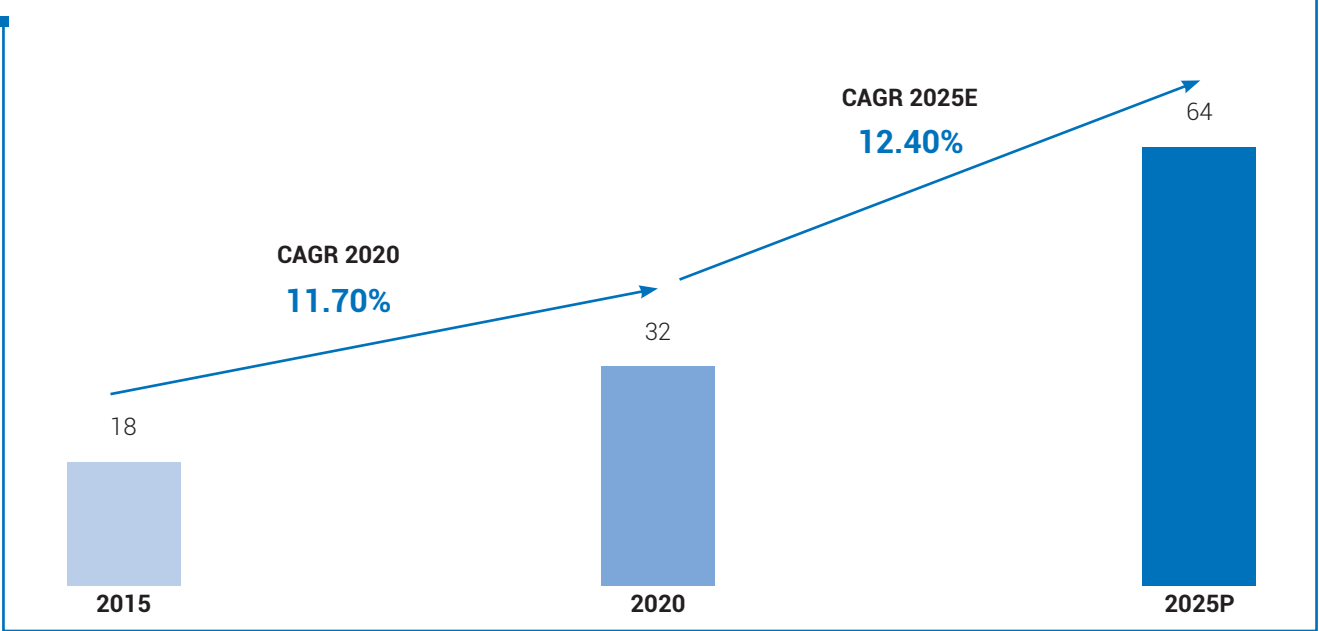
INDUSTRY OVERVIEW

Speciality Chemicals

The Indian chemical industry plays a vital role in driving the country's economy, contributing about 7% to the GDP. It is projected to grow from USD 178 Billion in 2021 to USD 304 Billion by 2025. This growth is closely tied to rising demand from a broad range of end-use sectors, including automotive, electronics, construction, medical, packaging, personal care, textiles, oil & gas, and agriculture. Enabling this momentum are supportive government policies, global market shifts such as supply chain diversification from China, and tax reforms promoting R&D and exports, further enhancing the sector's overall appeal.

Indian Speciality Chemicals Industry Size (in USD Billion)

Size (in USD Billion) & CAGR



P-Projected

E-Estimated

Speciality Paste PVC Resin

Polyvinyl Chloride (PVC) resin is synthesised by polymerising Vinyl Chloride Monomer (VCM). It is primarily classified into two types:

- (a) Suspension resin
- (b) Speciality Paste resin also referred to as emulsion, dispersion, or micro-suspension resin

Speciality Paste PVC resin is specifically used for manufacturing flexible products like artificial leather, gloves, tarpaulins, conveyor belts, and coated fabrics. Unlike Suspension PVC resin, it serves a specialised market segment.

2024-25 REVIEW

Market and Regulatory Environment

India's paste PVC market experienced significant expansion in 2024-25, driven by increasing demand across

manufacturing and processing applications. The domestic demand for Speciality Paste PVC Resin registered a healthy growth of 9%, reaching 178 kt compared to 161 kt in 2023-24. For the year the apparent consumption rose from 161 kt in 2023-24 to 173 kt, marking a growth of 11%. Growth was largely fuelled by expanding applications in industries such as artificial leather, automotive upholstery, and vinyl products, supported by broader economic expansion and rising consumer spending

To regulate imports and protect domestic manufacturers, the Government of India introduced an anti-dumping duty (ADD) of up to USD 707 per tonne on paste PVC imports from China and several other Asian countries (excluding Korea) in March 2025. The duty has been initially imposed for five years, unless revoked earlier. However, since supplies from the European Union (EU) were not covered by the ADD, imports (at low prices) from the EU surged, limiting the effectiveness of the duty in supporting price recovery. EU suppliers increased their shipments to India



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

at competitive rates, gaining market share and largely offsetting the intended impact of the ADD. On an application by Chemplast Sanmar an ADD investigation was initiated in the last quarter of 2024-25 on EU, and investigations are in progress. A decision is expected in the second quarter of 2025-26.

Additionally, the introduction of a Quality Control Order (QCO) in June 2024 mandated BIS certification for all manufacturing plants intending to export PVC to India. This is expected to curb low quality PVC imports to India. The QCO initially provided a six-month window for compliance, which has since been extended until June 2025.

Chemplast Sanmar's Take

Amid these developments, Chemplast Sanmar expanded its speciality Paste PVC capacity at Cuddalore in February 2024, increasing annual production to 1,07,000 tonnes and strengthening its ability to meet growing domestic demand. The expansion also aims to substitute imports, enhancing local supply capabilities. Capacity utilisation of the new plant has been steadily ramped up and is expected to consistently operate at close to 100% in 2025-26. In parallel, the Company recorded its highest-ever production and sales of Speciality Paste PVC Resin at its Mettur facility during 2024-25, registering a 26% growth in sales volumes and increasing its market share to 55%, up from 44% in the previous year.

Outlook

India's paste PVC market is on a steady growth path, with an anticipated compound annual growth rate (CAGR) of approximately 7.80% from 2013-14 to 2024-25. In 2024-25, rising paste PVC consumption highlights strong market momentum, driven by increasing applications in synthetic leather, automotive upholstery, and vinyl products. Economic expansion and higher consumer spending further drive this growth, with the trend expected to sustain through 2025-26. India's focus on strengthening domestic production capabilities could play a crucial role in maintaining market stability and reducing dependency on imports.

Custom-Manufactured Chemicals (CMCs)

The pharmaceutical and agrochemical industries often prefer to outsource manufacturing of key chemicals working with key suppliers who are into custom manufacturing.

Both patented and generic products often require the expertise of chemical manufacturers for essential components such as active ingredients, APIs, intermediates, and advanced intermediates. To meet these needs, companies collaborate with outsourcing partners who offer specialised capabilities and production infrastructure.

Custom manufacturing involves the development of exclusive, specialised molecules tailored to specific customer requirements. These molecules, are produced with defined properties and processes.

Key drivers for choosing to outsource include the lack of in-house facilities for complex synthesis and the availability of cost-efficient production alternatives in regions with lower manufacturing expenses.

2024-25 REVIEW

The Custom Manufacturing for Chemical Products market was valued at USD 40.50 Billion in 2024 and is projected to reach USD 62.30 Billion by 2033, expanding at a CAGR of 5.50% between 2026 and 2033. This growth is driven by demand from pharmaceuticals, agrochemicals, speciality chemicals, food and beverages, automotive, electronics and textiles. A strong focus on sustainability and eco-friendly solutions is also driving progress with innovations such as green chemistry, solvent-free manufacturing, and biodegradable pesticides being widely adopted. These trends are fuelling significant investment and innovation in custom manufacturing, amidst evolving market and regulatory expectations, while enabling companies to maintain productivity and profitability.

Focus on Agrochemicals and Pharmaceuticals

The custom manufacturing chemicals (CMC) industry is set for robust growth in 2025 and beyond. This trajectory will be driven by shifting global priorities and technological advancements in the agrochemical and pharmaceutical sectors - core areas served by Chemplast Sanmar. Following a recovery in 2024, global chemical production is expected to grow at approximately 3.50% in 2025, led by a rising demand for speciality and high-value intermediates.

Strong Sectoral Tailwinds

Agrochemicals continue to drive demand, supported by global concerns around food security, climate change, and the need for sustainable farming. As agriculture modernises, there is a growing requirement for advanced crop protection agents, bio-based intermediates, and customised formulations. Furthermore, stricter environmental regulations compel consumer preference for eco-friendly products compel manufacturers to create low-toxicity, biodegradable, and high-performance molecules. This shift presents opportunities for custom manufacturers to innovate and stand out.

In the pharmaceutical segment, momentum is driven by the advancing fields of personalised medicine, complex biologics, and small-molecule therapies. As molecular

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

complexity increases and regulatory standards tighten, innovators increasingly depend on custom manufacturing partners to develop and scale APIs and intermediates. Simultaneously, the growing emphasis on green chemistry and continuous processing is encouraging manufacturers to enhance their capabilities and adopt more sustainable, flexible production models.

Challenges and Considerations

While growth prospects remain strong, the industry faces a range of challenges. These include raw material price volatility, rising energy costs, complex global regulatory space, and capital-intensive transitions to sustainable practices. Ensuring compliance while maintaining agility and cost competitiveness will remain key to lasting success.

Key Industry Trends

Several structural and technological trends are reshaping the CMC environment:

- **Sustainability and Green Chemistry:** The industry is increasingly focussing on decarbonisation, bio-based raw materials, energy efficiency, and circular economy models. Custom manufacturers are also actively investing in carbon footprint reduction, waste minimisation, and eco-friendly process innovations to meet regulatory and customer expectations.

Chemplast Sanmar is capitalising on these industry trends, with its CMC division achieving reduction in the carbon footprint of a key agrochemical intermediate year on year. This was accomplished through energy conservation, enhanced fuel efficiency, and process optimisation, even as production capacity tripled. In recognition of this achievement, Chemplast received a Sustainability Award from its key customer.

- **Collaborative Innovation:** The growing demand for highly customised solutions is fostering deeper collaboration between CDMOs and innovators. End-to-end support, from early-stage development to scale-up and commercialisation, is emerging as a key differentiator, also enabling faster product development cycles.

Chemplast Sanmar's CMC Division serves as a strategic partner to global pharmaceutical and agrochemical innovators, following a 'one product, one customer' approach and delivering comprehensive support from process development through to commercial-scale manufacturing. Its enduring partnerships with leading global clients are founded on stewardship of Safety, Health and Environmental aspects, strong advanced chemistry expertise, robust process engineering, and the ability to swiftly scale up new intermediates and active ingredients.

Chemplast Sanmar's Performance

The CMC division of Chemplast Sanmar experienced a year of strong growth. Despite challenges from a global slowdown in the agrochemicals sector and margin pressures due to pricing and oversupply, the division strengthened its relationships with global innovators and enhanced its operational capabilities.

In 2024-25, the division successfully commercialised several new products, while others progressed through pre-commercial and development stages. This demonstrates a strong and diversified product pipeline. The Phase II expansion of the CMC division was completed as planned, establishing a stronger foundation for enhanced capacity and capability to meet future market demands. Commercial production commenced in December 2024. Simultaneously, Phase III expansion of the existing production block is expected to be completed by late 2025-26. In addition, civil construction of another new multipurpose block is also underway.

Operationally, the division improved production efficiencies, by focussing on ramping of capacity and other cost reduction opportunities. The Company reinforced its commitment to global standards through multiple site visits and audits by international customers, leading to deeper collaborations and new project opportunities.

Engagements continued with other key multinational customers, including submission of proposals for additional high-value intermediates. These developments strengthened the business pipeline and reinforced the Company's position as a trusted partner in custom manufacturing.

Strategically, the CMC segment continues to focus on high-growth sectors such as agrochemicals and life sciences. Accelerating the conversion of the various products in its pipeline into commercial-scale business remains a key priority for this business.

Outlook

These industry dynamics provide a strong and sustained growth runway for Chemplast Sanmar. A focus on early-stage molecule development, advanced chemistry capabilities, and regulatory-compliant infrastructure, positions it as a preferred partner for global innovators. By aligning closely with evolving sectoral needs, particularly in agrochemicals and pharmaceuticals the Company is well-equipped to deliver high-quality, customised chemical solutions.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

VALUE-ADDED CHEMICALS

Chloromethanes

Chloromethanes are essential chemicals with wide applications across pharmaceuticals, refrigerant gases, and agrochemicals. This group consists of four key compounds: Methyl Chloride, Methylene Dichloride (MDC), Chloroform, and Carbon Tetrachloride (CTC). Among these, Methyl Chloride is primarily used in the production of the other three products.

MDC primarily serves as a solvent in bulk drug manufacturing and also finds applications in foam blowing, aerosols, and adhesives. Additionally, it acts as a crucial raw material for HFC-32, a refrigerant widely adopted in air conditioning systems. CTC plays a significant role as a feedstock for agrochemical intermediates. Chloroform holds significance in the production of tetrafluoroethylene, the building block for polymers such as PTFE. Moreover, chloroform is extensively used in manufacturing refrigerant gas R22 and in adhesive formulations, further highlighting its industrial significance.

2024-25 REVIEW

The Indian chloromethane market recorded a volume of approximately 342.32 thousand metric tonnes in 2024 and is projected to grow to around 428.23 thousand metric tonnes by 2030, with an expected CAGR of 3.8% from 2024 to 2030. The market is witnessing steady expansion with rising demand from pharmaceuticals, agrochemicals and refrigerant gas industries.

Market Dynamics and Industry Trends

The Indian Chloromethanes industry faced intense pricing pressure in 2024-25 primarily due to a surge in domestic production capacity. This surplus persisted throughout the year, weighing heavily on prices across all three product lines.

Offtake from the pharmaceutical sector, especially for MDC, remained steady. Even so, demand from other sectors stayed uneven. The foam sector showed intermittent recovery, supporting MDC sales at times. The transition from HCFC to HFC in refrigerant gas demand is expected to drive an increase in the demand for MDC in the coming years. Overall, the demand for Methylene dichloride was stable during the year from both Pharma and Polyurethane foam, growing by 6% to reach 425 KT. Meanwhile, Chloroform continued to face pressure due to excess availability of material in the domestic market, despite near-normal demand from key sectors like Pharma, Footwear, Polymer and Adhesives. The demand for CTC remains stable.

Price Trends and Inventory Management

Price volatility was a defining feature of the year, with chloroform prices mirroring a similar pattern of fluctuations, due to increased domestic availability and opportunistic imports. CTC prices saw a steep decline in Q3, led by excess inventory and heightened competition. However, prices improved in Q4 as stock levels normalised and demand picked up. Meanwhile, high inventory levels, particularly for CTC, added to pricing pressures and intensified competition among domestic producers. As a result, managing inventory became critical to maintaining margin stability and optimising sales volumes across quarters.

Outlook

The key challenge throughout 2024-25 was aligning supply with actual demand, as capacity additions outpaced consumption growth. This imbalance triggered price volatility, particularly in CTC. The industry also faced global uncertainties, high freight costs, and fluctuating feedstock prices. Although delayed import shipments occasionally supported domestic prices, the overall trend remained downward.

Looking ahead, restoring pricing stability will require improved export traction with improved demand from core sectors like pharma and agrochemicals. Chemplast Sanmar remains focussed on optimising its operational efficiency and market responsiveness to navigate the evolving competitive scenario.

The outlook for chloromethanes in 2025 points to a sustained increase in demand, supported by the expansion of end-use industries. With the Indian chemical industry projected to reach approximately USD 304 Billion by 2025, the chloromethanes segment is likely to benefit from this trend, particularly as companies prioritise sustainability and innovation in production methods.

Caustic Soda and Chlorine

Caustic Soda and Chlorine are essential chemicals produced through the electrolysis of brine, with hydrogen as a byproduct. Caustic Soda, or sodium hydroxide, is a fundamental alkali with widespread industrial applications. It plays a vital role in sectors such as alumina refineries, textiles, chemicals, paper manufacturing, and the soap and detergent industry. Chlorine is used in the manufacture of PVC, as well as in various other chlorine derivatives like chloromethanes and chlorinated paraffin wax.

2024-25 REVIEW

The Indian caustic soda market reached 4.20 Million metric tonnes in 2024. It is further anticipated to grow to 4.92

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Million metric tonnes by 2027 and cross 7 Million metric tonnes by 2034, with an expected CAGR of 5.50% between 2025 and 2034. Rising demand from the pulp and paper, textiles, soap and detergents, and alumina industries drives this growth. The alumina sector, where caustic soda plays a crucial role in extracting alumina from bauxite, remains a key contributor.

Market Dynamics and Demand Trends

Domestic demand remained significant, supported by strong offtake from Pulp & Paper, Soaps & Detergents, ETP, and Alumina sectors. The textile sector also gained traction during the year, further boosted by redirected orders from Bangladesh in mid 2024-25 amid social unrest there, which benefitted Indian textile processing units.

Domestic Caustic Soda prices fluctuated in line with market dynamics, influenced by domestic supply factors and global trends, particularly within Asia. In Q1, prices softened as oversupply and subdued demand in China exerted downward pressure. Shutdowns in China and maintenance activities in Northeast Asia (NEA) triggered a rally in Q2 and Q3, with prices peaking in November 2024. A seasonal dip followed in December, linked to a slowdown during the Lunar New Year period. In Q4, improved availability from the Middle East and Indonesia helped stabilise the regional supply-demand balance.

Chemplast Sanmar's Performance

The year 2024-25 was a milestone year for Chemplast Sanmar's Caustic Soda segment, driven by record sales volumes and strategic capacity expansion. We achieved our highest-ever caustic soda sales of 1,09,479 MT in 13 years, surpassing the previous record of 1,05,034 MT set in 2011-12. Chemplast adapted to evolving domestic and global market conditions while broadening its market presence. The manufacturing facilities at Mettur and Karaikal currently offer a total annual capacity of 119 kt, ensuring reliable supply to meet industry needs. The additional 40 TPD capacity added during the year was fully absorbed by the market, supported by improved demand and reduced imports in 2024-25.

Outlook

Looking ahead in 2025, the caustic soda market is expected to grow with rising demand from sectors like Alumina production and water treatment. Increasing investments in infrastructure and the expanding chemical manufacturing sector are also expected to further boost caustic soda consumption in India throughout 2025. The global chlor-alkali capacity is likely to rise in step with GDP until 2029, placing India in a strong global position.

The year underscored the importance of capacity-led growth, strategic customer engagement, and market diversification. The Company capitalised on strong domestic demand and export opportunities while navigating pricing volatility and rising competition. These challenges are likely to persist as the domestic supply base continues to expand. Sustained performance will depend on maintaining operational efficiency, managing input costs, and continuing to build resilient customer relationships across sectors and geographies. To navigate this environment, the Company remains focussed on using its integrated value chain and supply reliability to reinforce its competitive position in the caustic soda market.

Hydrogen Peroxide

Hydrogen Peroxide is widely used as an organic bleaching agent in the pulp & paper industry, as well as in the textile sector. It also plays a key role in the de-inking process for recycled paper production. Beyond these uses, it is utilised in the electronics, food and beverage, and healthcare industries. When combined with Peroxyacetic Acid, it becomes essential in formulating peroxide-based disinfectants. Its versatility extends further to various municipal and industrial applications, reinforcing its importance across multiple sectors.

2024-25 REVIEW

The Indian hydrogen peroxide market achieved a total market volume of 141.32 thousand metric tonnes in 2024. It is further expected to grow to around 246.15 thousand metric tonnes by 2030, with a CAGR of around 2.77% from 2025 to 2030. This expansion will be driven by its rising use as a disinfectant in the food processing industry and as a bleaching agent in the pulp & paper sector. Moreover, government regulations promoting eco-friendly chemicals have accelerated its adoption in water treatment and pollution control, further fuelling market expansion.

Industry Trends and Strategic Challenges

The Hydrogen Peroxide industry underwent structural changes during the year, with capacity additions and price-led competition, which altered the supply-demand dynamics. The new capacities, operating at higher utilisation rates, placed continuous pressure on pricing in Chemplast Sanmar's key markets.

Although demand, particularly from paper & pulp and textiles, remained stable or showed improvement, profit margins were squeezed due to continued price erosion. Geopolitical shifts in the region, such as unrest in Bangladesh, temporarily shifted demand to India. But, this also led to an influx of lower-priced imports, further impacting the domestic market.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Chemplast Sanmar's Performance

Chemplast Sanmar's Hydrogen Peroxide business recorded its highest-ever annual sales volume in 2024-25, reaching 28,390 MT, surpassing the previous record of 25,316 MT in 2022-23. This achievement reflects Chemplast Sanmar's operational agility and market responsiveness, despite an increasingly competitive and price-sensitive environment.

Outlook

The outlook for hydrogen peroxide in 2025 appears positive, with growth anticipated from rising demand in healthcare and paper & pulp. A focus on sustainability and eco-friendly products is set to strengthen its market position as industries seek greener alternatives.

While Chemplast delivered record volumes in 2024-25, the evolving competitive scenario presents a more challenging outlook. To counter this, Chemplast Sanmar will maintain its focus on cost leadership, customer alignment, and operational efficiency to protect profitability in a softening pricing environment. Looking ahead, market dynamics in the coming year will depend on how quickly new entrants stabilise their capacities and how demand from key sectors develops.

Suspension PVC

Suspension PVC is a highly adaptable polymer used across both rigid and flexible applications. Its rigid forms are commonly found in pipes, profiles, and roofing sheets, while its flexible variants are used in hoses, tubing, wires and cables, calendered sheets, and films. The global demand for Suspension PVC is largely driven by the construction industry and overall economic growth.

In recent years, consumption has surged in key Asian markets, particularly China, India, Vietnam, and Indonesia. China continues to be the largest consumer, while India is rapidly emerging as a significant market.

2024-25 REVIEW

The Suspension PVC industry saw strong growth, particularly in the housing, construction, irrigation, and drinking water sectors. Domestic demand in 2024-25 reached 4.32 Million tonnes, reflecting a robust year-on-year growth of nearly 7.50%. Meanwhile, weak economic conditions in many global markets have slowed demand elsewhere, leading to large-scale dumping of Suspension PVC into India. Notably, China continues to supply PVC at exceptionally low prices, driven by ongoing weakness in its property sector.

Market Performance and Chemplast Sanmar's Volumes

The overall domestic demand for Suspension PVC grew significantly during the year, reflecting structural momentum in end-use sectors. However, Chemplast Sanmar's sales volumes for Suspension PVC were lower compared to the previous year only because of inventory movement and minor production loss due to unfavourable weather conditions.

Although demand recovered after the seasonal slowdown in Q2, especially in Q3, Chemplast Sanmar's full-year performance remained affected by intensified price competition, driven largely by imported material and deferred procurement from domestic buyers awaiting clarity on trade regulations.

Imports and Pricing Pressures

Imports remained a defining feature of the market throughout the year, with full-year volumes rising significantly over the previous year. This increase was driven by excess global capacity and weakened demand in major exporting regions such as China, Europe, and the US. Notably, Chinese exports exceeded previous annual averages, intensifying competitive pressure on domestic producers.

Exports to India reached a new high of 2.91 Million tonnes, up by approximately 3,00,000 tonnes from the previous year. Global demand faltered due to rising mortgage rates and inflation in the US, recessionary conditions and high energy prices in Europe, and continued weakness in China despite stimulus packages. This global slowdown led to a surge of low-priced PVC exports to India, shifting market sentiment towards maintaining low inventory in anticipation of further price declines.

The influx of low-cost imports triggered significant corrections in domestic prices over the year. Although there was a brief uptick in prices in Q1, driven by a temporary spike in ocean freight rates, the improvement proved short-lived as freight costs normalised and Chinese suppliers returned with aggressive pricing strategies. This environment compressed margins and weakened the competitiveness of local players.

Despite these challenges, the Indian Suspension PVC market experienced robust expansion in 2024-25, fuelled by infrastructure-led demand, including clean water supply projects, irrigation initiatives, and the growing adoption of UPVC profiles in the construction sector.

Outlook

The Suspension PVC segment is poised for strong growth, with demand projected to reach 5 Million tonnes per year

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

by 2027. This expansion is driven by rising infrastructure projects and increasing consumption across multiple sectors. The government's push for ISI-marked pipes, which reduces filler usage and boosts PVC consumption, is a key factor in this growth. Additionally, the focus on expanding irrigation coverage through schemes like the Pradhan Mantri Krishi Sinchayee Yojana is further driving demand for PVC in the country. The recent extension of the Jal Jeevan Mission until 2028, announced in the Union Budget, is expected to provide additional momentum by supporting nationwide water supply initiatives.

While the demand for PVC remains robust and is expected to stay strong, the industry is currently facing significant challenges from the large scale dumping of PVC resin, which is impacting local market dynamics. The dumping at unfairly low prices is sought to be addressed through trade measures, which are expected to be in place by the second quarter of 2025-26.

(Sources:

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COMPANY OVERVIEW

Chemplast Sanmar Limited (also referred to as 'Chemplast' or 'The Company') is a leading Indian manufacturer in the speciality chemicals space. It possesses exceptional expertise in the production of Speciality Paste PVC resins and in the custom manufacturing of starting materials and intermediates for critical sectors such as pharmaceuticals, agrochemicals, and fine chemicals. The largest producer of Speciality Paste PVC in India, the Company also ranks as

the fourth-largest manufacturer of Caustic Soda and the leading supplier of Hydrogen Peroxide in South India. The Company was also among the earliest manufacturers of chloromethanes and refrigerant gases in India.

The Company's wholly-owned subsidiary, Chemplast Cuddalore Vinyls Limited (CCVL), is the second-largest Suspension PVC manufacturer in India and a market leader in South India. It significantly contributes to the Company's overall portfolio.

The Company faced significant pricing challenges during the year due to dumping of products at low prices into India. However, preparing for the future, the Company continued to focus on improving competitiveness, scaling operations, and expanding its product portfolio across key segments. Investments were directed towards increasing capacity in the CMC business, enhancing infrastructure, and fostering innovation partnerships with global customers. By collaborating with innovators and offering distinct products, the Company is poised for sustained long-term growth. The Company also continued to optimise its operations in Suspension PVC and Value-Added Chemicals in line with domestic demand and global supply shifts.

The financial performance for the year showed revenue growth and improved operating efficiency, supported by higher capacity utilisation and increased contribution from new business lines. While profitability remained under pressure due to external market challenges, proactive cost management and structural improvements supported the overall recovery momentum.

Sustainability and safety remain core components for Chemplast. All manufacturing facilities hold ISO 9001:2015 (Quality Management) and ISO 45001:2018 (Occupational Health and Safety) certifications. Coastal plants at Karaikal and Cuddalore operate on desalinated seawater, eliminating dependence on groundwater. The Company has also implemented zero liquid discharge across all sites. Detailing its sustainability activities, the Company has published Sustainability Reports, verified by a Big Four audit firm, aligned with GRI standards for over 15 years.

The Company has also been recognised for its commitment to operational excellence and safety, with many of its facilities receiving the prestigious 'Five Star' rating from the British Safety Council. Most facilities have also earned the Sword of Honour, one of the highest global awards for health and safety performance.

Human Resources

Chemplast's success is built on its people, and the Company remains deeply invested in their growth and development. As the Company continues to expand and execute key projects,



MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

it actively builds its talent pool with skilled professionals across various levels. The Company also places strong emphasis on employee engagement, fostering a dynamic and inclusive workplace where individuals feel empowered to thrive.

Dedicated to creating a diverse and future-ready workforce, the Company offers extensive training and development

programmes to strengthen skills and expertise. By continuously nurturing talent, Chemplast drives innovation and excellence across its operations.

[1503]

Permanent Employees as of March 31, 2025

Financial Performance

The Company's financial performance is tabulated here:

Particulars	(in ₹ Crores)			
	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Sales and Other Income	2,408.74	1,697.29	4,393.12	4,003.45
Profit before Interest, Depreciation and Taxes	123.07	(16.74)	265.72	106.31
Profit/(Loss) before Tax	(111.90)	(156.17)	(169.07)	(225.57)
Tax Expenses	46.33	52.30	58.71	67.14
Profit/(Loss) after Tax	(65.57)	(103.87)	(110.36)	(158.43)

Key Financial Ratios

Major variations in Chemplast's key financial ratios, along with explanations for changes of 25% or more from the previous year, are detailed below.

Analytical Ratios	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Remarks
Trade Receivables Turnover Ratio	Net Sales	Avg. Trade Receivable	14.63	7.55	93.77	Higher net sales together with lower average trade receivables in 2024-25 has resulted in higher trade receivable turnover ratio.
Interest Coverage Ratio	EBIT	Interest & Lease Payment	(0.29)	(3.27)	91.27	Loss after Tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative interest coverage ratio.
Current Ratio	Current Assets	Current Liabilities	0.96	1.15	(16.52)	
Debt-to-Equity Ratio	Total Debt	Stakeholders' Equity	0.24	0.17	41.18	The Company has taken additional debt during the current year for the purpose of project financing. Accordingly debt-equity ratio has increased.
Net Profit Margin	Net Profit after Taxes	Revenue from Operations	(2.75)%	(6.27)%	(56.14)	Loss after Tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative net profit ratio.
Return on Net Worth	Net Profit after Taxes	Net Worth	(1.56)%	(2.70)%	42.23	Loss after Tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative return on net worth ratio.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Financial Performance – Standalone

On a standalone basis, revenue from operations and other income for 2024-25 stood at ₹ 2,408.74 Crores, marking a 42% growth from ₹ 1,697.29 Crores in 2023-24. The Company's revenue recorded a 42% growth, driven by increase in PPVC sales (Paste Cuddalore) and also on account of increase in prices across all products. Finance cost rose from ₹ 33 to ₹ 87 Crores primarily due post capitalisation impact of project loans. Loss after tax for 2024-25 stood at ₹ 65.57 Crores, compared to ₹ 103.87 Crores in 2023-24.

Financial Performance – Consolidated

On a consolidated basis, the Company's revenue from operations and other income for 2024-25 stood at ₹ 4,393.12 Crores, reflecting a growth of 10% from ₹ 4,003.45 Crores in 2023-24. The Company's revenue saw a 10% growth driven by increase in PPVC sales (Paste Cuddalore) and also on account of increase in prices across all products partly offset by volume drop in CCVL. The finance cost increased

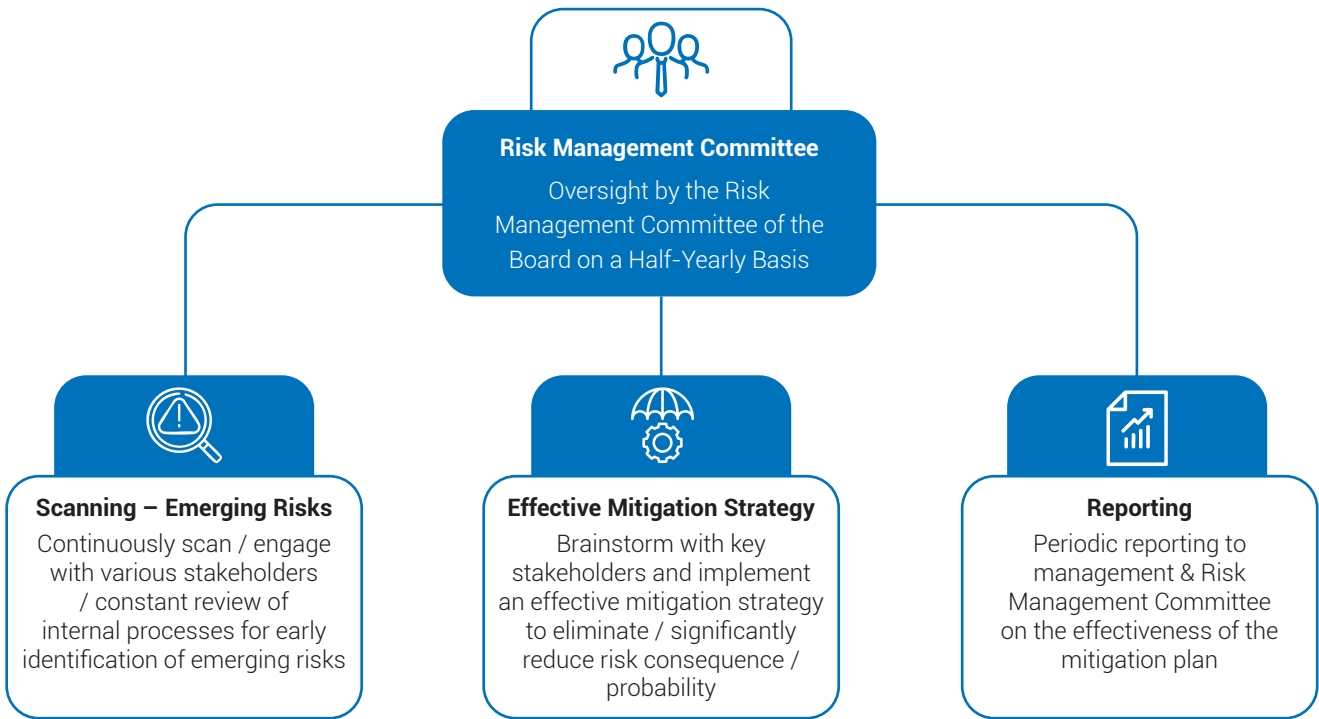
from ₹ 180.52 Crores to ₹ 235.88 Crores, primarily due to post-capitalisation impact of project loans. Loss after tax for 2024-25 stood at ₹ 110.36 Crores, compared to ₹ 158.43 Crores in 2023-24.

RISK MANAGEMENT

The Company employs a well-structured risk management framework, supervised by a dedicated Risk Management Committee to ensure effective governance. Biannual risk assessments are conducted to identify and evaluate key areas such as finance, operations, sectoral trends, sustainability, and cybersecurity, allowing for swift and effective mitigation.

The Risk Management Policy outlines a structured approach to managing strategic, financial, and regulatory risks. Aligned with the Companies Act 2013 and SEBI regulations, the policy applies across all divisions, departments, subsidiaries, and acquired entities. Furthermore, regular reviews and proactive measures help Chemplast safeguard operations and uphold its reputation.

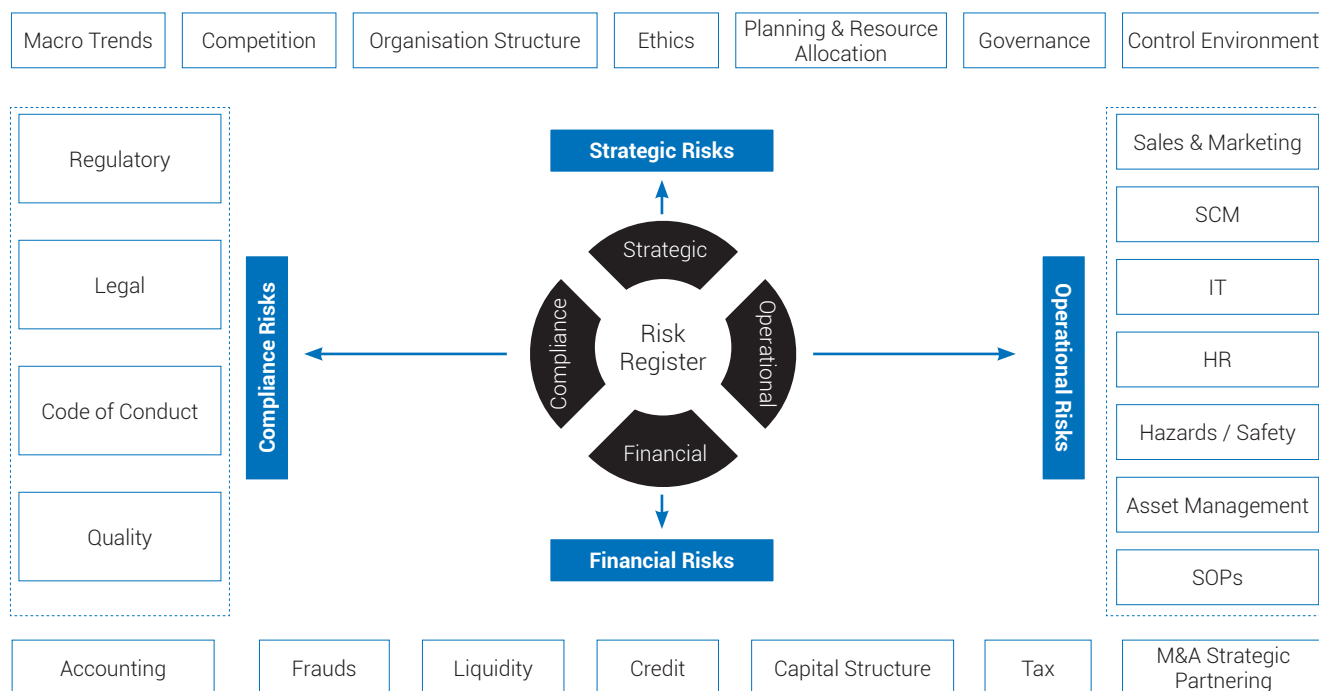
Risk Management Framework and Process





MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Risk Classification and Management



Risk Prioritisation

Based on the likelihood of occurrence and potential impact, risks are further segmented into:

Critical Risks: High-priority risks requiring immediate and proactive management.

Significant Risks: Key risks that need continuous monitoring and mitigation.

Moderate Risks: Risks that are managed through established controls and periodic reviews.

Low Risks: Minimal impact risks that are monitored to prevent escalation.

Risk Mitigation & Monitoring

Each risk category has tailored mitigation strategies, which undergo regular reviews. The Company actively tracks the implementation of these strategies, with periodic assessments of the Enterprise Risk Management (ERM) framework. This approach ensures the timely identification and resolution of emerging risks arising from changes in business strategy, market dynamics, or regulations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Key Risks and Mitigation Strategies

Risk Category	Risk Description	Mitigation Strategy
Environmental Risk	Chemplast's operations involve factors such as energy use, waste management and water consumption, contributing to its overall environmental footprint.	The Company mitigates its impact through zero-liquid discharge systems, desalination plants, and eco-friendly initiatives. Investments in advanced pollution control technology and adherence to environmental regulations reinforce its commitment to sustainability.
Health & Safety Risk	Handling hazardous chemicals presents potential risks to employees and surrounding communities.	Chemplast prioritises safety by implementing stringent protocols, conducting regular training, and providing personal protective equipment (PPE). Routine health checks and third-party safety audits, including those by the British Safety Council, further strengthen workplace safety. These efforts have earned the Company accolades like the Five Star rating and the Sword of Honour for its most of its plants.
Supply Chain Risk	Reliance on suppliers for raw materials, R&D, and distribution makes the Company vulnerable to disruptions caused by external factors such as geopolitical issues and natural disasters.	To enhance supply chain strength, Chemplast diversifies sourcing, monitors supplier performance, and collaborates with industry partners. Alongside these, it also invests in technology to ensure transparency and operational efficiency.
Financial Risk	Market uncertainties, including currency fluctuations, commodity price swings, and shifting tax policies, pose financial risks.	The Company adopts hedging mechanisms, prudent financial strategies, and revenue diversification. Additionally, expanding into global markets and maintaining active engagement with stakeholders help navigate economic fluctuations.
Regulatory Risk	Operating in a highly regulated industry requires strict adherence to evolving laws and standards to avoid penalties and reputational damage.	Chemplast has a proactive compliance framework with regular audits and monitoring systems. Staying ahead of regulatory changes ensures smooth adaptation and minimises compliance risks.

Internal Controls

The Company upholds a solid framework of internal controls and monitoring systems, designed to meet operational needs. Financial governance is strengthened through meticulous budget oversight and well-defined standard operating procedures. During 2024-25, R.G.N. Price & Co., Chartered Accountants, carried out thorough internal audits across key operational areas. Their findings, along with proposed corrective measures, are presented to the Audit Committee for review. Additionally, internal auditors play a crucial role in assessing compliance and control efficiency, enabling management to take timely action on necessary improvements.

Cautionary Statement

The Management Discussion and Analysis may include statements regarding the Company's objectives, projections, estimates, expectations, or forecasts that qualify as 'forward-looking statements' under applicable securities laws and regulations. Actual outcomes may vary from those anticipated. Key factors influencing the Company's performance include raw material availability and pricing, cyclical demand and pricing in core markets, foreign exchange fluctuations, regulatory and tax policy changes, economic conditions in India and other operating regions, and various external influences.



EXHIBIT B

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the financial year ended March 31, 2025.

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, 2025, the Board consists of Eight (08) Directors, out of which Seven (07) are Non-Executive Directors.

The Company has more than 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 April 26, 2024, May 20, 2024, June 24, 2024, July 19, 2024, August 7, 2024, November 5, 2024, January 7, 2025, February 7, 2025 and March 20, 2025. The last Annual General Meeting (AGM) was held on August 8, 2024. 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, 2025 are as under:

Sr. No.	Name of Director and DIN	Category of Director	No. of Shares held as on March 31, 2025	No. of Board meetings attended during 2024-25	Attendance at last AGM held on August 08, 2024	No. of Directorships in Public Companies as on March 31, 2025*	No. of Board Committee Memberships held in Public Companies as on March 31, 2025**	
							Chairman	Member
1	Mr Vijay Sankar 00007875	Chairman - Non-Executive Non-Independent Director	-	9	Yes	5	0	3
2	Mr Ramkumar Shankar 00018391	Managing Director	3449	9	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, 2025	No. of Board meetings attended during 2024-25	Attendance at last AGM held on August 08, 2024	No. of Directorships in Public Companies as on March 31, 2025*	No. of Board Committee Memberships held in Public Companies as on March 31, 2025**	
							Chairman	Member
3	Mr Vikram Taranath Hosangady 09757469	Non-Executive Non-Independent Director	-	9	Yes	6	1	5
4	Mr Sumit Maheshwari# 06920646	Non-Executive Non-Independent Director	-	8	Yes	8	0	3
5	Mr Aditya Jain 00835144	Independent Director	-	8	Yes	3	2	3
6	Mr Sanjay Vijay Bhandarkar 01260274	Independent Director	-	9	Yes	8	4	6
7	Mr Prasad Raghava Menon 00005078	Independent Director	-	8	Yes	3	0	2
8	Dr (Mrs) Lakshmi Vijayakumar 09115998	Independent Director / Woman Director	-	9	Yes	2	0	0
9	Mr Chandran Ratnaswami@ 00109215	Non-Executive Non-Independent Director	-	0/1	NA	NA	NA	NA

*Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 companies 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 Sumit Maheshwari was appointed as a Non-Executive Non-Independent Director with effect from May 20, 2024.

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 fulfil 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.



REPORT ON CORPORATE GOVERNANCE (CONTD.)

The particulars of Directorships of the Company Directors in other listed companies, as on March 31, 2025 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
		Oriental Hotels Limited	ID
		TVS Motor Company Limited	ID
2.	Mr Ramkumar Shankar	-	None
3.	Mr Vikram Taranath Hosangady	MRF Limited	ID
		Rane (Madras) Limited	NED
		Bajaj Electricals Limited	ID
4.	Mr Sumit Maheshwari	Fairchem Organics Limited	NED
		CSB Bank Limited	NED
		Thomas Cook (India) Limited	NED
5.	Mr Aditya Jain	SAMHI Hotels Limited	ID
6.	Mr Sanjay Vijay Bhandarkar	The Tata Power Company Ltd	ID
		Tata Consultancy Services Limited	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	-	None

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 behaviour and compliance with laws and regulations

(e) Board Meetings

During the year under review, nine (9) 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.

- Leadership
- Business Strategy & Development
- Commercial acumen
- Finance including audit, accounts and taxation
- Economics and Global Business
- Sales and Marketing

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- (vii) Information Technology
- (viii) General Management & Human Resources
- (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 and 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 and Human Resources
Mr Sumit Maheshwari	Leadership, Finance, Business Strategy & Development, Economics & Global Business, Corporate Governance, General Management.
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 and responsibilities and rights and 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, Government Policy measures applicable / pertaining to the Company, besides presentations made to Independent Directors on significant regulatory updates. Details of familiarisation programs are available on the Company's website at <https://www.chemplastsanmar.com/downloads/investor-relations/2024-25/Familiarisation-programme-conducted-for-Independent-Directors-during-the-financial-year-2024-25-Cumulative.pdf>

(h) Meeting of Independent Directors

The Independent Directors met on March 20, 2025 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.

(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>



REPORT ON CORPORATE GOVERNANCE (CONTD.)

All the Board Members and Senior Management Personnel have confirmed compliance with the Code for the year ended March 31, 2025. 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 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, 2025. 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 and also from time to time, whenever required. 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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.

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 8, 2024 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 20, 2024, July 19, 2024, August 7, 2024, November 5, 2024, February 7, 2025 and March 20, 2025.

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 2024-25
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 were 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



REPORT ON CORPORATE GOVERNANCE (CONTD.)

- 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;
- Formulating of criteria for evaluation of Independent Directors and the Board;
 - Devising a policy on Board diversity;
 - 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;
 - 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 8, 2024 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, four (04) NRC Meetings were held on May 20, 2024, June 24, 2024, November 5, 2024 and March 20, 2025

Name of Members	Category	No. of Meetings attended during the year 2024-25
Mr Aditya Jain	Independent Director	4
Mr Sanjay Vijay Bhandarkar	Independent Director	4
Mr Vijay Sankar	Non-Executive Non-Independent Director	4

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

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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 ₹ 4.75 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 2024-25, are as follows:

(in ₹ Lakhs)

Name of the Director	Sitting Fees		Commission/ Remuneration [#]	Grand Total
	Board	Committees		
Mr Aditya Jain	4.00	1.75	8.00	13.75
Mr Sanjay Vijay Bhandarkar	4.50	3.25	8.00	15.75
Mr Prasad Raghava Menon	4.00	1.75	8.00	13.75
Dr (Mrs) Lakshmi Vijayakumar	4.50	0.50	8.00	13.00
Total	17.00	7.25	32.00	56.25

[#]Remuneration paid to Independent Directors during the year under report, for the Financial Year ended March 31, 2024.

Remuneration paid to Executive Director

Particulars of remuneration paid to Managing Director during the financial year 2024-2025:

(in ₹ Lakhs)

Name of the Director	Salary, Allowances & Perquisites	Contribution to Funds	Total
Mr Ramkumar Shankar Managing Director	458.78	3.84	462.62

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 March 10, 2025.

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 8, 2024 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 2024-25
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.



REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 2024-25	6@
Number of complaints not solved to the satisfaction of shareholders	0
Number of pending complaints as on March 31, 2025	0

@These complaints relate to non receipt of dividend warrants, complaints from SEBI.

Out of 6 complaints received, 4 complaints pertain to the complaints from an erstwhile shareholder.

(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 is 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 Committee. The Committee met two times during the year on July 19, 2024 and February 7, 2025.

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 2024-25
Mr Aditya Jain	Independent Director	1

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name of Members	Category	No. of Meetings attended during the year 2024-25
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 20, 2025.

Name of Members	Category	No. of Meetings attended during the year 2024-25
Dr (Mrs) Lakshmi Vijayakumar	Independent Director	1
Mr Vijay Sankar, Chairman	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:-

- 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;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

- 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;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- 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
- 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 Committee of Directors consists of Mr Vijay Sankar, Chairman and Mr Ramkumar Shankar, Managing Director as its members. 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 subject to the limits prescribed and to oversee and review the Business Responsibility and Sustainability Reporting to the Committee of Directors.

(g) Senior Management

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



REPORT ON CORPORATE GOVERNANCE (CONTD.)

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:

- 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 Company's Ethics Policy.
- 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 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-subsidaries.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, for a period of five years from April 27, 2021.

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 of the Statutory Auditor	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
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)
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)
2023-24	August 8, 2024	9, Cathedral Road Chennai 600086 (held through Video Conferencing (VC) / Other Audio Visual Means (OAVM))	3.00 P.M. (IST)

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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

One Special resolution pertains to raising of funds by issue of equity shares and / or convertible instruments, including through Qualified Institutional Placement, was passed at the Annual General Meeting held on August 8, 2024

No special resolution was passed at the Annual General Meeting held on August 11, 2023 and June 24, 2022.

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 from time to time. 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	₹ in Lakhs
Audit Fees	119
Others	-
Total	119

(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.

- Number of complaints filed during the Financial Year – Nil
- Number of complaints disposed off during the Financial Year – N.A
- 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, 2025

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	AA-/ Negative	Long Term – Bank Facilities (Fund Based)	December 2, 2024
	A1+	Short Term – Bank Facilities (Non-Fund Based)	



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Rating Agency	Rating	Long / Short Term	Rating issued in
CRISIL	AA-/Negative	Long Term – Bank Facilities (Fund Based)	December 26, 2024
	A1+	Short Term – Bank Facilities (Non-Fund Based)	

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-/Negative	Long Term – Bank Facilities (Fund Based)	December 2024
	A1+	Short Term – Bank Facilities (Non-Fund Based)	

(i) Recommendations of Committees to Board

During the financial year 2024-25, 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, 2025

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: Tuesday, August 12, 2025 Time: 4:30 PM (IST) Mode: Video Conference / Other Audio Visual Means (OAVM)
(b)	Financial Year	April 1 to March 31
	Financial reporting for the quarter ending	Financial calendar (tentative)
	June 30, 2024	Before August 14, 2025
	September 30, 2024	Before November 14, 2025
	December 31, 2024	Before February 14, 2026
	March 31, 2025	Before May 30, 2026
(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)	

REPORT ON CORPORATE GOVERNANCE (CONTD.)

Name and Address of the Stock Exchanges	BSE Ltd Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
	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 2025-26 were duly paid to the above Stock Exchanges and to the Depositories.	

(f) Registrar to an Issue and Share Transfer Agents

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

(g) 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.

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

(I) 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

(j) Shareholding Pattern:

Shareholding Pattern as on March 31,2025 (Total)				
S no	Description	No. of shareholders	Total Shares	% Equity
1	Alternative Investment Fund	6	167114	0.11
2	Bodies Corporate	201	868333	0.55
3	Clearing Members	1	40	0.00
4	Foreign Nationals	1	27	0.00
5	Foreign Portfolio - Corp	80	20980868	13.27
6	H U F	1296	269366	0.17
7	Mutual Funds	12	38121496	24.11
8	Non-Resident Indian Non Repatriable	425	677823	0.43
9	Non-Resident Indians	590	329924	0.21
10	Promoter	1	86945055	54.99



REPORT ON CORPORATE GOVERNANCE (CONTD.)

Shareholding Pattern as on March 31,2025 (Total)				
S no	Description	No. of shareholders	Total Shares	% Equity
11	Promoter Group	5	10	0.00
12	Qualified Institutional Buyer	1	2518621	1.59
13	Resident Individuals	66130	7230043	4.57
14	Trusts	2	854	0.00
	Total	68751	158109574	100.00

(k) 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.

15. PLANT LOCATIONS

The Company has its Plants at

- Mettur, Tamil Nadu
- Cuddalore, Tamil Nadu
- Karaikal, Puducherry
- Vedaranyam, Tamil Nadu and
- 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.

Nil

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, 2025.

Place: Chennai

Date: April 29, 2025

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, 2025, 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.

Place: Chennai

Date: May 5, 2025

Signature:

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

FCS No.: 1810 CP No.: 3318

B RAVI & ASSOCIATES

Firm Registration Number: P2016TN052400

Peer Review Certificate Number: 930/2020

UDIN: F001810G000273611

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, 2025 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 LIMITED

Place: Chennai
Date: April 29, 2025

RAMKUMAR SHANKAR
MANAGING DIRECTOR

N MURALIDHARAN
CHIEF FINANCIAL OFFICER



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 Directors 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 March 31, 2025, 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.

Place: Chennai
Date: May 5, 2025

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: F001810G000273631

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	➤ 2024-25
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	➤ ₹ 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 assessment or assurance provider	➤ NOT APPLICABLE
15.	Type of assessment or assurance obtained	➤ NOT APPLICABLE



II. Products/services

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

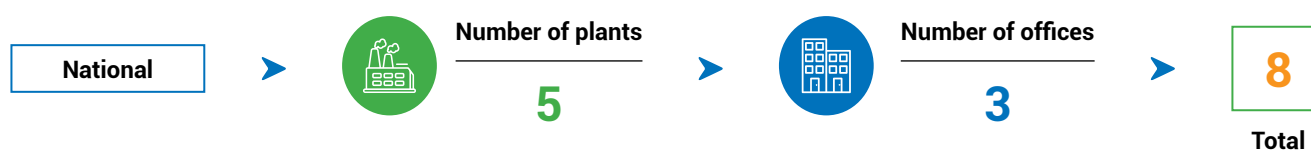
Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1 Basic Chemical Elements	Manufacture and sale of Speciality PVC Resin, Caustic Soda, Custom manufactured chemicals, Chloromethanes, Refrigerant gases, Hydrogen peroxide.	45.49%
2 Organic and inorganic chemical compounds not elsewhere classified		24.79%
3 Manufacture of liquefied or compressed inorganic industrial or medical gases (elemental gases, liquid or compressed air, refrigerant gases, mixed industrial gases)		1.41%
4 Others		28.31%

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

	Product/Service		NIC Code		% of total Turnover contributed
1	Speciality PVC Resin	➤	20116	➤	45.49%
2	Custom Manufactured Chemicals	➤	20119	➤	24.79%
3	Caustic Soda	➤	20111	➤	19.38%
4	Chloromethanes	➤	20116	➤	4.64%

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
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**



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

11.32%



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, Plastics, 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):**



Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	1316	1275	97%	41	3%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1316	1275	97%	41	3%



Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
4.	Permanent (F)	187	187	100%	0	0%
5.	Other than Permanent (G)	1920	1630	85%	290	15%
6.	Total workers (F + G)	2107	1817	86%	290	14%

b. **Differently abled Employees and workers:**



Differently Abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-



Differently Abled Workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

21. Participation/Inclusion/Representation of women

No. and percentage of Females

	Total (A)	No (B)	% (B / A)
 Board of Directors	8	1	12.50
 Key Management Personnel	3	-	0

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

2024-25 (Turnover rate in current)		2023-24 (Turnover rate in previous)		2022-23 (Turnover rate in the year prior to the previous)	
 Permanent Employees		 Permanent Employees		 Permanent Employees	
 Permanent Workers		 Permanent Workers		 Permanent Workers	
14.00%	-	15.40%	-	11.50%	-
Male		Male		Male	
17.10%	-	22.60%	-	0.00%	-
Female		Female		Female	
14.10%	-	15.60%	-	11.50%	-
Total		Total		Total	

V. Holding, Subsidiary and Associate Companies (including joint ventures)**23. (a) Names of holding / subsidiary / associate companies / joint ventures**

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

VI. CSR Details**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**(ii) Turnover (in ₹): **2,387.61** Crores(iii) Net worth (in ₹): **4,196.68** 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)	2024-25 Current Financial Year			2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Communities	Yes	Nil	Nil	NA	Nil	Nil	NA
 Investors (other than shareholders)	Yes	Nil	Nil	NA	Nil	Nil	NA
 Shareholders	Yes	6	0	Nil	7	0	Nil
 Employees and workers	Yes	Nil	Nil	NA	Nil	Nil	NA
 Customers	Yes	Nil	Nil	NA	Nil	Nil	NA



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	2024-25 Current Financial Year			2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
 Value Chain Partners	Yes	Nil	Nil	NA	Nil	Nil	NA
 Other (please specify)	NA	NA	NA	NA	NA	NA	NA



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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Being a Chemical Industry, Regulatory insistence on installation of Zero Liquid Discharge (ZLD) facility	Opportunity	- 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
2	Coping with the more stringent emission level and other regulatory standards imposed by the regulating authorities	Risk	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
3	Disposal of hazardous waste to third party and effectiveness of storage, disposal.	Risk	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



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Reducing the carbon footprint of our Operations	Opportunity and Risk	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 conserve energy › Installation of high efficiency chillers & increasing steam condensate recycling at Berigai. › Green electricity for around 9 Crores units per annum for Mettur alone. This is expected to start from January 2026.	Positive & Negative
5	Health and Safety of employees and nearby Communities	Risk	Exposure to chemicals can lead to health issues to employees and communities	› Implementation of Process Safety Management System to ensure system healthiness thereby minimising 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

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/csl-business-responsibility-sustainability-policy-v1.pdf								
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)	Yes. Also the company has introduced supplier code of conduct applicable to all its suppliers, vendors and service providers wherein the company has set out stringent code of conduct applicable to them while dealing with the Company. For supplier code of conduct please see the link https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Supplier%20code%20of%20conduct.pdf								
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 had 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, Safety and Environment Management Systems. Almost all the plants were awarded British Safety Council 5 Star Ratings (CMCD Berigai got 4 Star Rating). Chemplast Sanmar Plant – 1, Plant 2, Plant 3, 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.

As part of our further initiatives in this direction, during the year under review, the Company has entered into agreements which provides for supply of hybrid energy (Solar & Wind) to substitute the exiting source of energy on a long term basis.

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 - Committee of Directors. In addition, performance review has been undertaken by the respective functional heads on various policies of the Company									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 categorised as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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 impact	% of persons in respective category covered by the awareness programmes
Board of Directors	37	9	100%
Key Managerial personnel	37	9	100%
Employees other than BOD and KMPs	1,682	9	100%
Workers	2,498	9	100%

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, Government policy/Trade measures relating to the products of the Company, 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 include human rights, emergency handling, first aid, workplace safety, chemical safety, respiratory problems, and environment management. In 2024-25 we conducted 4180 programs extending for 70970 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:

Monetary					
	NGRBC Principle	Name of the Regulatory / Enforcement Agencies / judicial institutions	Amount (in ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty / Fine	NIL				
Settlement					
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	

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 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.
- 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/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf>

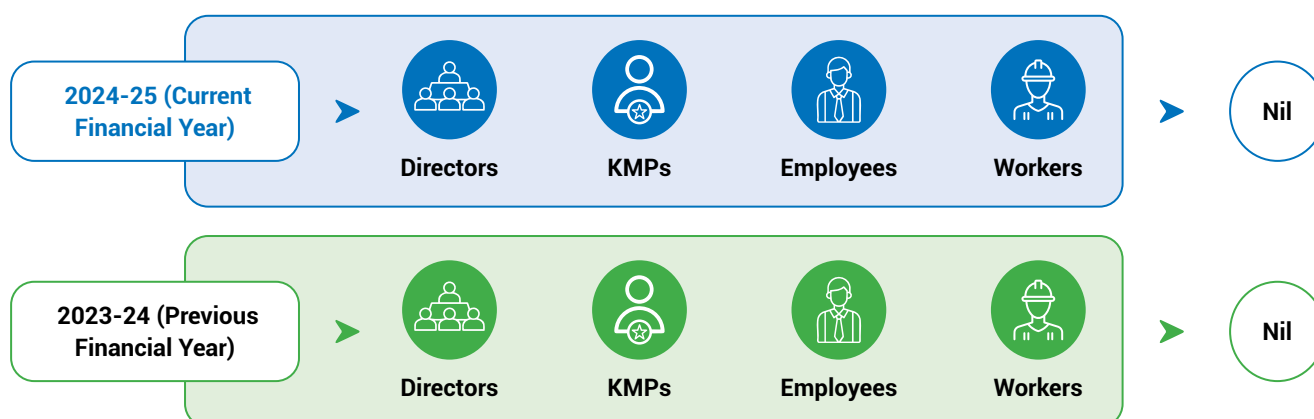
The Company has also put in place Supplier Code of Conduct (the Code) applicable to all the Suppliers and Service Providers and they are bound by such Code of Conduct.

For supplier code of conduct please see the link <https://www.chemplastsanmar.com/downloads/investor-relations/csl-policies/Supplier%20code%20of%20conduct.pdf>





5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:



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

	2024-25 (Current Financial Year)		2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

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:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Number of days of accounts payable	186*	256*

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	2024-25 Current Financial Year	2023-24 Previous Financial Year
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	66.72%	59.46%
	b. Number of trading houses where purchases are made from	522	583
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	90.87%	87.34%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	9.32%	12.00%
	b. Number of dealers / distributors to whom sales are made	15	13
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	95.68%	95.51%

Parameter	Metrics	2024-25 Current Financial Year	2023-24 Previous Financial Year
Share of RPTs in	a. Purchases (Purchases with related parties / Total purchases)	1.09%	0.28%
	b. Sales (Sales to related parties / Total sales)	12.58%	10.44%
	c. Loans & Advances (Loans & Advances to related parties / Loans & Advances)	N. A	N. A
	d. Investments (Investments in related parties / Total investments made)	100%	100%

LEADERSHIP INDICATORS

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

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
5 Programmes 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
- 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/downloads/investor-relations/csl-policies/code-of-conduct-for-board-and-senior-management.pdf>

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.**

	2024-25 Current Financial Year	2023-24 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 7.91 Crores (100%)	₹ 3.95 Crores (100%)	1. Separate process safety lab will facilitate in determining safe operation of new chemical processes.
Capex	₹ 33.52 Crores (Incl. projects)	₹ 59.15 Crores (Incl. projects)	2. Separate lab facilities for various process will reduce chemical exposure and help in improving Health/Hygiene.
	9.37% (Incl. projects)	6.98% (Incl. projects)	3. Well-designed lab facilities will improve the output yield.
	₹ 0.66 Crores (Excl. projects)	₹ 44.20 Crores (Excl. projects)	4. Invested in P&M which arrests gas leakages.
	0.53% (Excl. projects)	23.28% (Excl. projects)	

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% 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:



Permanent employees

% of employees covered											
Category	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)
Male	1,275	1,275	100.00%	1,275	100.00%	-	-	-	-	-	-
Female	41	41	100.00%	41	100.00%	41	100.00%	-	-	-	-
Total	1,316	1,316	100.00%	1,316	100.00%	41	100.00%	-	-	-	-



Other than permanent employees

% of employees covered											
Category	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)
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

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



Permanent workers

% of employees covered											
Category	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)
Male	187	187	100.00%	187	100.00%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	187	187	100.00%	187	100.00%	-	-	-	-	-	-



Other than permanent workers

% of employees covered											
Category	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)
Male	1,630	1,630	100.00%	1,630	100.00%	-	-	-	-	-	-
Female	290	290	100.00%	290	100.00%	-	-	-	-	-	-
Total	1,920	1,920	100.00%	1,920	100.00%	-	-	-	-	-	-



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

Cost incurred on well-being measures as a % of total revenue of the company	➤	2024-25 Current Financial Year	2023-24 Previous Financial Year
		0.22%*	0.27%

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

Benefits	2024-25 Current Financial Year			2023-24 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/NA)	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/NA)
PF	100.00%	100.00%	Yes	100.00%	100.00%	Yes
Gratuity	100.00%	100.00%	Yes	100.00%	100.00%	Yes
ESI	22.10%	16.00%	Yes	18.46%	16.14%	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	-	-	-	-
Total	-	-	-	-

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	2024-25 Current Financial Year			2023-24 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	187	178	95.20%	193	179	93.00%
- Male	187	178	95.20%	193	179	93.00%
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers



Employees

Category	2024-25 Current Financial Year					2023-24 Previous Financial Year				
	Total (A)	On Health and Safety measures (B)		On Skill upgradation (C)		Total (D)	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)
Male	1,275	617	48.39%	358	28.00%	1,150	567	49.30%	310	27.00%
Female	41	11	26.82%	20	49.00%	31	2	6.00%	6	20.00%
Total	1,316	628	47.72%	378	28.70%	1,181	569	48.20%	316	27.00%



Workers

Category	2024-25 Current Financial Year					2023-24 Previous Financial Year				
	Total (A)	On Health and Safety measures (B)		On Skill upgradation (C)		Total (D)	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)
Male	187	185	99.00%	-	-	193	193	100.00%	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	187	185	99.00%	-	-	193	193	100.00%	-	-

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

Governance Set-Up

- Formation of Steering Committee
- Plant-Level Apex Committee
- Sub Committees

Leadership Training

- Training for Corporate leaders
- Mid Managers on Leading Safety Efforts
- Risk-Based Process Safety Management, etc

Operational Discipline through Governance

- Setting KPI for lead indicators
- Setting KPI for lag indicators
- Review and tracking



Capability Development

- Safety Interaction
- Incident Investigation
- Process Hazard Analysis
- Mechanical Integrity and Quality Assurance
- Emergency Preparedness
- Job Cycle Check, etc

Mechanical Integrity and Quality Assurance

GRI 403-5

- Assessing the Current State
- Review and Upgrade the Current MIQA Procedure and Inspection Checklist
- Capability Building
- Implementation of MIQA, etc

Barrier Health Management

- Assessing Preventive and Mitigate Barrier

Workplace Risk Mitigation - Behaviour-Based Safety

- Contractor Safety management
- Incident investigation and analysis
- Safe work practices, etc



Employees

Category	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Male	1,275	1,145	89.80%	1,150	1,002	87.00%
Female	41	26	63.40%	31	26	84.00%
Total	1,316	1,171	89.00%	1,181	1,028	87.00%



Workers

Category	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Male	187	-	-	193	-	-
Female	-	-	-	-	-	-
Total	187	-	-	193	-	-

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, British Safety Council's Occupational Health, Safety and Wellbeing Specifications. 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.

SANSAFE - Transforming Safety Culture:

We have engaged the reputed agency dss+ (Formerly called as DuPont Sustainability Solutions) to implement Risk Based Process Safety Management and Behaviour Based Safety Management with the view of Transforming Safety Culture to

the highest level. SANSafe program includes governance set up, training the leaders, capability development, Mechanical Integrity and Quality Assurance, Barrier Health Assessment study which are briefed below:

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 Lightning 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).

b. 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
- › Job Cycle Check
- › Permit To work Audit
- › Safety Interaction – Behaviour Based Approach

c. 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 centre, 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 *	2024-25 Current Financial Year	2023-24 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million person hours worked)	Employees	1.12	0.00
	Workers	1.20	0.34
Total recordable work-related injuries	Employees	3	0
	Workers	8	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* 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.

Responsible Care Codes: It is a voluntary initiative (beyond legislative and regulatory compliance) which commits companies towards continual improvement in Safety, Health and Environment. This consists of 7 codes.

Responsible Care Codes

1

Process Safety Code: Helps in establishing risk-based awareness of the safety impacts due to technology, facilities and personnel.

2

Employee Health and Safety Code: Enables to achieve Zero accidents and Zero injuries or harm to human health and the environment.

3

Pollution Prevention Code: Achieves ongoing reductions in the amount of all contaminants, and pollutants released to the air, water and land.

4

Emergency Response Code: Guide companies to prepare a set of detailed emergency plans, based on potential risks a facility might face.

5

Distribution Code: To prevent or mitigate the consequences of incidents during distribution activities to the General public, Environment, Employees customer etc.

6

Product Safety and Stewardship Code: To understand, manage and communicate the health and environmental impacts of chemical products.

7

Security Code: To reduce the potential for theft and subsequent misuse, the intentional release of chemicals or sabotage of chemical processes causing a release in fixed facilities.

Industrial hygiene surveys, workplace audits and routine medical surveillance are conducted to ensure the effectiveness of OHS control measures.

Chemplast Sanmar is 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 Behaviour Based Safety programs.

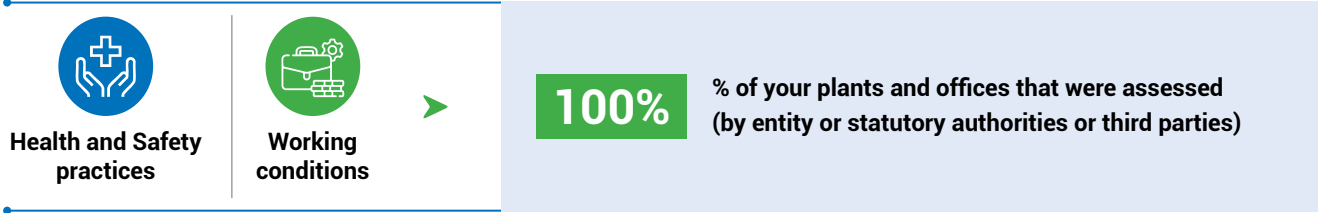
This helps to reduce the risk from process hazards and work place hazards. Process risk assessments and asset integrity inspections are conducted to ensure the process safety control effectiveness to prevent the process safety events.

OHS & PSM management systems implementation effectiveness has been monitored by Steering committee which consists key senior leaders.

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

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year



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.

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	Others- Ongoing	Company follows an open door policy
 Customers	No	Meetings	Others- Frequent and need based	To stay abreast of developments in the industry / products
 Regulators	No	Meetings and other communication mechanisms	Others- Need based	To stay abreast of the developments in policies and for compliances, approvals, permissions, etc
 Suppliers and Vendors	No	Emails, meetings	Others- Frequent and need based	Co-ordinate for supply of materials and ensure compliances
 Business Partners (third party manufacturers)	No	Emails, meetings	Others- Need based	Address any issues concerning manufacturing operations and supplies
 Local communities	No	Through CSR Activities / welfare measures	Others- Frequent and need based	Support through socially high impact projects

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
 Investors/ Shareholders	No	Email, newspaper advertisement, website, Annual General Meetings, disclosures to Stock Exchanges and Investor meetings / calls / conferences	Others- 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:



Employees

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
Permanent	1,316	277	21.05%	1181	86	7.30%
Other than permanent	-	-	-	-	-	-
Total Employees	1,316	277	21.05%	1181	86	7.30%



Workers

	2024-25 Current Financial Year			2023-24 Previous Financial Year		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
Permanent	187	-	-	193	86	45.00%
Other than permanent	1,920	42	2.18%	1,932	334	17.30%
Total Workers	2,107	42	1.99%	2,125	420	19.80%

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



Employees

	2024-25 Current Financial Year					2023-24 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)
Permanent										
Male	1,275	-	-	1,275	100.00%	1,150	-	-	1,150	100.00%
Female	41	-	-	41	100.00%	31	-	-	31	100.00%
Other than permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-



Workers

	2024-25 Current Financial Year					2023-24 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)
Permanent										
Male	187	-	-	187	100%	193	-	-	193	100%
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent										
Male	1,630	-	-	1,630	100%	1,704	-	-	1,704	100%
Female	290	-	-	290	100%	228	-	-	228	100%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median Remuneration / Salary / Wages of respective category (₹ per annum)	Number	Median Remuneration / Salary / Wages of respective category (₹ per annum)
Board of Directors (BoD)	6	₹ 9,24,996	1	₹ 12,99,996
Key Managerial Personnel (KMP)	3	₹ 2,30,70,972	0	-
Employees other than BoD and KMP	1,272	₹ 6,66,816	41	₹ 11,51,184
Workers	187	₹ 5,95,824	-	-

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

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Gross wages paid to females as % of total wages	3.94%	3.19%

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 complaint is 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:



**Sexual
Harassment**

2024-25 Current Financial Year

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL



**Discrimination at
work place**

2024-25 Current Financial Year

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL



**Child
Labour**

2024-25 Current Financial Year

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL



**Forced labour /
involuntary labour**

2024-25 Current Financial Year

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL



2024-25 Current Financial Year

Wages

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL



2024-25 Current Financial Year

Other human rights related issues

2023-24 Previous Financial Year

Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
NIL	NIL	NIL	NIL	NIL	NIL

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	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

 Child Labour	 Forced / Involuntary labour	 Sexual Harassment	 Discrimination at workplace	 Wages	 Others (Please specify)
NIL % of your plants and offices that were assessed (by entity or statutory authorities or third parties)					

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	2024-25 Current Financial Year	2023-24 Previous Financial Year
From Renewable Sources		
Total Electricity Consumption (A)	2,946.52 GJ	4,487.11 GJ
Total Fuel Consumption (B)	1,74,017.15 GJ	1,26,159.50 GJ
Energy Consumption through other sources (C)	-	-
Total Energy consumed from Renewable sources (A+B+C)	1,76,963.67 GJ	1,30,646.61 GJ
From Non-Renewable sources		
Total Electricity Consumption (D)	4,86,986.43 GJ	3,39,141.20 GJ
Total Fuel Consumption (E)	60,71,777.63 GJ	54,33,658.70 GJ
Energy Consumption through other sources (F)	-	-
Total Energy consumed from Non-Renewable sources (D+E+F)	65,58,764.06 GJ	57,72,799.90 GJ
Total Energy consumed (A+B+C+D+E+F)	67,35,727.72 GJ	59,03,446.50 GJ
Energy intensity per rupee of turnover (Total Energy consumed / Revenue from Operations)	0.000280 GJ/ Rupee of turnover	0.000348 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)	0.00577730 GJ/ Rupee of turnover adjusted for PPP*	0.000100137 GJ/ Rupee of turnover adjusted for PPP**
Energy intensity in terms of physical output	15.70 GJ/MT of product	18.21 GJ/MT of product
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note:

* For FY 2024-25, Energy intensity per rupee of turnover adjusted for PPP were calculated using conversion factor provided by International Monetary Fund (IMF).

** For FY 2023–24, Energy intensity per rupee of turnover adjusted for PPP were calculated using Price Level Index (PLI) adjusted dollar.

Accordingly, the energy intensity per rupee of turnover adjusted for PPP for FY 2023–24 calculated using IMF conversion factor is 0.00710710 GJ per Rupee of Turnover adjusted for PPP.

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 Plants 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	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	26,82,628 KL	28,26,923 KL
(ii) Ground water	3,06,827 KL	2,72,371 KL
(iii) Third party water	-	-
(iv) Sea water / desalinated water	1,14,05,740 KL	1,03,63,061 KL
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,43,95,195 KL	1,34,62,355 KL
Total volume of water consumption (in kilolitres)	1,28,54,265 KL	1,18,21,529 KL
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00009299 KL/ Rupee of turnover	0.0001126 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)	0.0019212 KL/ Rupee of turnover adjusted for PPP*	0.0000251 KL/ Rupee of turnover adjusted for PPP**
Water intensity in terms of physical output	6.09 KL/MT of product#	6.4 KL/MT of product#
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note:

Recycled water used in process is 510295 KL in FY 2024-25 and 543522 KL in 2023-24

* For FY 2024-25, Water intensity per rupee of turnover adjusted for PPP were calculated using conversion factor provided by International Monetary Fund (IMF).

** For FY 2023–24, Water intensity per rupee of turnover adjusted for PPP were calculated using Price Level Index (PLI) adjusted dollar.

Accordingly, the Water intensity per rupee of turnover adjusted for PPP for FY 2023–24 calculated using IMF conversion factor is 0.0023008 KL per Rupee of Turnover adjusted for PPP."

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	2024-25 Current Financial Year	2023-24 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)	5,61,245 KL	4,15,048 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)	5,61,245	4,15,048

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.

Chemplast Sanmar has implemented Zero Liquid Discharge (ZLD) across all its plants, ensuring that the entire volume of water is reused or recycled back into the process. Consistent efforts to minimise effluent generation at the source have led to a considerable reduction in trade effluent over time. The treated wastewater quality parameters at all ZLD facilities are closely monitored and maintained as per the statutory norms. The ZLD status is continuously monitored by CPCB and TNPCB / PPCC authorities through high-resolution night vision cameras installed at the sites. Additionally, the company records water flow data in real time and are connected with 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	2024-25 Current Financial Year	2023-24 Previous Financial Year
NOx	MT	195.34	198.26
SOx	MT	210.14	323.63
Particulate matter (PM)	MT	69.92	49.98
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	Unit	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,59,948.66 tCO₂e	4,94,764.44 tCO₂e
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	80,885.30 tCO₂e	53,722.11 tCO₂e
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from Operations)		0.000027 tCO₂e/ Rupee of turnover	0.000032 tCO₂e/ 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)		0.0005496 tCO₂e/ Rupee of turnover adjusted for PPP*	0.0000093 tCO₂e/ Rupee of turnover adjusted for PPP**
Total Scope 1 and Scope 2 emission intensity in terms of physical output		1.49 tCO₂e/MT of product	1.69 tCO₂e/MT of product
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note:

* For FY 2024-25, Scope 1 & 2 Emission intensity per rupee of turnover adjusted for PPP were calculated using conversion factor provided by International Monetary Fund (IMF).

** For FY 2023-24, Scope 1 & 2 Emission intensity per rupee of turnover adjusted for PPP were calculated using Price Level Index (PLI) adjusted dollar.

Accordingly, the Scope 1 & 2 Emission intensity per rupee of turnover adjusted for PPP for FY 2023-24 calculated using IMF conversion factor is 0.00066 tCO₂e per Rupee of Turnover adjusted for PPP."

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 (11904 MT) with coal in CPP (Savings: 190110 GJ and 3.56 % reduction in Scope 1 Energy)
- Installation of VFD in Cooling Water Pump, Crystalliser feed pump and Raw water pump (Savings: 787.70 GJ and 299 tCO₂e)
- Conversion of IE2 to IE3 motors (Savings: 19.07 GJ and 7.00 tCO₂e)
- Replacement of ammonia compressor (Savings: 186.62 GJ and 71 tCO₂e)

Berigai

- Installation of IE3 Energy Efficient Motors (Savings: 58.428 GJ and 11.799 tCO₂e)



Karaikal

- Waste Heat Recovery Boiler based Steam Generation [CPP1 - 33,714.93 MT & CPP 2: 15,057.35 MT of Steam]. (Savings: 11,205.069 tCO₂e.)
- Hydrogen [215.363 MT] used as clean fuel in the Caustic Fusion plant (Savings: 1,450.383 tCO₂e.)
- Replacement of conventional lamps with LED lights (255 Nos), Installation of Energy Efficient Motors, IE3 type (50 Nos.) and Installation of VFD's (13 Nos.). (Savings: 1,58,421.53 Units / 570.32 GJ.)

Cuddalore:

- Reduction of specific power consumption to 467 KWh/MT at Cuddalore through modified reactor jacket design, use of VFDs for reactor agitators, implementation of a heatless air dryer for the instrumentation air system, and adoption of an energy-efficient centrifugal compressor for the refrigeration system.

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

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6.29 MT	6.03 MT
E-waste (B)	2.94 MT	7.10 MT
Bio-medical waste (C)	1.38 MT	0.05 MT
Construction and demolition waste (D)	-	-
Battery waste (E)	5.40 MT	6.57 MT
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G)		
➤ Used or Spent oil (5.1)	44.12 MT	41.70 MT
➤ Wastes or Residues containing oil (5.2)	0.65 MT	0.53 MT
➤ Brine Sludge (16.3)	5,080.13 MT	4,845.04 MT
➤ Distillation Residue (20.3)	79.98 MT	51.37 MT
➤ Process Residue (22.2)	1,623.01 MT	1,602.43 MT
➤ Spent Solvent (28.6)	340.60 MT	263.96 MT
➤ Empty Barrels / containers / liners (33.1)	54.33 MT	70.58 MT
➤ Contaminated cotton rags or other cleaning materials (33.2)	-	0.06 MT
➤ Chemical Sludge from Waste Water Treatment (35.3)		
• ETP Sludge	2,725.63 MT	2,736.86 MT
• ZLD Sludge	102.59 MT	121.14 MT
• ZLD Salt	723.98 MT	636.02 MT
➤ Any process or distillation residue (36.1)	29.83 MT	5.74 MT
➤ Spent carbon or filter medium (36.2)	251.16 MT	210.98 MT
➤ Spent Catalyst (28.2)	-	0.08 MT
➤ Sludge and Filter contaminated with oil (3.3)	0.002 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	16,440.00 MT	14,496.00 MT
➤ Bottom Ash	2,329.50 MT	2,247.50 MT
➤ Lime Grit	157.03 MT	245.39 MT
➤ Metal Waste	1,479.74 MT	133.77 MT
➤ Wood Waste	197.19 MT	2.20 MT
➤ Insulation Waste	12.66 MT	-
➤ Paper Waste	29.38 MT	-
Total (A+B+C+D+E+F+G+H)	31,717.52 MT	27,731.10 MT
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00000132 MT / Rupee of turnover	0.0000016 MT / Rupee of turnover
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations)	0.0000272 MT/Rupee of Turnover adjusted for PPP*	0.00000047 MT / Rupee of turnover adjusted for PPP **

Parameter	2024-25 Current Financial Year	2023-24 Previous Financial Year
Waste intensity in terms of physical output	0.074 / MT of product	0.086 / 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	496.37 MT	396.54 MT
(ii) Re-used	21,681.19 MT	18,093.00 MT
(iii) Other recovery operations	-	-
Total	22177.56 MT	18489.55 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1,734.20 MT	1,659.65 MT
(ii) Landfilling	7,805.76 MT	7,581.90 MT
(iii) Other disposal operations	-	-
Total	9,539.96 MT	9,241.55 MT

Note:

* For FY 2024-25, Waste intensity per rupee of turnover adjusted for PPP were calculated using conversion factor provided by International Monetary Fund (IMF).

** For FY 2023-24, Waste intensity per rupee of turnover adjusted for PPP were calculated using Price Level Index (PLI) adjusted dollar.

Accordingly, the Waste intensity per rupee of turnover adjusted for PPP for FY 2023-24 calculated using IMF conversion factor is 0.00003339 MT per Rupee of Turnover adjusted for PPP."

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 adopts environmentally responsible waste management practices, including recycling, reusing and disposal of waste materials as raw inputs for co-processing in cement and other industries, following appropriate preprocessing. Our waste management approach is firmly rooted in the 4R philosophy—Reduce, Reuse, Recycle, and Recover—aligning with the principles of a circular economy.

By minimising landfill disposal and promoting resource efficiency, we not only reduce our environmental footprint but also contribute to long-term industrial sustainability. These efforts help conserve natural resources and support the creation of a closed-loop system where waste is viewed as a valuable resource. Our commitment to eco-responsible practices reflects our broader vision of integrating sustainability into every aspect of our operations.





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 Project for Custom Manufactured Chemicals Division (CMCD) of Chemplast Sanmar Limited at Village Melavanjore, T. R. Pattinam, Karaikal, Puducherry UT.	EC23A2002PY5108221N	May 24, 2024	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			



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	2024-25 Current Financial Year	2023-24 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(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	-	-
(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. **Not Applicable.**



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

Parameter	Unit	2024-25 Current Financial Year	2023-24 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	8,679.55 tCO₂e*	16,339.37 tCO₂e*
Total Scope 3 emissions per rupee of turnover		0.000000360 tCO₂e/ Rupee of turnover	0.000000964 tCO₂e/ Rupee of turnover
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		0.02 tCO₂e/MT of product	0.05 tCO₂e/MT of product

***We have considered Category 4 (Upstream Transportation and Distribution) and Category 9(Downstream Transportation and Distribution) under scope 3 emission**

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.

There are no significant impacts 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 our 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 CO ₂ emission as well
3	Blending of biomass (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 and reused 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. ThyssenKrupp Uhde, Germany	This is an environment friendly and cleaner technology
2	Hydrogen is one of our 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 CO ₂ emission as well
3	Waste Heat Recovery Boiler installed in our Captive Power Plant - 1 & 2	Using gas engine for power generation (Clean Development Mechanism project)	a) Reduction in CO ₂ Emission (to an generate equivalent amount of steam by using LSHS) b) Fuel conservation (to generate an equivalent amount of steam by using LSHS) c) Steam generation

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
4	Sea water utilisation for Industrial water requirement	Sea water treated in Desalination Plant	Eliminating Ground / Surface water drawl
Berigai			
1	Mono fluid system	Lesser effluent generation due to Mono fluid	Water conservation - Approximately 1650 KL/Year (~2 % of Total Water consumption)
2	Innovation in Chemistry	Improvise the tech pack provided by the customer, to reduce the carbon footprint by reducing the waste generated.	Saving 3kg/kg of solvent generation and avoided 6kg of CO ₂ /kg of product.
3	On Purpose Adiabatic Cooling Towers	The adiabatic cooling is "on purpose" when the cold well temperature goes above 32 Deg C and when the temperature is below 32 Deg C the cooling tower becomes air cooled automatically.	water savings of up to 75% compared to conventional cooling towers. (~107310 KL/Year)
4	Zero Liquid Discharge	All waste water is completely recycled and reused in the process after treatment at ZLD plant	Significant reduction of around 43% (59,911.3 KL/year) in industrial water consumption
Cuddalore			
1	Desalinated water utilisation for Industrial water requirement	Desalinated water from sea water desalination plant	Eliminating Ground / Surface Water drawal
2	Zero Liquid Discharge	All waste water is completely recycled / reused in the process after treatment in ZLD	To reduce the industrial Water consumption quantity significantly

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link

A comprehensive Business Continuity Plan has been developed to serve as a strategic framework that outlines key measures and protocols to ensure the uninterrupted operation of our business. This plan reflects our unwavering commitment to maintaining a secure and reliable supply chain for our customers, even in the face of unforeseen disruptions or contingencies affecting our manufacturing facility. It is designed to;

- Anticipate and Manage Potential Failures that could threaten the continuity of business operations
- Recommend actions based on the expected duration of operational disruptions
- Provide clarity on Criteria for determining when a business interruption escalates into a disaster recovery scenario

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 assess 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 35% of critical Suppliers for Environmental and Social parameters during 2024-25.

8. How may Green Credits have been generated or procured

- a. By the listed entity
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partner.

During the fiscal year 2024-25, the company has not generated or procured any Green Credits.



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

	Name of the trade and industry chambers / associations		Reach of trade and industry chambers / associations (State / National)
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
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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 (in ₹)
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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:

		2024-25 Current Financial Year	2023-24 Previous Financial Year
Directly sourced from MSMEs / small producers	>	6.21%	9.89%
Directly from within India	>	34.08%	44.32%

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 (Place to be categorised as per RBI Classification System – rural / semi-urban / urban / metropolitan)

Location	2024-25 Current Financial Year	2023-24 Previous Financial Year
Rural	33.60%	43.93%
Semi-urban	4.50%	2.27%
Urban	26.20%	46.86%
Metropolitan	35.70%	6.95%



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 analyzing the samples of the affected material at our lab.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

Environmental and social parameters relevant to the product

Safe and responsible usage

Recycling and / or safe disposal



As a percentage to total turnover

99.13%

3. Number of consumer complaints in respect of the following:

	2024-25 Current Financial Year			2023-24 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	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade practices	Nil	Nil	NA	Nil	Nil	NA
Other	Nil	Nil	NA	Nil	Nil	NA

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

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No). If available, provide a web-link of the policy.

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.

The draft India's Digital Personal Data Protection (DPDP) Law has been notified and is expected to come into force from Apr' 26 or later. A specific policy related to Data Privacy on similar lines as the approved India Digital Personal Data Protection Law (DPDP), will be in place for operationalisation around the same period. Sanmar will incorporate the relevant and applicable notified framework of the DPDP Law along with Sanmar specific privacy policy requirements.

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.

Not Applicable

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 – Not Applicable
- c. Impact, if any, of the data breaches – Not Applicable

Financial Statements

Standalone - 150 - 209

Consolidated - 210-268

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 2025, 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 2025, and its loss 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 3.9 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 3.3.1 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 2025. 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 2025, 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.

Revaluation of property, plant and equipment

See Note 14 and 3.4 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has opted for revaluation model for measuring freehold / leasehold lands, buildings and plant and equipment ('revalued assets') and these revalued assets are carried in the books at the fair value less subsequent accumulated depreciation. Independent valuations are undertaken by external registered valuers at least once in every three years, or more frequently if there is an indicator that the fair value has changed significantly. Pursuant to this policy, management undertook an independent valuation in the current year and the Company has recognised revaluation surplus of Rs. 287.29 crores (net of tax of Rs. 64.37 crores). Revaluation of property, plant and equipment is considered to be a key audit matter due to the magnitude of the underlying amounts and judgements involved in the assessment of the fair value of these assets.	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 revalued assets as per Ind AS. - Tested the design, implementation and operating effectiveness of key controls relating to revaluation of revalued assets. - Obtained the independent registered valuer's report on valuation of revalued assets. - Involved our specialists to evaluate the valuation methodology and assumptions. - Challenged the valuation methodology, key assumptions and estimates used in valuation. - Compared the revaluation of revalued assets as per standalone financial statements with the fair value as per the valuation report. - Evaluated the Company's disclosures in the standalone financial statements in respect of revaluation.

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 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 2B(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 01 April 2025, 14 April 2025 and 15 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications 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) of the Act 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:

INDEPENDENT AUDITOR'S REPORT (Contd.)

- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 41 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 (ii) 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 (iii) 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 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 at the database level to log any direct data changes was enabled and operated from 14 May 2024 onwards. 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. Additionally, other than the periods where audit trail (edit log) facility was not enabled in the previous year, audit trail has been preserved by the Company as per the statutory requirements for record retention.
- 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 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

S Sethuraman

Partner

Place: Chennai

Date: 13 May 2025

Membership No.: 203491

ICAI UDIN:25203491BMLJSB7777



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2025

(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 has maintained proper records showing full particulars of intangible assets.
- (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 during the year except for 'Land', 'Buildings' and 'Plant and equipment (including Right of Use assets)', as class of Property, Plant and Equipment' (see Note 14 in the standalone financial statements).

The aforesaid revaluation is based on the valuation performed by a Registered Valuer and the amount of net change was Rs. 221.49 crores which is more than 10% in the aggregate of the net carrying value of total land. However

the amount of net change was less than 10% in the aggregate of the net carrying value of total Buildings and Plant and equipment (including Right of Use assets) as class of Property, Plant and Equipment.

- (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

ANNEXURE A (Contd.)

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 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 01 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, the 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 2025 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, other than Rs 27.30 crores which remain unutilised as at 31 March 2025 because the funds were received towards the end of the year.
- (d) 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 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



ANNEXURE A (Contd.)

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) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (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 not incurred cash losses in the current financial year. The Company has incurred cash losses of ₹ 57.56 crores 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

ANNEXURE A (Contd.)

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

S Sethuraman

Partner

Place: Chennai

Date: 13 May 2025

Membership No.: 203491

ICAI UDIN:25203491BMLJSB7777



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 2025

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 2001-02	Honorable High Court of Madras
Central Excise Act, 1944	Excise Duty/Service tax	1.50	1979-80 to 2016-17	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	1.81	1991-92 to 2017-18	CESTAT
Customs Act, 1962	Customs Duty	0.22	2012-13 to 2013-14	Commissioner of Customs (Appeals)
CGST Act, 2017	Goods and Service Tax	2.07	2017-18	GST Appellate Tribunal
CGST Act, 2017	Goods and Service Tax	6.91	2017-18 to 2020-21	Commissioner of GST and Central Tax (Appeals)
IGST Act, 2017	Goods and Service Tax	0.51	2017-18	GST Appellate Tribunal
IGST Act, 2017	Goods and Service Tax	1.85	2018-19	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	Deemed Demand Charges	0.40	2012-14	Honorable High Court of Madras
TWAD Act, 1970	Water Tax	0.54	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	23.07	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 2025

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)(g) 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 2025 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 2025, 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 of unauthorised acquisition, use or disposition of the



ANNEXURE B (Contd.)

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

S Sethuraman

Partner

Place: Chennai

Membership No.: 203491

Date: 13 May 2025

ICAI UDIN:25203491BMLJSB7777

STANDALONE BALANCE SHEET

as at March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	14	3,454.62	2,917.98
Capital work-in-progress	14.1	135.69	185.65
Other Intangible assets	14	6.63	-
Right-of-use assets	14.2	8.27	11.33
Investment in Subsidiaries	15	1,555.68	1,555.68
Financial assets			
(i) Investments	15	0.04	0.04
(ii) Other financial assets	16	30.46	26.23
Non-current tax assets (net)		6.46	9.79
Other non-current assets	17	34.95	16.01
		5,232.80	4,722.71
Current assets			
Inventories	18	395.76	381.67
Financial assets			
(i) Trade receivables	19	143.83	182.66
(ii) Cash and cash equivalents	20	404.39	282.72
(iii) Bank balances other than (ii) above	21	48.79	4.15
(iv) Other financial assets	22	14.22	104.68
Other current assets	23	199.06	151.67
		1,206.05	1,107.55
Total Assets		6,438.85	5,830.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	24	79.06	79.06
Other equity	25	4,117.62	3,761.20
Total Equity		4,196.68	3,840.26
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	26	581.22	499.31
(ia) Lease liabilities	14.3	-	1.12
(ii) Other financial liabilities	27	43.11	47.04
Deferred tax liabilities (net)	28	352.54	469.73
Other non-current liabilities	29	10.48	10.48
		987.35	1,027.68
Current liabilities			
Financial liabilities			
(i) Borrowings	30	408.20	151.46
(ia) Lease liabilities	14.3	1.12	4.11
(ii) Trade payables	31		
- total outstanding dues of micro enterprises and small enterprises		4.74	7.53
- total outstanding dues of creditors other than micro enterprises and small enterprises		624.14	587.58
(iii) Derivative liabilities	32	9.76	1.18
(iv) Other financial liabilities	33	149.41	158.55
Other current liabilities	34	40.14	31.39
Provisions	35	-	2.17
Current tax liability (net)		17.31	18.35
		1,254.82	962.32
Total liabilities		2,242.17	1,990.00
Total equity and liabilities		6,438.85	5,830.26

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai



STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	4	2,387.61	1,655.58
Other income	5	21.13	41.71
Total Income		2,408.74	1,697.29
Expenses			
Cost of materials consumed	6(a)	991.05	726.19
Purchase of stock-in-trade	6(b)	287.37	160.56
Changes in inventories of finished goods and work-in-progress	7	(44.47)	(38.40)
Employee benefits expense	8	184.04	117.61
Finance costs	9	86.81	32.70
Depreciation and amortisation expense	14	148.16	106.73
Other expenses	10	867.68	748.07
Total expenses		2,520.64	1,853.46
Profit / (Loss) before tax		(111.90)	(156.17)
Tax expense:	11		
Current tax			
a) Current year		-	-
b) Earlier years		-	0.68
Deferred tax		46.33	51.62
Profit / (Loss) after tax		(65.57)	(103.87)
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		(0.52)	0.63
- Income tax expense relating to remeasurement of defined benefit plans		0.13	(0.22)
- Revaluation of property, plant and equipment		351.66	-
- Income tax expense relating to revaluation of property, plant and equipment	11	70.72	-
Total other comprehensive income		421.99	0.41
Total comprehensive income for the year		356.42	(103.46)
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	13	(4.15)	(6.57)

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(111.90)	(156.17)
Adjustments for:		
Depreciation and amortisation expense	148.16	106.73
Finance costs	86.81	32.70
(Profit) / Loss on sale of property, plant and equipment (net)	(1.39)	(18.06)
Liabilities no longer required written back	(0.35)	(0.03)
Interest income on financial assets at amortised cost	(15.91)	(22.71)
Difference in fair value of derivative instruments	8.58	(2.08)
Unrealised (gain) / loss of foreign exchange transactions (net)	(4.21)	(0.67)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	109.79	(60.29)
Adjustments for changes in:		
Inventories	(14.08)	10.92
Trade and other receivables	71.66	(84.27)
Trade and other payables	49.15	44.56
CASH GENERATED FROM OPERATIONS	216.52	(89.08)
Income tax paid (net of refunds)	2.29	(8.90)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	218.81	(97.98)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipments	(345.77)	(601.57)
Proceeds from sale of property, plant and equipment	22.60	31.10
Deposits (placed) / realised (net) (including margin deposit)	(44.13)	11.16
Interest received	17.92	22.13
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(349.38)	(537.18)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	156.99	340.83
Repayment of long-term borrowings	(46.29)	(4.36)
Proceeds from short-term borrowings	787.18	220.23
Repayment of short-term borrowings	(557.84)	(113.35)
Payment of lease liability	(4.56)	(4.56)
Interest and finance charges paid	(83.24)	(33.15)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	252.24	405.64
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	121.67	(229.52)
Cash and cash equivalents at beginning of the year	282.72	512.24
Cash and cash equivalents at end of the year	404.39	282.72

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

S Sethuraman
Partner
Membership No. 203491
Place: Chennai
Date: May 13, 2025

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 13, 2025

M Raman
Company Secretary
Membership No. ACS 06248
Place: Chennai



STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2023	15,81,09,574	79.06
Changes during the year 2023-24	-	-
Balance at March 31, 2024	15,81,09,574	79.06
Changes during the year 2024-25	-	-
Balance at March 31, 2025	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, 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
Total comprehensive income	-	-	-	(65.96)	-	422.38	356.42
Depreciation on revalued assets	-	-	-	47.58	-	(47.58)	-
Balance at March 31, 2025	79.69	1,386.28	39.18	1,006.27	147.76	1,458.44	4,117.62

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

For and on behalf of the Board of Directors of

Chemplast Sanmar Limited

Vijay Sankar

Chairman

DIN: 00007875

Place: Chennai

N Muralidharan

Chief Financial Officer

Place: Chennai

Date: May 13, 2025

Ramkumar Shankar

Managing Director

DIN: 00018391

Place: Chennai

Sanjay Vijay Bhandarkar

Chairman - Audit Committee

DIN: 01260274

Place: Mumbai

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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 engaged in the business of production and sale of speciality chemicals. The registered office is located at Cathedral Road, Chennai. As of March 31, 2025, 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, 2024 to March 31, 2025 ("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.

These Financial Statements were authorised for issue by the Company's Board of Directors on May 13, 2025.

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):

- Derivative financial instruments
- Investment in unquoted equity shares other than investment in subsidiaries
- 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.

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, 2025, the Company has incurred a Loss before tax of ₹ 111.90 Crores (Loss before tax of ₹ 156.17 Crores for the year ended March 31, 2024). 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 / or utilise its unused credit facilities 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, 2025

(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 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 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 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 36.10.

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: 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



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 statement of profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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 a 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 statement of profit and 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 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 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

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

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 AS 117 on Insurance Contracts, respectively.

Wherever the Company has regarded its financial guarantee contracts as insurance contracts, at the end of each reporting period



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 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 36.9

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 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 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 Company follows the cost model for Motor cars, Office equipments, Furniture and Fittings. Other assets are measured at cost less depreciation. 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	10 years - 74 years
Plant and equipments	1 year - 65 years
Vehicles	5 years - 10 years
Computers and peripherals	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	1 year - 10 years
Ships	28 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 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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

3.5 Intangible Assets

3.5.1 Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.5.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

3.5.3 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:
Non-compete fees – 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6 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 asset excluding 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.

3.7 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.

3.8 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 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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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 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 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, an appropriate timeline and the employees affected have been notified of the plan's main features.

3.9 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. Goods and Service Tax (GST) is not received by the Company 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.

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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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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.

3.10 Other Income

Interest income:

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

3.11 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 lease 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

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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

3.12 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.

3.13 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 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 reassessed 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.

Tax assets and 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.

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:



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- 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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 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

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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 projected 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.

3.19 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.

3.20 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. As on date of this financial statements, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

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4 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Revenue from contracts with customers*		
Revenue from the sale of manufactured goods	2,063.55	1,481.94
Revenue from the sale of stock-in-trade	298.70	167.23
Revenue from the rendering of services	8.50	-
Leasing income	0.18	0.18
(ii) Other operating revenue		
Revenue from sale of scrap	14.16	5.44
Revenue from export incentives	2.52	0.79
	2,387.61	1,655.58

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, 2025	For the year ended March 31, 2024
Revenue as per contracted price	2,398.84	1,675.80
Adjustments towards:		
Volume rebates	17.75	11.64
Price concessions	10.75	7.42
Special discounts	8.09	7.57
Revenue as per statement of profit and loss	2,362.25	1,649.17

Contract balances

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables (contract asset)	143.83	182.66
Advance from customers (contract liability)	19.91	13.55
Revenue recognised from opening contract liabilities	13.55	10.23
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India	270.27	262.07
- Within India	2,117.34	1,393.51

*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, 2025	For the year ended March 31, 2024
Interest income under effective interest rate method on financial assets at amortised cost	15.91	22.71
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	1.39	18.06
Provisions no longer required written back	0.35	0.03
Recovery of bad debts	1.86	-
Miscellaneous income	1.62	0.91
	21.13	41.71

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6 Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Inventories of material at the beginning of the year	213.25	242.44
Add: Purchase	980.47	697.00
Inventories of material at the end of the year	202.67	213.25
	991.05	726.19
(b) Purchase of stock-in-trade	287.37	160.56
	287.37	160.56

7 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Work-in-progress	23.85	11.70
Finished Goods	37.07	10.82
	60.92	22.52
Inventories at the end of the year		
Work-in-progress	35.50	23.85
Finished Goods	69.89	37.07
	105.39	60.92
Difference between opening and closing inventories		
Work-in-progress	(11.65)	(12.15)
Finished goods	(32.82)	(26.25)
	(44.47)	(38.40)

8 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	171.09	106.58
Contribution to provident fund and others	7.62	6.54
Staff welfare expenses	5.33	4.49
	184.04	117.61

9 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	56.70	15.83
Other finance costs	30.11	16.87
	86.81	32.70

*Net off interest capitalised during the year ₹ 7.56 Crores (2023-24: ₹ 24.12 Crores).



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10 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	587.61	505.54
Stores consumed	36.93	27.16
Commission on sales	0.19	0.41
Rent	4.80	2.83
Insurance	9.61	9.01
Rates and taxes	6.53	15.70
Repairs and maintenance		
Machinery	50.63	44.47
Building	6.82	8.69
Others	13.63	20.72
Freight and handling	30.68	27.85
Difference in foreign exchange (net)*	10.05	7.05
Outside processing expenses	22.66	12.07
Operation & maintenance expenses	7.37	6.67
Legal and professional fees	18.42	14.52
Payment to auditor^	0.78	0.62
Miscellaneous expenses	60.97	44.76
	867.68	748.07
Expense relating to short-term leases (included in other expenses)	4.80	2.83

*Includes fair value loss on derivative instruments at FVTPL of ₹ 8.58 Crores (2023-24: Gain ₹ 2.07 Crores).

^ Payment to auditor

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	0.58	0.50
Limited review	0.10	0.08
Certification services	0.07	0.01
Reimbursement of expenses	0.03	0.03
	0.78	0.62

11 Income taxes expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of prior years	-	0.68
Deferred tax:		
Relating to origination and reversal of temporary differences	46.33	51.62
Income tax expense reported in statement of profit and loss	46.33	52.30
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	0.13	(0.22)
Revaluation of property, plant and equipment	(64.37)	-
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	135.09	-
Income tax charged to OCI	70.85	(0.22)

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Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2025

During the financial year 2024-25, the Company opted to exercise the provision under Section 115BAA of the Income Tax Act, 1961, effective from 2023-24. Consequently, the Deferred Tax Liability (net) as of March 31, 2024, along with the tax expense for 2024-25, was remeasured at a lower tax rate. Furthermore, following the amendment in tax rates affecting certain assets with long-term capital gains, as introduced in the Finance Act, 2024, the Company reassessed its deferred tax liabilities related to the revaluation of land. The cumulative impact of these adjustments resulted in the reversal of deferred tax liability, which is recognised in the statement of profit and loss and other comprehensive income, amounting to ₹ 18.41 Crores and ₹ 135.09 Crores, respectively.

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in India (25.168%) as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before tax	(111.90)	(156.17)
Profit before income tax multiplied by standard rate of corporate tax in India (25.168%) (March 31, 2024: 34.944%) as follows:	28.16	54.56
Effect of:		
Ineligible expenses	(0.75)	(1.46)
Deferred tax impact on account of adoption of new regime		
- on opening deferred tax base	18.41	-
Impact of income tax provision relating to earlier years	-	0.68
Differential tax rates on capital gains	(0.65)	(1.02)
Others	1.16	(0.46)
Net effective income tax expense	46.33	52.30

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, 2025	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	(0.39)	-	(0.39)
Revaluation of property, plant and equipment (net of taxes)	-	287.29	287.29
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	135.09	135.09
	(0.39)	422.38	421.99
During the year ended March 31, 2024	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	0.41	-	0.41
	0.41	-	0.41

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.



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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, 2025	For the year ended March 31, 2024
Profit / (Loss) after tax	(65.57)	(103.87)
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 (₹)	(4.15)	(6.57)
Diluted earnings per share (₹)	(4.15)	(6.57)

14 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Ships	Total	Intangibles
Cost or valuation:									
Balance at April 01, 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	-
Additions	17.21	62.49	234.51	3.76	0.23	1.31	30.18	349.69	8.23
Disposals	21.05	3.73	14.01	0.18	0.04	0.52	-	39.53	-
Adjustments towards revaluation* (Also refer Note 14.4)	221.49	(11.28)	(137.16)	-	-	-	-	73.05	-
Balance as at March 31, 2025	1,303.94	330.33	1,845.83	16.64	4.58	6.52	30.18	3,538.02	8.23
Accumulated depreciation and amortisation:									
Balance as at April 01, 2023	-	14.92	115.12	2.92	1.27	1.75	-	135.98	-
Depreciation and amortisation 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	-
Depreciation and amortisation expense	-	13.20	124.39	2.20	0.63	0.64	1.82	142.88	1.60
Eliminated on disposals of assets	-	3.73	14.01	0.17	0.04	0.37	-	18.32	-
Adjustments towards revaluation* (Also refer Note 14.4)	-	(28.73)	(249.26)	-	-	-	-	(277.99)	-
Balance as at March 31, 2025	-	6.22	64.73	6.19	2.08	2.36	1.82	83.40	1.60
Net Block									
Balance as at March 31, 2025	1,303.94	324.11	1,781.10	10.45	2.50	4.16	28.36	3,454.62	6.63
Balance as at March 31, 2024	1,086.29	257.37	1,558.88	8.90	2.90	3.64	-	2,917.98	-

Note:

For details of charge on property, plant and equipment refer Note 26.

*The accumulated depreciation of ₹ 277.99 Crores as at the date of revaluation is eliminated against the gross carrying amount of the asset and adjusted for gain on revaluation of PPE amounting to ₹ 351.04 Crores.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

14.1 Capital in work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	185.65	387.84
Additions	307.95	644.81
Assets capitalised during the year	357.91	847.00
Balance as at end of the year	135.69	185.65

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, 2025	As at March 31, 2024
Carrying amount		
Balance as at beginning of the year	11.33	12.57
Additions	-	4.16
Adjustments towards revaluation (Also refer Note 14.4)	0.62	-
Depreciation expense	3.68	3.18
Modification	-	(2.22)
Balance as at end of the year	8.27	11.33

Note: The carrying amount as at March 31, 2025 represents ₹ 0.77 Crores (March 31, 2024: ₹ 3.86 Crores) and ₹ 7.50 Crores (March 31, 2024: ₹ 7.47 Crores) towards plant and equipment and leasehold land respectively.

14.3 Carrying amounts of Lease liability recognised and movement during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	5.23	11.24
Accretion of interest	0.45	1.30
Payments	4.56	4.56
Modification	-	(2.75)
Balance as at end of the year	1.12	5.23
Current	1.12	4.11
Non-current	-	1.12

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	1.14	4.56
Later than one year and not later than five years	-	1.14
Total undiscounted lease liabilities	1.14	5.70

The following are the amounts recognised in statement of profit and loss relating to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use asset	3.68	3.18
Interest expense on lease liabilities	0.45	1.30
Expense relating to short-term leases (included in other expenses)	4.80	2.83
Modification of lease liability	-	(0.53)
Total amount recognised in statement of profit and loss	8.93	6.78



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

The following are the amounts recognised in statement of cash flows relating to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
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 leasehold land classified as ROU, 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 November 30, 2024, the properties' fair values are based on valuations performed by RB SA Valuation Advisors LLP (for other than land) and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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, 2025					
Cost	64.56	265.06	1,758.06	26.32	2,114.00
Accumulated depreciation	-	45.23	425.19	18.67	489.09
Net carrying amount	64.56	219.83	1,332.87	7.65	1,624.91
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

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, 2025				
Revalued property, plant and equipment				
Freehold land	1,303.93	-	181.68	1,122.25
Buildings	324.11	-	-	324.11
Plant and equipment	1,781.10	-	-	1,781.10
Revalued ROU				
Leasehold land	7.51	-	7.51	-
Plant and equipment	0.76	-	-	0.76
	3,417.41	-	189.19	3,228.22

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 equipment	1,558.88	-	-	1,558.88
Revalued ROU				
Leasehold land	7.47	-	7.47	-
Plant and equipment	3.86	-	-	3.86
	2,913.87	-	192.72	2,721.15

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.

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, 2025	As at March 31, 2024
(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 39 for details of investments and also refer Note 38).



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

16 Other non-current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	28.49	24.26
Margin deposits	0.07	0.07
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry receivables	0.56	0.56
Claims receivable	1.33	1.33
	30.46	26.23

17 Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	23.93	8.21
Advances other than capital advances		
Security deposit - Government Authorities	6.53	5.67
Prepaid expenses	4.49	2.13
	34.95	16.01

18 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and intermediates	202.67	213.25
Work-in-progress	35.50	23.85
Finished goods	69.89	37.07
Stores and spares	87.70	107.50
	395.76	381.67

Note (1) Inventories includes goods-in-transit

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and intermediates	20.74	15.07
Stores and spares	0.32	0.92
	21.06	15.99

19 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good**		
Receivable from related party (Refer Note 38)	0.61	0.12
Receivable from others	143.22	182.54
	143.83	182.66

** 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

20 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Bank balances		
- in current account	140.45	67.77
- Deposits with original maturity of less than three months	263.57	214.66
Cheques on hand	0.01	-
Cash on hand	0.28	0.26
Stamps on hand	0.08	0.03
	404.39	282.72

21 Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Margin deposits	48.78	-
Deposits with original maturity of more than three months but less than twelve months*	0.01	4.15
	48.79	4.15

*includes deposits marked as lien amounting to ₹ Nil (March 31, 2024: ₹ 4.14 Crores).

22 Other current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	6.84	4.41
Sundry receivables (Refer Note 38)	3.05	94.05
Claims receivable	4.33	3.70
Interest receivable	-	2.52
	14.22	104.68

23 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances other than capital advances		
Prepaid expenses	5.88	4.80
Balances with Government Authorities	159.58	122.88
Advance given to suppliers	33.60	23.99
	199.06	151.67

24 Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
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)		



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	As at March 31, 2025	As at March 31, 2024
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)		
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

A: Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	No. of Shares	Share Capital
Balance as at April 01, 2023	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2024	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2025	15,81,09,574	79.06

Shares held by holding company and its subsidiaries

Sanmar Holdings Limited and its nominees hold 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, 2024: ₹ 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, 2025		As at March 31, 2024	
	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	1,55,27,811	9.82%	1,52,33,965	9.64 %
Mirae Asset Tax Saver Fund	-	-	1,18,43,766	7.49 %
Amansa Holdings Private Limited	1,10,71,308	7.00%	81,29,958	5.14 %

C: Details of Shares held by promoters

Promoter name	As at March 31, 2025		
	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, 2024		
	No. of Shares	% of total shares	% Change during the year
Sanmar Holdings Limited	8,69,45,065	54.99 %	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

25 Other Equity

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	79.69	79.69
Capital redemption reserve	39.18	39.18
Securities premium	1,386.28	1,386.28
Asset revaluation reserve (Refer A below)	1,458.44	1,083.64
General reserve	147.76	147.76
Retained earnings (Refer B below)	1,006.27	1,024.65
	4,117.62	3,761.20

(A) Asset revaluation reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Balances at the beginning of the year	1,083.64	1,113.54
Depreciation on revalued assets	(47.58)	(29.90)
Other comprehensive income	422.38	-
Balances at the end of the year	1,458.44	1,083.64

(B) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Balances at the beginning of the year	1,024.65	1,098.21
Profit / (Loss) for the year	(65.57)	(103.87)
Other comprehensive income	(0.39)	0.41
Depreciation on revalued assets	47.58	29.90
Balances at the end of the year	1,006.27	1,024.65

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 share 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.

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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

26 Non current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured – at amortised cost		
Term Loans		
Term loan from banks	657.21	542.63
	657.21	542.63
Less: Current maturities of borrowings		
Term loan from banks	75.99	43.32
	75.99	43.32
	581.22	499.31

A) Summary of borrowing arrangements

Term loan from bank

- Term loan from bank amounting to ₹ 133.75 Crores (March 31, 2024: ₹ 138.66 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.
- Term loan from bank amounting to ₹ 225.48 Crores (March 31, 2024: ₹ 233.49 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.
- Term loan from bank amounting to ₹ 93.41 Crores (March 31, 2024: ₹ 95.23 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.
- Term loan from bank amounting to ₹ 170.10 Crores (March 31, 2024: ₹ 74.89 Crores) is secured by first pari passu charge over entire moveable property, plant and equipment of the Company.
- Vehicle loan from bank amounting to ₹ 0.30 Crores (March 31, 2024: ₹ 0.36 Crores) is secured by hypothecation of the vehicle purchased out of the loan financed.
- Term loan from bank amounting to ₹ 19.31 Crores (March 31, 2024: Nil) is secured by exclusive charge on ship.
- Term loan from bank amounting to ₹ 14.86 Crores (March 31, 2024: Nil) is secured by first pari passu charge on entire Movable fixed assets of the Company.

Repayment of loans

- Repayment of term loan amounting to ₹ 133.75 Crores in 25 structured quarterly installments, commencing from March 2024.
Note: Current interest rate of the above term loan is 8.05% (March 31, 2024: 8.61%).
- Repayment of term loan amounting to ₹ 225.48 Crores in 25 structured quarterly installments, commencing from September 2024.
Note: Current interest rate of the above term loan is 9.50% (March 31, 2024: 9.15%).
- Repayment of term loan amounting to ₹ 93.40 Crores in 25 structured quarterly installments, commencing from October 2024.
Note: Current interest rate of the above term loan is 8.94% (March 31, 2024: 9.44%).
- Repayment of term loan amounting to ₹ 170.12 Crores in 25 structured quarterly installments, commencing from September 2025.
Note: Current interest rate of the above term loan is 9.65% (March 31, 2024: 9.30%).
- Repayment of Vehicle loan amounting to ₹ 0.30 Crores in 60 structured quarterly installments, commencing from January 2024.
Note: Current interest rate of the above term loan is 8.85% (March 31, 2024: 8.85%).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

- (f) Repayment of term loan from bank amounting to ₹ 19.31 Crores (March 31, 2024: Nil) in 36 monthly instalments, commencing from April 2025.

Note: Current interest rate of the above term loan is 9.05%.

- (g) Repayment of term loan from bank amounting to ₹ 14.86 Crores (March 31, 2024: Nil) in 25 structured quarterly instalments, commencing from October 2026.

Note: Current interest rate of the above term loan is 9.04%.

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2024	108.14	542.63	650.77
Proceeds from borrowings	787.18	156.99	944.17
Repayment of borrowings	(557.84)	(46.29)	(604.13)
Interest payments and non-cash movements (net)	(5.27)	3.88	(1.39)
Debt as at March 31, 2025	332.21	657.21	989.42

Particulars	Liabilities from financing activities		
	Short-term 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

- C) In relation to the loan outstanding as at March 31, 2025, the Company has complied with all material terms of the loan agreements including financial covenants or obtained applicable waiver letters / other relevant affirmations from the lenders.

27 Other non-current financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Trade deposits	2.20	1.87
Accrued salaries and benefits	26.38	29.82
Other payables	14.53	15.35
	43.11	47.04

28 Deferred tax liabilities / (assets) (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Difference between book and tax written down value of depreciable property, plant and equipment	438.29	581.36
MTM / forward premium claimable in future	(1.54)	0.44
Difference in allowable expenditure on foreign exchange contracts	(0.73)	(0.73)
Unabsorbed depreciation / carried forward business losses	(68.38)	(96.23)
Expenses allowable on payment basis	(14.79)	(13.98)
Employees separation scheme	(0.31)	(1.13)
	352.54	469.73



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	As at March 31, 2025	As at March 31, 2024
Reconciliation of deferred tax liabilities (net)		
Opening balance	469.73	521.13
Change in statement of profit and loss	(46.33)	(51.62)
Change in other comprehensive income	(70.86)	0.22
Closing balance	352.54	469.73

29 Other non - current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Other liabilities	10.48	10.48
	10.48	10.48

30 Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured – at amortised cost		
Current maturities of long-term borrowings		
- Term loan from Banks	75.99	43.32
Buyer's credit	332.21	108.14
	408.20	151.46

Security particulars

Working capital limits from banks are secured by a first pari passu charge on inventories and all current assets and second pari passu charge on all moveable fixed assets.

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, 2025	As at March 31, 2024
Payable to related parties (Refer Note 38)	11.66	7.33
Payable to others*	617.22	587.78
	628.88	595.11

*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 ₹ 4.74 Crores (March 31, 2024: ₹ 7.53 Crores) (Also refer Note 43).

*Also Refer Note 50 for Trade payables ageing schedule.

32 Derivative instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Derivative liability [#]	9.76	1.18
	9.76	1.18

[#]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, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

33 Other current financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Payable / Accrual towards capital expenditure*	43.82	65.92
Accrued salaries and benefits	56.75	46.78
Trade deposits	0.06	0.26
Other payables	48.78	45.59
	149.41	158.55

*Includes dues for payment to Micro and Small Enterprises ₹ 5.36 Crores (March 31, 2024: ₹ 8.85 Crores) (Also refer Note 43).

34 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Advance from customers	19.91	13.55
Withholding and other tax payables	5.43	3.84
Other liabilities	14.80	14.00
	40.14	31.39

35 Current provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits	-	2.17
	-	2.17

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, 2025 and March 31, 2024 were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (i)	989.42	650.77
Cash and cash equivalents	404.39	282.72
Net debt	585.03	368.05
Equity (ii)	4,196.67	3,840.24
Gearing ratio	0.14	0.10

(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, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

36.2 Categories of financial assets and liabilities carried at amortised cost

36.2.1 Financial assets at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents (Note 20)	404.39	282.72
Other bank balances (Note 21)	48.79	4.15
Trade receivables (Note 19)	143.83	182.66
Other financial assets (Note 16 and 22)	44.68	130.91
Total	641.69	600.44

36.2.2 Financial liabilities at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (Note 26 and 30)	989.42	650.77
Trade payables (Note 31)	628.88	595.11
Other financial liabilities (Note 27 and 33)	192.51	205.59
Lease liability (Note 14.3)	1.12	5.23
Total	1,811.93	1,456.70

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 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) and EURO. 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, 2025

(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, 2025		As at March 31, 2024	
	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 %	(5.74)	1 %	2.72
EUR	1 %	0.03	1 %	(0.01)

36.6 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, 2025		As at March 31, 2024	
	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	4.92	100	3.53

36.7 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, 2025.

36.7.1 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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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, 2025	139.44	4.39	-	143.83
Trade receivables as of March 31, 2024	181.98	0.68	-	182.66

36.7.2 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.

36.8 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, 2025	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	781.61	43.11	824.72
Interest bearing	415.76	581.22	996.98
	1,197.37	624.33	1,821.70

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

36.9 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, 2025

Particulars	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	9.76	-	9.76	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Fair value hierarchy as at March 31, 2024

Particulars	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	-

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.

36.10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial assets				
Investments	0.04	0.04	0.04	0.04
Other financial assets				
Deposits	84.20	32.90	84.20	32.90
Sundry receivables	3.61	97.13	3.61	97.13
Claims receivable	5.66	5.03	5.66	5.03
Trade receivables	143.83	182.66	143.83	182.66
Cash and cash equivalents	404.39	282.72	404.39	282.72
	641.73	600.48	641.73	600.48

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	657.21	542.63	657.21	542.63
Fixed rate borrowings	332.21	108.14	332.21	108.14
Lease liability	1.12	5.23	1.12	5.23
Trade payables	628.88	595.11	628.88	595.11
Other financial liabilities				
Accrued salaries and benefits	83.13	76.60	83.13	76.60
Payable / Accrual towards capital expenditure	43.82	65.92	43.82	65.92
Other payables	65.56	63.07	65.56	63.07
Derivatives not designated as hedge				
Derivative (asset) / liability	9.76	1.18	9.76	1.18
	1,821.69	1,457.88	1,821.69	1,457.88

- 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.
- 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.
- 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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

37 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 2025:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Change in Price	Impact on post tax profits and equity	Change in Price	Impact on post tax profits and equity
Coal	5 %	6.88	5 %	5.92
Methanol	5 %	1.06	5 %	0.94
Total		7.94		6.86

38 Related party transactions

List of parties where control exists

Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)
Sanmar Holdings Limited

Ultimate Holding Company

Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow subsidiaries

Sanmar Group International Limited
TCI Sanmar Chemicals S.A.E.
Sanmar Overseas Investments AG

Other related party

Sanmar Shipping Limited

Directors

Vijay Sankar
Ramkumar Shankar (Managing Director)
Chandran Ratnaswami (upto May 10, 2024)
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)
Sumit Maheshwari (from May 20, 2024)

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, 2025, 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, 2025

(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		Other related party		Directors	
	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24
Transactions during the year								
Sale of materials								
Chemplast Cuddalore Vinyls Limited	-	-	300.00	172.80	-	-	-	-
Sale of services								
Chemplast Cuddalore Vinyls Limited	-	-	0.41	-	-	-	-	-
Purchase of materials								
Chemplast Cuddalore Vinyls Limited	-	-	15.34	4.39	-	-	-	-
Purchase of services								
Chemplast Cuddalore Vinyls Limited	-	-	5.13	0.43	-	-	-	-
Purchase of steam								
Chemplast Cuddalore Vinyls Limited	-	-	18.56	2.68	-	-	-	-
Rent paid								
Chemplast Cuddalore Vinyls Limited	-	-	0.11	-	-	-	-	-
Reimbursement of expenses - received								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	-	0.10	-	-	-	-	-
Sanmar Shipping Limited	-	-	-	-	0.28	-	-	-
Chemplast Cuddalore Vinyls Limited	-	-	9.19	-	-	-	-	-
Reimbursement of expenses - paid								
Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)	-	-	0.01	-	-	-	-	-
Sanmar Shipping Limited	-	-	-	-	0.20	-	-	-
Chemplast Cuddalore Vinyls Limited	-	-	7.88	-	-	-	-	-
Remuneration								
Short-term benefits								
Ramkumar Shankar	-	-	-	-	-	-	4.63	5.48
Sitting fees								
Dr. Lakshmi Vijayakumar	-	-	-	-	-	-	0.05	0.03
Aditya Jain	-	-	-	-	-	-	0.06	0.04
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	0.08	0.06
Vikram Taranath Hosangady	-	-	-	-	-	-	0.05	0.03
Prasad Raghava Menon	-	-	-	-	-	-	0.06	0.04
Commission								
Dr. Lakshmi Vijayakumar	-	-	-	-	-	-	0.08	0.08
Aditya Jain	-	-	-	-	-	-	0.08	0.08
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	0.08	0.08
Prasad Raghava Menon	-	-	-	-	-	-	0.08	0.08
Balances as at year end	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments	-	-	1,555.72	1,555.72	-	-	-	-
Sundry receivables	-	-	-	87.33	-	-	-	-
Sundry payables	-	-	-	0.02	-	-	-	-
Trade receivables	-	-	0.61	0.12	-	-	-	-
Trade payables	-	-	11.66	7.33	-	-	-	-

Refer Note 39 (ii) for details of guarantee provided by the Company.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

39 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, 2025	As at March 31, 2024
Unquoted fully paid equity shares			
TCI Sanmar Chemicals S.A.E.	15	0.04	0.04
March 31, 2025: 2 (March 31, 2024: 2) Equity shares, fully paid up, par value EGP 1000 each			
Chemplast Cuddalore Vinyls Limited	15	300.35	300.35
March 31, 2025: 30,30,30,303 (March 31, 2024: 30,30,30,303) Equity shares, fully paid up, par value ₹ 10 each			

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, 2025	As at March 31, 2024
Compulsorily Convertible Debentures (CCD)			
Chemplast Cuddalore Vinyls Limited	15	1,255.33	1,255.33
March 31, 2025: 12,55,33,516 (March 31, 2024: 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 ₹ 100.26 Crores (March 31, 2024: ₹ 156.48 Crores) availed by the Subsidiary Company, Chemplast Cuddalore Vinyls Limited.

40 Segment reporting

The Company's operations predominantly relate to manufacture and sales of Speciality 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 revenue from one customer contributing to more than 10% amounts to ₹ 263.25 Crores (Previous year two customers contributing to more than 10% amounted to ₹ 411.78 Crores).

41 Contingent liabilities and guarantees

Particulars	As at March 31, 2025	As at March 31, 2024
A. Contingent liabilities		
Claims against the Company not acknowledged as debts:		
On account of Direct Taxes	62.29	36.62
On account of Indirect Taxes	27.73	22.41
On account of other disputes	15.97	16.02
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	100.26	156.48
- (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 ₹ 100.26 Crores (Previous year ₹ 156.48 Crores))		
	206.25	231.53

*The Company is of the opinion that the above demands are not sustainable and expects to succeed in its appeals.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

42 Capital commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	286.38	289.64
	286.38	289.64

43 Dues to micro and small enterprises

As at March 31, 2025, 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.

44 Corporate Social Responsibility

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Amount required to be spent by the Company during the year	2.96	4.27
(ii) Amount of expenditure incurred	2.98	4.17
(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.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Excess amount spent on CSR		
Opening balance	0.03	0.13
Amount required to be spent during the year	2.96	4.27
Amount spent during the year	2.98	4.17
Closing balance	0.05	0.03

The Company has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2025 and the same is carried forward to the next year for utilisation as per applicable provisions of Companies Act, 2013.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.
- (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, 2025 by an independent actuary.

The principal assumptions used for the purposes of the actuarial valuations were as follow:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.98%	6.97 %
Return on plan assets	6.98%	6.97 %
Expected rate(s) of salary increase	7.00%	7.00 %
Attrition rate	2.00%	2.00 %
Average duration of defined benefit obligations (in years)	9.40	9.40

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Particulars	As at March 31, 2025	As at March 31, 2024
Cost of defined benefit plans are as follows:		
Current service cost	1.94	1.80
Interest on obligation	1.14	1.14
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.15)	(1.07)
Net cost recognised in the Statement of profit and loss	1.93	1.87
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains) / losses recognised in the year	0.52	(0.63)
Net (gains) / losses recognised in the other comprehensive income	0.52	(0.63)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	19.12	17.13
Fair value of plan assets	19.12	14.96
Net liability / (asset)	0.00	2.17

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Movements in the present value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	14.96	15.79
Return on plan assets	1.15	1.07
Actuarial gains / (losses)	(0.05)	(0.01)
Contributions from the employer	4.62	-
Transfer of obligations	(0.03)	(0.08)
Benefits paid	(1.53)	(1.81)
Closing fair value of plan assets	19.12	14.96

Movements in the present value of the define benefit obligation in the current year were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening defined benefit obligation	17.12	16.71
Current service cost	1.94	1.80
Interest cost	1.14	1.14
Actuarial (gains) / losses	0.48	(0.64)
Transfer of obligations	(0.03)	(0.08)
Benefits paid	(1.53)	(1.80)
Closing defined benefit obligation	19.12	17.13
Actuarial (gain) / loss on obligations attributable to change in financial assumptions	(0.02)	(0.06)
Actuarial (gain) / loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain) / loss on obligations attributable to experience adjustments	0.49	(0.58)
Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]		
Year 1	1.52	1.70
Year 2	4.06	3.38
Year 3	1.59	1.66
Year 4	0.91	1.02
Year 5	2.31	1.20
Years 6 through 10	6.44	5.89

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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 ₹ 5.82 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 %	(0.01)	0.20	(1.53)
Decrease in discount rate by 1%	0.57	0.07	1.80
Increase in salary escalation by 1%	0.57	0.27	1.81
Decrease in salary escalation by 1%	(0.02)	0.03	(1.56)

47 Analytical ratios

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Remarks
Current ratio	Current Assets	Current Liabilities	0.96	1.15	(16.52%)	
Debt-equity ratio	Total Debt	Shareholder's Equity	0.24	0.17	41.18%	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	1.29	0.35	268.57%	Increase in earning for debt service over and above the increase in debt service in 2024-25 has resulted in increased debt service coverage ratio
Return on equity ratio	Net Profits after taxes	Avg. Shareholder's Equity	(2.39%)	(3.72 %)	(35.75%)	Loss after tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative return on equity
Inventory turnover ratio	Net Sales	Avg. Inventory	6.14	4.28	43.46%	Higher net sales in 2024-25 has resulted in higher inventory turnover ratio.
Trade receivables turnover ratio	Net Sales	Avg. Trade Receivable	14.63	7.55	93.77%	Higher net sales together with lower average trade receivables in 2024-25 has resulted in higher trade receivable turnover ratio.
Trade payables turnover ratio	Net Purchases	Avg. Trade Payables	2.07	1.47	40.82%	Increase in value of purchases during 2024-25 on account of full year operations of Cuddalore Paste PVC and operational of multi purpose blocks of Customs Manufacturing Chemicals division together with higher prices despite increase in average trade payables has caused increase in trade payable turnover ratio.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Remarks
Net capital turnover ratio	Net Sales	Working Capital	6.62	5.50	20.36%	Higher net sales despite increase in working capital in 2024-25 has resulted in increase in net capital turnover ratio
Net profit ratio	Net Profits after taxes	Net Sales	(2.75%)	(6.27 %)	(56.14%)	Loss after tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative net profit ratio
Return on capital employed	EBIT	Capital Employed	(0.61%)	(3.18 %)	(80.82%)	Loss after tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative return on capital employed
Return on investment	Net Profit after taxes	Average Total Assets	(1.46%)	(2.51 %)	(41.83%)	Loss after tax incurred in 2024-25 was lower than that of 2023-24 resulting in lower negative return on investment

- 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 = Earnings 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, 2025					
Projects in progress	24.13	104.10	2.40	5.06	135.69
Projects temporarily suspended	-	-	-	-	-
Total	24.13	104.10	2.40	5.06	135.69
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

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 STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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, 2025							
(i) Undisputed trade receivables - considered good	139.44	4.39	0.00	0.00	-	-	143.83
(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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-

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, 2025									
(i) MSME	-	4.40	-	0.09	0.25	-	-	-	4.74
(ii) Others	71.29	71.60	0.10	456.70	21.42	0.31	0.32	2.40	624.14
(iii) MSME disputed dues	-	-	-	-	-	-	-	-	-
(iv) Others disputed dues	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-

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, 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

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 independent valuation specialists to assess fair value for revaluation of land, buildings, plant and equipment as at November 30, 2024. 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.



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

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.

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership 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 2025, 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 2025, of its consolidated loss 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 3.8 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.)

Revaluation of property, plant and equipment

See Note 14 and 3.4 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group has opted for revaluation model for measuring freehold / leasehold land, buildings and plant and equipment ('revalued assets') and these revalued assets are carried in the books at the fair value less subsequent accumulated depreciation. Independent valuations are undertaken by external registered valuers at least once in every three years, or more frequently if there is an indicator that the fair value has changed significantly. Pursuant to this policy, management undertook an independent valuation in the current year and the Group has recognised revaluation surplus of Rs. 341.26 crores (net of tax of Rs. 76.63 crores). Revaluation of property, plant and equipment is considered to be a key audit matter due to the magnitude of the underlying amounts and judgements involved in the assessment of the fair value of these assets.	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 revalued assets as per Ind AS. - Tested the design, implementation and operating effectiveness of key controls relating to revaluation of revalued assets. - Obtained the independent registered valuer's report on valuation of revalued assets. - Challenged the valuation methodology, key assumptions and estimates used in valuation. - Involved our specialists to evaluate the valuation methodology and assumptions. - Compared the revaluation of revalued assets as per consolidated financial statements with the fair value as per the valuation report. - Evaluated the Group's disclosures in the consolidated financial statements in respect of revaluation.

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 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

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



INDEPENDENT AUDITOR'S REPORT (Contd.)

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, 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 01 April 2025, 14 April 2025 and 15 April 2025 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 2025 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) of the Act 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 2025 on the consolidated financial position of the Group. Refer Note 41 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 2025.
 - 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 2025.
 - 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(ii) 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

INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 (iii) to the consolidated financial statements, no funds have been received 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 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 Group 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 at the database level to log any direct data changes was enabled and operated from 14 May 2024 onwards. 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. Additionally, other than the periods where audit trail (edit log) facility was not enabled in the previous year, audit trail has been preserved by the Group as per the statutory requirements for record retention.
- 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

S Sethuraman

Partner

Place: Chennai

Date: 13 May 2025

Membership No.: 203491

ICAI UDIN:25203491BMLJRY4745



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2025

(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 remarks 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 Cuddalore Vinyls Limited	U24100TN199 1PLC020589	Subsidiary	Clause (i)(c)* Clause (xvii)#

*This clause pertains to title deeds of certain immovable properties not held in the name of the Subsidiary.

#This clause pertains to cash losses incurred by the Subsidiary in the current and previous financial year.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

S Sethuraman

Partner

Membership No.: 203491

ICAI UDIN:25203491BMLJRY4745

Place: Chennai

Date: 13 May 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CHEMPLAST SANMAR LIMITED FOR THE YEAR ENDED 31 MARCH 2025

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)(g) 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 2025, 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 2025, 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

S Sethuraman

Partner

Place: Chennai

Date: 13 May 2025

Membership No.: 203491

ICAI UDIN:25203491BMLJRY4745

CONSOLIDATED BALANCE SHEET

as at March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	14	4,397.97	3,846.41
Capital work-in-progress	14.1	137.46	189.66
Other Intangible assets	14	6.63	-
Right-of-use assets	14.2	94.63	60.42
Financial assets			
(i) Investments	15	0.04	0.04
(ii) Other financial assets	16	42.35	35.70
Non-current tax assets (net)		11.29	38.32
Other non-current assets	17	37.65	18.77
		4,728.02	4,189.32
Current assets			
Inventories	18	657.29	568.63
Financial assets			
(i) Trade receivables	19	155.43	190.05
(ii) Cash and cash equivalents	20	554.83	724.44
(iii) Bank balances other than (ii) above	21	169.16	76.75
(iv) Other financial assets	22	29.37	109.25
Other current assets	23	209.09	171.86
		1,775.17	1,840.98
Total Assets		6,503.19	6,030.30
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	1,955.05	1,587.20
Total Equity		2,068.43	1,700.58
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	27	1,102.47	1,102.14
(ia) Lease liabilities	14.3	-	1.12
(ii) Other financial liabilities	28	46.93	50.57
Deferred tax liabilities (net)	29	531.23	651.49
Other non-current liabilities	30	39.29	40.86
		1,719.92	1,846.18
Current liabilities			
Financial liabilities			
(i) Borrowings	31	738.13	440.14
(ia) Lease liabilities	14.3	1.12	4.11
(ii) Trade payables	32		
- total outstanding dues of micro enterprises and small enterprises		5.81	10.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,661.09	1,735.45
(iii) Derivative liabilities	33	15.90	4.88
(iv) Other financial liabilities	34	207.91	214.66
Other current liabilities	35	67.43	52.37
Provisions	36	-	3.14
Current tax liability (net)		17.45	18.49
		2,714.84	2,483.54
Total liabilities		4,434.76	4,329.72
Total equity and liabilities		6,503.19	6,030.30

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	4	4,346.07	3,922.98
Other income	5	47.05	80.47
Total Income		4,393.12	4,003.45
Expenses			
Cost of materials consumed	6(a)	2,918.46	2,715.81
Purchase of stock-in-trade	6(b)	-	0.85
Changes in inventories of stock-in-trade finished goods and work-in-progress	7	(165.54)	(8.49)
Employee benefits expense	8	259.31	170.22
Finance costs	9	235.88	180.52
Depreciation and amortisation expense	14	198.91	151.36
Other expenses	10	1,115.17	1,018.75
Total expenses		4,562.19	4,229.02
Profit / (Loss) before tax		(169.07)	(225.57)
Tax expense:	11		
Current tax			
a) Current year		-	-
b) Earlier years		-	1.69
Deferred tax		58.71	65.45
Profit / (Loss) after tax		(110.36)	(158.43)
Other comprehensive income	12		
Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit plans		(1.23)	0.81
- Income tax expense relating to remeasurement of defined benefit plans		0.31	(0.26)
- Revaluation of property, plant and equipment		417.89	-
- Income tax expense relating to revaluation of property, plant and equipment	11	61.24	-
Total other comprehensive income attributable to the owners of the parent		478.21	0.55
Total comprehensive income attributable to owners of the parent		367.85	(157.88)
Basic and Diluted earnings per share (equity shares, par value ₹ 5/- each)	13	(6.92)	(10.02)

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAX	(169.07)	(225.57)
Adjustments for:		
Depreciation and amortisation expense	198.91	151.36
Finance costs	235.87	180.52
(Profit) / Loss on sale of property, plant & equipment (net)	(1.39)	(18.06)
Liabilities no longer required written back	(0.38)	(0.03)
Interest income on financial assets at amortised cost	(40.18)	(59.84)
Difference in fair value of derivative instruments	11.02	(4.41)
Unrealised (gain) / loss of foreign exchange transactions (net)	(6.84)	(0.55)
Government grant income	(1.58)	(1.58)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	226.36	21.84
Adjustments for changes in:		
Inventories	(88.65)	74.46
Trade and other receivables	62.38	(166.88)
Trade and other payables	(54.41)	(154.28)
CASH GENERATED FROM OPERATIONS	145.68	(224.86)
Income tax paid (net of refunds)	25.99	(20.07)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	171.67	(244.93)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipments	(382.23)	(618.94)
Proceeds from sale of property, plant and equipment	22.60	31.10
Deposits (placed) / realised (net) (including margin deposit)	(90.48)	4.17
Interest received	42.74	59.66
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(407.37)	(524.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	183.38	571.36
Repayment of long-term borrowings	(178.05)	(252.71)
Proceeds from short-term borrowings	1,658.90	613.43
Repayment of short-term borrowings	(1,355.99)	(357.71)
Payment of lease liability	(4.56)	(4.56)
Interest and finance charges paid	(237.59)	(187.41)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES	66.09	382.40
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(169.61)	(386.54)
Cash and cash equivalents at beginning of the year	724.44	1,110.98
Cash and cash equivalents at end of the year	554.83	724.44

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

For and on behalf of the Board of Directors of

Chemplast Sanmar Limited

Vijay Sankar

Chairman

DIN: 00007875

Place: Chennai

N Muralidharan

Chief Financial Officer

Place: Chennai

Date: May 13, 2025

Ramkumar Shankar

Managing Director

DIN: 00018391

Place: Chennai

Sanjay Vijay Bhandarkar

Chairman - Audit Committee

DIN: 01260274

Place: Mumbai

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated)

(a) Equity share capital

Particulars	Number of shares	Amount
Balance at April 01, 2023	15,81,09,574	79.06
Changes during the year 2023-24	-	-
Balance at March 31, 2024	15,81,09,574	79.06
Changes during the year 2024-25	-	-
Balance at March 31, 2025	15,81,09,574	79.06

(b) Instruments entirely equity in nature

Particulars	Number of shares	Amount
Balance at April 01, 2023	34,31,984	34.32
Changes during the year 2023-24	-	-
Balance at March 31, 2024	34,31,984	34.32
Changes during the year 2024-25	-	-
Balance at March 31, 2025	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, 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
Total comprehensive income	-	-	-	(111.28)	-	479.13	367.85
Depreciation on revalued assets	-	-	-	66.50	-	(66.50)	-
Balance at March 31, 2025	(3,230.72)	1,386.28	39.25	1,689.11	147.76	1,923.37	1,955.05

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

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

Vijay Sankar

Chairman

DIN: 00007875

Place: Chennai

Date: May 13, 2025

Ramkumar Shankar

Managing Director

DIN: 00018391

Place: Chennai

Date: May 13, 2025

Sanjay Vijay Bhandarkar

Chairman - Audit Committee

DIN: 01260274

Place: Chennai

Date: May 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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, 2025, 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, 2024 to March 31, 2025 ("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.

These Consolidated Financial Statements were authorised for issue by the Holding Company's Board of Directors on May 13, 2025.

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):

- Derivative financial instruments
- Investment in unquoted equity shares
- 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.

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:

- 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.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- 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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

as fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires 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, 2025	March 31, 2024
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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

2.4 Appropriateness of the Going Concern Assumption in the Preparation of the Financial Statements:

During the year ended March 31, 2025, the Group has incurred a Loss before tax of ₹ 169.06 Crores (Loss before tax of ₹ 225.57 Crores for the comparative year ended March 31, 2024). 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.



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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.

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

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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 37.10

3.3.1.1. Impairment of Financial Assets

In accordance with Ind AS 109, the Group 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 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 analyzed.

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



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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.

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 a 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.

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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 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 117 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 37.10.

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.



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3.4 Property, Plant and Equipment

3.4.1. Recognition and Measurement

Property, Plant & 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.

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 depreciation. 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 or loss 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	10 years - 74 years
Plant and equipments	1 year - 65 years
Vehicles	5 years - 13 years
Computers and peripherals	3 years
Office equipments	3 years - 5 years
Furniture and fixtures	1 year - 10 years
Ships	28 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

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depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Intangible Assets

3.5.1 Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Following initial recognition, other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.5.2 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

3.5.3 Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:
Non-compete fees – 3 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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 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.

3.7 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



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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, 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 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 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 transactional 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.

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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.

3.9 Other Income

Interest income:

Interest income is recognised using the Effective Interest Rate (EIR) method.

3.10 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 lease 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 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:

Plant and Machinery - 7 Years
Land - 15 Years & 14 Years and 1 Month.

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.

3.11 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



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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.

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 reassessed 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.

Tax assets and 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.

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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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.

3.12 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 Group's cash management.

3.13 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.

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.

3.14 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 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.

3.15 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 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



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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 projected 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.

3.17 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity share holder of the Group by the weighted average number of equity share holder 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.

3.18 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. As on date of this financial statements, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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4 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Revenue from contract with customers*		
Revenue from the sale of manufactured goods	4,319.95	3,914.71
Revenue from the sale of stock-in-trade	-	0.85
Revenue from the rendering of services	8.39	0.43
Leasing income	0.18	0.18
(ii) Other operating revenue		
Revenue from sale of scrap	15.03	6.02
Revenue from export incentives	2.52	0.79
	4,346.07	3,922.98

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, 2025	For the year ended March 31, 2024
Revenue as per contracted price	4,475.79	4,043.22
Adjustments towards:		
Volume rebates	95.23	83.28
Price concessions	15.92	16.35
Special discounts	44.69	28.03
Revenue as per statement of profit and loss	4,319.95	3,915.56

Contract balances

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables (contract asset)	155.43	190.05
Advance from customers (contract liability)	38.66	26.03
Revenue recognised from opening contract liabilities	26.03	36.57
Revenue recognised from contracts with customers (including other operating revenue)		
- Outside India [^]	270.27	262.07
- Within India	4,075.80	3,660.91

*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, 2025	For the year ended March 31, 2024
Interest income under effective interest rate method on financial assets at amortised cost	40.18	59.84
Other non-operating income		
Gain on disposal of property, plant and equipment (net)	1.39	18.06
Provisions no longer required written back	0.39	0.03
Amortisation of Government grants	1.57	1.58
Recovery of bad debts	1.86	-
Miscellaneous income	1.66	0.96
	47.05	80.47



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6 Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Inventories of material at the beginning of the year	371.30	432.59
Add: Purchase	2,870.70	2,654.52
Inventories of material at the end of the year	323.54	371.30
	2,918.46	2,715.81
(b) Purchase of stock-in-trade	-	0.85
	-	0.85

7 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Work-in-progress	25.13	19.19
Finished Goods	38.38	35.83
	63.51	55.02
Inventories at the end of the year		
Work-in-progress	37.75	25.13
Finished Goods	191.30	38.38
	229.05	63.51
Difference between opening and closing inventories		
Work-in-progress	(12.62)	(5.94)
Finished goods	(152.92)	(2.55)
	(165.54)	(8.49)

8 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	242.18	155.54
Contribution to provident fund and others	10.78	9.09
Staff welfare expenses	6.35	5.59
	259.31	170.22

9 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on financial liabilities measured at amortised cost using effective interest rate method*	128.26	86.72
Other finance costs	107.62	93.80
	235.88	180.52

*Net off interest capitalised during the year ₹ 7.56 Crores (2023-24: ₹ 24.12 Crores).

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10 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	666.18	599.00
Stores consumed	103.08	97.77
Commission on sales	5.69	7.56
Rent	8.58	5.35
Insurance	16.15	17.38
Rates and taxes	7.84	16.72
Repairs and maintenance		
Machinery	60.85	51.73
Building	7.58	9.44
Others	20.06	25.89
Freight and handling	33.68	34.16
Difference in foreign exchange (net)*	31.46	33.79
Outside processing expenses	22.66	12.07
Operation and maintenance expenses	21.01	19.42
Legal and professional fees	28.52	21.50
Payment to auditor	1.19	0.99
Miscellaneous expenses	80.64	65.98
	1,115.17	1,018.75

Expense relating to short-term leases (included in other expenses) 8.58 5.35

*Includes fair value loss on derivative instruments at FVTPL of ₹ 11.02 Crores (2023-24: gain ₹ 4.41 Crores).

11 Income taxes expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax:		
Adjustments in respect of current income tax of prior years	-	1.69
Deferred tax:		
Relating to origination and reversal of temporary differences	58.71	65.45
Income tax expense reported in statement of profit and loss	58.71	67.14
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	0.31	(0.26)
Revaluation of property, plant and equipment	(76.63)	-
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	137.87	-
Income tax charged to OCI	61.55	(0.26)

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for March 31, 2025

During the financial year 2024-25, the Holding Company opted to exercise the provision under Section 115BAA of the Income Tax Act, 1961, effective from 2023-24. Consequently, the Deferred Tax Liability (net) as of March 31, 2024, along with the tax expense for 2024-25, was remeasured at a lower tax rate. Furthermore, following the amendment in tax rates affecting certain assets with long-term capital gains, as introduced in the Finance Act, 2024, the Group reassessed its deferred tax liabilities related to the revaluation of land. The cumulative impact of these adjustments resulted in the reversal of deferred tax liability, which is recognised in the statement of profit and loss and other comprehensive income, amounting to ₹ 18.41 Crores and ₹ 137.87 Crores, respectively.



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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 (25.168%) as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting profit before tax	(169.07)	(225.57)
Profit before income tax multiplied by standard rate of corporate tax in India (25.168%) (March 31, 2024: 34.944%) as follows:	42.55	78.81
Effects of:		
Ineligible expenses	(1.66)	(2.67)
Effect of different tax rates of subsidiaries	-	(6.82)
Adjustments in respect to current income tax of previous years	-	1.69
Deferred tax impact on account of adoption of new regime		
- on opening deferred tax base	18.41	-
Impact of Government grant being recognised on below-par loan from Government	(0.80)	(2.42)
Differential tax rates on capital gains	(0.65)	(1.02)
Others	0.86	(0.43)
Net effective income tax expense	58.71	67.14

12 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2025	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	(0.92)	-	(0.92)
Revaluation of property, plant and equipment	-	417.89	417.89
Adjustment of deferred tax liability relating to assets revalued on change in tax rates	-	61.24	61.24
	(0.92)	479.13	478.21
During the year ended March 31, 2024	Retained Earnings	Revaluation Reserve	Total
Re-measurement gains / (losses) on defined benefit obligations	0.55	-	0.55
	0.55	-	0.55

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.

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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, 2025	For the year ended March 31, 2024
Profit / (Loss) after tax	(110.36)	(158.43)
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 (₹)	(6.92)	(10.02)
Diluted earnings per share (₹)	(6.92)	(10.02)

14 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Office equipments	Vehicles	Ships	Total	Intangibles
Cost or valuation:									
Balance as at April 01, 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	-
Additions	17.21	62.49	240.61	4.02	0.37	2.05	59.65	386.40	8.23
Disposals	21.05	3.73	18.64	0.18	0.04	0.52	-	44.16	-
Adjustments towards revaluation* (Also refer Note 14.4)	224.11	(13.98)	(234.65)	-	-	-	-	(24.52)	-
Balance as at March 31, 2025	1,362.34	388.10	2,664.20	18.25	5.27	9.99	59.65	4,507.80	8.23
Accumulated depreciation and amortisation:									
Balance as at April 01, 2023	-	18.76	173.37	3.86	1.53	2.39	-	199.91	-
Depreciation and amortisation 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	-
Depreciation and amortisation expense	-	16.57	168.98	2.41	0.77	1.00	3.25	192.98	1.60
Eliminated on disposals of assets	-	3.73	18.64	0.17	0.04	0.37	-	22.95	-
Adjustments towards revaluation* (Also refer Note 14.4)	-	(37.62)	(366.25)	-	-	-	-	(403.87)	-
Balance as at March 31, 2025	-	7.54	85.51	7.39	2.50	3.64	3.25	109.83	1.60
Net Block									
Balance as at March 31, 2025	1,362.34	380.56	2,578.69	10.86	2.77	6.35	56.40	4,397.97	6.63
Balance as at March 31, 2024	1,142.07	311.00	2,375.46	9.26	3.17	5.45	-	3,846.41	-

Note:

For details of charge on property, plant & equipment refer Note 27.

*The accumulated depreciation of ₹ 403.87 Crores as at the date of revaluation is eliminated against the gross carrying amount of the asset and adjusted for gain on revaluation of PPE amounting to ₹ 379.35 Crores.



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14.1 Capital work-in-progress

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	189.66	401.82
Additions	342.40	670.98
Assets capitalised during the year	394.60	883.14
Balance as at end of the year	137.46	189.66

Also refer Note 49 for Capital work-in-progress ageing schedule.

14.2 Carrying amount of right-of-use assets recognised and movement during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount		
Balance as at beginning of the year	60.42	62.16
Additions	-	4.16
Adjustments towards revaluation (Also refer Note 14.4)	38.54	-
Modification	-	(2.22)
Depreciation expense	4.33	3.68
Balance as at end of the year	94.63	60.42

Note: The carrying amount as at March 31, 2025 represents ₹ 0.76 Crores (March 31, 2024: ₹ 3.85 Crores) and ₹ 93.87 Crores (March 31, 2024: ₹ 56.57 Crores) towards plant and equipment and leasehold land respectively.

14.3 Carrying amounts of lease liability recognised and movement during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	5.23	11.24
Modification	-	(2.75)
Accretion of interest	0.45	1.30
Payments	4.56	4.56
Closing balance	1.12	5.23
Current	1.12	4.11
Non-current	-	1.12

Maturity analysis - contractual undiscounted cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Not later than one year	1.14	4.56
Later than one year and not later than five years	-	1.14
Total undiscounted lease liabilities	1.14	5.70

The following are the amounts recognised in statement of profit and loss relating to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use asset	4.33	3.68
Interest expense on lease liabilities	0.45	1.30
Modification of lease liability	-	(0.53)
Expense relating to short-term leases (included in other expenses)	8.58	5.35
Total amount recognised in statement of profit and loss	13.36	9.80

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The following are the amounts recognised in statement of cash flows relating to leases

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
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 leasehold land classified as ROU, 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 November 30, 2024, the properties' fair values are based on valuations performed by RB SA Valuation Advisors LLP (for other than land) and N.Ayyapan (for land), who are both Registered Valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

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, 2025					
Cost	120.20	300.74	2,223.69	44.76	2,689.39
Accumulated depreciation	-	60.41	596.30	19.85	676.56
Net carrying amount	120.20	240.33	1,627.39	24.91	2,012.83
March 31, 2024					
Cost	103.00	241.99	1,996.98	45.26	2,387.22
Accumulated depreciation	-	55.27	494.66	16.51	566.43
Net carrying amount	103.00	186.72	1,502.32	28.75	1,820.79

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, 2025				
Revalued property, plant and equipment				
Freehold land	1,362.34	-	240.08	1,122.26
Buildings	380.56	-	-	380.56
Plant and equipment	2,578.69	-	-	2,578.69
Revalued ROU				
Leasehold land	93.87	-	93.87	-
Plant and equipment	0.76	-	-	0.76
	4,416.22	-	333.95	4,082.27



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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 equipment	2,375.46	-	-	2,375.46
Revalued ROU				
Leasehold land	56.56	-	56.56	-
Plant and equipment	3.86	-	-	3.86
	3,888.95	-	297.59	3,591.36

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.

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, 2025	As at March 31, 2024
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 no 40 for details of investments and also refer Note 39).

16 Other non-current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	40.38	33.73
Margin deposits	0.07	0.07
Bank deposits with more than 12 months maturity	0.01	0.01
Sundry receivables	0.56	0.56
Claims receivable	1.33	1.33
	42.35	35.70

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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17 Other non-current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Capital advances	24.36	8.96
Advances other than capital advances		
Security deposit - Government Authorities	7.98	6.99
Prepaid expenses	5.31	2.82
	37.65	18.77

18 Inventories

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and intermediates	323.54	371.30
Work-in-progress	37.75	25.13
Finished goods	191.30	38.38
Stores and spares	104.70	133.82
	657.29	568.63

Note (1) Inventories includes goods-in-transit

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials and intermediates	106.74	109.84
Stores and spares	0.32	0.92
	107.06	110.76

19 Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good**		
Receivable from related party (Refer Note 39)	-	-
Receivable from others	155.43	190.05
	155.43	190.05

** 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.

20 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Bank balances		
- in current account*	220.12	207.74
- Deposits with original maturity of less than three months	334.28	516.37
Cheques on hand	0.01	
Cash on hand	0.34	0.31
Stamps on hand	0.08	0.02
	554.83	724.44

*includes lien marked against Debt Service Reserve Account ("DSRA") amounting to Nil (March 31, 2024: ₹ 36.29 Crores)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

21 Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Margin deposits	136.82	66.27
Deposits with original maturity of more than three months but less than twelve months *	32.34	10.48
	169.16	76.75

*includes deposits marked as lien amounting to ₹ Nil (March 31, 2024: 4.14 Crores).

22 Other current financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	8.36	5.97
Sundry receivables (Refer Note 39)	12.47	90.18
Claims receivable	8.54	8.59
Interest receivable	-	4.51
	29.37	109.25

23 Other current assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances other than capital advances		
Prepaid expenses	10.02	8.79
Balances with Government Authorities	162.62	128.29
Advance given to suppliers	36.45	34.78
	209.09	171.86

24 Equity Share Capital

Particulars	As at March 31, 2025	As at March 31, 2024
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)		
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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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 as at April 01, 2023	15,81,09,574	79.06
Issued during the year	-	-
Balance as at March 31, 2024	15,81,09,574	79.06
Issued during the period	-	-
Balance as at March 31, 2025	15,81,09,574	79.06

Shares held by holding company and its subsidiaries

Sanmar Holdings Limited and its nominees hold 8,69,45,065 equity shares (Previous Year 8,69,45,065 equity shares)

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, 2024: ₹ 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, 2025		As at March 31, 2024	
	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	1,55,27,811	9.82%	1,52,33,965	9.64%
Mirae Asset Tax Saver Fund	-	-	1,18,43,766	7.49%
Amansa Holdings Private Limited	1,10,71,308	7.00%	81,29,958	5.14%

C: Details of Shares held by promoters

Promoter name	As at March 31, 2025		
	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, 2024		
	No. of Shares	% of total shares	% change during the year
Sanmar Holdings Limited	8,69,45,065	54.99%	-

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 as at April 01, 2023	34,31,984	34.32
Issued during the year	-	-
Balance as at March 31, 2024	34,31,984	34.32
Issued during the year	-	-
Balance at March 31, 2025	34,31,984	34.32

Rights, Preferences and Restrictions attached to Compulsorily Convertible Debentures ('CCD')

- 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.
- 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.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

- (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.
- (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, 2025		As at March 31, 2024	
	No. of Debentures	% of holding	No. of Debentures	% of holding
Sanmar Chemical Enterprises Limited (Formerly known as 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, 2025	As at March 31, 2024
Capital reserve	(3,230.72)	(3,230.72)
Capital redemption reserve	39.25	39.25
General reserve	147.76	147.76
Asset revaluation reserve (Refer A below)	1,923.37	1,510.74
Retained earnings (Refer B below)	1,689.11	1,733.89
Securities premium	1,386.28	1,386.28
	1,955.05	1,587.20

(A) Asset revaluation reserve

Particulars	As at March 31, 2025	As at March 31, 2024
Balances at the beginning of the year	1,510.74	1,555.83
Depreciation on revalued assets	(66.50)	(45.09)
Other comprehensive income	479.13	-
Balances at the end of the year	1,923.37	1,510.74

(B) Retained earning

Particulars	As at March 31, 2025	As at March 31, 2024
Balances at the beginning of the year	1,733.89	1,846.68
Profit / (Loss) for the year	(110.36)	(158.43)
Other comprehensive income	(0.92)	0.55
Depreciation on revalued assets	66.50	45.09
Balances at the end of the year	1,689.11	1,733.89

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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 share capital issued or received respectively, pursuant to a common control business combination is adjusted 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 has 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, 2025	As at March 31, 2024
Secured – at amortised cost		
Term Loans		
Term loan from banks	1,229.04	1,173.50
SIPCOT soft loan	59.17	110.63
	1,288.21	1,284.13
Less: Current maturities of borrowings		
Term loan from banks	172.68	125.76
SIPCOT soft loan	13.06	56.23
	185.74	181.99
	1,102.47	1,102.14

A) Summary of borrowing arrangements

Term loan from banks

- Term loan of Holding Company from bank amounting to ₹ 133.75 Crores (March 31, 2024: ₹ 138.66 Crores) is secured by first pari passu charge over entire moveable fixed assets of the Company.
- Term loan of Holding Company from bank amounting to ₹ 225.48 Crores (March 31, 2024: ₹ 233.49 Crores) is secured by first pari passu charge over entire moveable fixed assets of the Company.
- Term loan of Holding Company from bank amounting to ₹ 93.40 Crores (March 31, 2024: ₹ 95.23 Crores) is secured by first pari passu charge over entire moveable fixed assets of the Company.
- Term loan of Holding Company from bank amounting to ₹ 170.12 Crores (March 31, 2024: ₹ 74.89 Crores) is secured by first pari passu charge over entire moveable fixed assets of the Company.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

- e) Vehicle loan of Holding Company from bank amounting to ₹ 0.30 Crores (March 31, 2024: ₹ 0.36 Crores) is secured by hypothecation of the vehicle purchased out of the loan financed.
- f) Term loan of Holding Company from bank amounting to ₹ 19.31 Crores (March 31, 2024: Nil) is secured by exclusive charge on tug boat.
- g) Term loan of Holding Company from bank amounting to ₹ 14.86 Crores (March 31, 2024: Nil) is secured by first pari passu charge on entire Movable fixed assets of the Company.
- h) (i) Term loan of Subsidiary Company from bank amounting to ₹ 409.11 Crores (March 31, 2024: ₹ 452.29 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.
(ii) The Bank has a put option on the term loan from bank amounting to ₹ 409.11 at the end of 7 years from the period of first disbursement being December 2019.
- i) (i). Term loan of Subsidiary Company from bank amounting to ₹ 68.26 Crores (March 31, 2024: ₹ 178.32 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.
(ii) The Bank has a put option on the term loan at the end of 34th month (November 2026) from the period of first disbursement being March 2024.
- j) (i) Term loan of Subsidiary Company from bank amounting to ₹ 69.60 Crores (March 31, 2024: 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.
(ii) The Bank has a put option on the term loan at the end of 26th month (November 2026) from the period of first disbursement being September 2024.
- k) Corporate Guarantee of Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited) for ₹ 1006.46 Crore towards the term loan, but limited to current outstanding of ₹ 547.18 Crores.
- l) Vehicle loan of Subsidiary Company from bank amounting to ₹ 0.21 Crores (March 31, 2024: ₹ 0.26 Crores) is secured by hypothecation of the vehicle purchased out of the loan financed.
- m) Term loan of Subsidiary Company from bank amounting to ₹ 24.65 Crores (March 31, 2024: Nil) is secured by exclusive charge on ship.

Soft loan from SIPCOT

- A. Term loans of Subsidiary Company from SIPCOT amounting to ₹ 59.17 Crores (March 31, 2024: ₹ 110.63 Crores) is secured by first pari passu charge on specific land, buildings and plant and machinery of Subsidiary (refer Note 3.14).

Repayment of loans

- (a) Repayment of term loan of Holding Company amounting to ₹ 133.75 Crores in 25 structured quarterly installments, commencing from March 2024.
Note: Current interest rate of the above term loan is 8.05% (March 31, 2024: 8.61%).
- (b) Repayment of term loan of Holding Company amounting to ₹ 225.48 Crores in 25 structured quarterly installments, commencing from September 2024.
Note: Current interest rate of the above term loan is 9.50% (March 31, 2024: 9.15%).
- (c) Repayment of term loan of Holding Company amounting to ₹ 93.40 Crores in 25 structured quarterly installments, commencing from October 2024.
Note: Current interest rate of the above term loan is 8.94% (March 31, 2024: 9.44%).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

- (d) Repayment of term loan of Holding Company amounting to ₹ 170.12 Crores in 25 structured quarterly installments, commencing from September 2025.

Note: Current interest rate of the above term loan is 9.65% (March 31, 2024: 9.30%).

- (e) Repayment of Vehicle loan of Holding Company amounting to ₹ 0.30 Crores in 60 structured quarterly installments, commencing from January 2024.

Note: Current interest rate of the above term loan is 8.85% (March 31, 2024: 8.85%).

- (f) Repayment of term loan of Holding Company from bank amounting to ₹ 19.31 Crores (March 31, 2024: Nil) in 36 monthly instalments, commencing from April 2025.

Note: Current interest rate of the above term loan is 9.05%.

- (g) Repayment of term loan of Holding Company from bank amounting to ₹ 14.86 Crores (March 31, 2024: Nil) in 25 structured quarterly instalments, commencing from October 2026.

Note: Current interest rate of the above term loan is 9.04%.

- (h) Repayment of term loan of Subsidiary Company from bank amounting to ₹ 409.11 Crores (March 31, 2024: 452.29 Crores) in 40 structured quarterly installments commenced from February 2020. The 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 8.35% p.a. (March 31, 2024: 8.75% p.a.).

- (i) Repayment of term loan of Subsidiary Company amounting to ₹ 29.70 Crores from bank in 9 structured quarterly installments, commencing from November 2024.

- (j) Repayment of term loan of Subsidiary Company amounting to ₹ 38.56 Crores from bank in 23 structured quarterly installments, commencing from November 2024.

- (k) Repayment of term loan of Subsidiary Company amounting to ₹ 30.45 Crores from bank in 9 structured quarterly installments, commencing from November 2024.

- (l) Repayment of term loan of Subsidiary Company amounting to ₹ 39.15 Crores from bank in 23 structured quarterly installments, commencing from November 2024.

Note: Current interest rate of the above term loans is 9.65% p.a. (March 31, 2024: 9.90% p.a.)

- (m) Repayment of term loan of Subsidiary Company amounting to ₹ 24.65 crores from bank in 18 structured quarterly instalments, commencing from March 2025.

Note: Current interest rate of the above term loan is 9.38% p.a. (March 31, 2024: NA).

- (n) Soft loan from SIPCOT repayable in the 10th year from drawal.

- (o) Repayment of vehicle loan of Subsidiary Company amounting to ₹ 0.21 Crores (March 31, 2024: 0.26 Crores) in 60 equal monthly instalments commencing from January 2024.

Note: Current interest rate of the above term loan is 8.85% p.a. (March 2024: 8.85% p.a.).

B) Reconciliation of cashflows from financing activities

Particulars	Liabilities from financing activities		
	Short-term borrowings	Long-term borrowings	Total
Debt as at April 01, 2024	258.15	1,284.13	1,542.28
Proceeds from borrowings	1,658.90	183.38	1,842.28
Repayment of borrowings	(1,355.99)	(178.05)	(1,534.04)
Interest payments and non-cash movements (net)	(8.68)	(1.24)	(9.92)
Debt as at March 31, 2025	552.38	1,288.22	1,840.60



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	Liabilities from financing activities		
	Short-term 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

- C) In relation to the loan outstanding as at March 31, 2025, the Company has complied with all material terms of the loan agreements including financial covenants or obtained applicable waiver letters / other relevant affirmations from the lenders.

28 Other non-current financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Trade deposits	4.55	3.92
Accrued salaries and benefits	26.38	29.82
Other payables	16.00	16.83
	46.93	50.57

29 Deferred tax liabilities / (assets) (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Difference between book and tax written down value of property, plant and equipment	643.94	784.47
Payments allowable in full under Income Tax but amortised over a period in books	3.81	3.30
MTM / forward premium claimable in future	(3.24)	1.36
Difference in allowable expenditure on foreign exchange contracts	(2.04)	(2.04)
Unabsorbed depreciation / carried forward business losses	(86.26)	(108.96)
Expenses allowable on payment basis	(24.72)	(25.57)
Employees separation scheme	(0.31)	(1.13)
Others	0.05	0.06
	531.23	651.49
Reconciliation of deferred tax liabilities (net)		
Opening balance	651.49	716.68
Change in statement of profit and loss	(58.71)	(65.45)
Change in other comprehensive income	(61.55)	0.26
Closing balance	531.23	651.49

30 Other non-current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Government grant*	28.81	30.38
Other liabilities	10.48	10.48
	39.29	40.86

* Note: Government grant have been received for investment in property, plant & equipments. Grants are initially recognised where there is a reasonable assurance that the Group will comply with all attached conditions.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

31 Current borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Secured – at amortised cost		
Current maturities of long-term borrowings		
- Term loan from Banks	172.68	125.76
- SIPCOT Soft Loan	13.06	56.23
Buyer's credit	552.39	258.15
	738.13	440.14

Security Particulars

Working capital limits from banks are secured by a first pari passu charge on inventories and book debts. Second pari passu charge on property, plant & 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.

32 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Payable to related parties (Refer Note 39)	-	-
Payable to others*	1,666.90	1,745.75
	1,666.90	1,745.75

*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 ₹ 5.81 Crores (March 31, 2024: ₹ 10.30 Crores) (Also refer Note 43).

*Also Refer Note 51 for Trade payable ageing schedule.

33 Derivative instruments

Particulars	As at March 31, 2025	As at March 31, 2024
Derivative Liability [#]	15.90	4.88
	15.90	4.88

[#]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, 2025	As at March 31, 2024
Payable / Accrual towards capital expenditure*	46.47	70.91
Accrued salaries and benefits	86.62	68.93
Trade deposits	0.06	0.26
Other payables	74.76	74.56
	207.91	214.66

*Includes dues for payment to Micro and Small Enterprises ₹ 5.40 Crores (March 31, 2024: ₹ 9.55 Crores) (Also refer Note 43)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

35 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Government grant	1.57	1.57
Advance from customers	38.66	26.03
Withholding and other tax payables	7.88	6.15
Other liabilities	19.32	18.62
	67.43	52.37

36 Current provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits	-	3.14
	-	3.14

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, securities 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, 2025 and March 31, 2024 were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (i)	1,840.60	1,542.28
Cash and cash equivalents	554.83	724.44
Net debt	1,285.77	817.84
Equity (ii)	2,068.43	1,700.56
Gearing ratio	0.62	0.48

(i) Debt is defined as long-term and short-term borrowings (excluding derivatives).

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

37.2 Categories of financial assets and liabilities carried at amortised cost

37.2.1 Financial assets at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents (Note 20)	554.83	724.44
Other bank balances (Note 21)	169.16	76.75
Trade receivables (Note 19)	155.43	190.05
Other financial assets (Note 16 and 22)	71.72	144.95
Total	951.14	1,136.19

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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

37.2.2 Financial liabilities at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (Note 27 and 31)	1,840.60	1,542.28
Trade payables (Note 32)	1,666.90	1,745.75
Other financial liabilities (Note 28 and 34)	254.84	265.23
Lease liability (Note 14.3)	1.12	5.23
Total	3,763.46	3,558.49

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 trade and other receivables, cash & 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.

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) and EURO. 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, 2025		As at March 31, 2024	
	Change in currency exchange rate	Impact of post tax profits and equity	Change in currency exchange rate	Impact of post tax profits and equity
USD	1%	3.49	1%	12.24
EUR	1%	0.03	1%	(0.01)



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

37.6 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, 2025		As at March 31, 2024	
	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	9.20	100	8.25

37.7 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, 2025.

37.7.1 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.

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, 2025	148.07	7.36	0.00	155.43
Trade receivables as of March 31, 2024	188.27	1.78	-	190.05

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

37.7.2 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.

37.8 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, 2025	Less than a year	More than a year	Total
Non-interest bearing (including derivatives)	1,913.93	2.45	1,916.38
Interest bearing	179.12	1,123.19	1,302.31
	2,093.05	1,125.64	3,218.69

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

37.9 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, 2025

Particulars	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	15.90	-	15.90	-

Fair value hierarchy as at March 31, 2024

Particulars	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

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

37.10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial assets				
Investments	0.04	0.04	0.04	0.04
Other financial assets				
Deposits	217.97	116.53	217.97	116.53
Sundry receivables	13.03	95.25	13.03	95.25
Claims receivable	9.87	9.92	9.87	9.92
Trade receivables	155.43	190.05	155.43	190.05
Cash and cash equivalents	554.84	724.44	554.84	724.44
	951.18	1,136.23	951.18	1,136.23

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
	Carrying Value	Carrying Value	Fair Value	Fair Value
Financial liabilities				
Borrowings				
Floating rate borrowings	1,229.04	1,173.50	1,229.04	1,173.50
Fixed rate borrowings	611.56	368.78	611.56	368.78
Trade payables	1,666.90	1,745.75	1,666.90	1,745.75
Other financial liabilities				
Accrued salaries and benefits	112.99	98.75	112.99	98.75
Payable / accrual towards capital expenditure	46.47	70.91	46.47	70.91
Other payables	95.37	95.57	95.37	95.57
Lease liability	1.12	5.23	1.12	5.23
Derivatives not designated as hedge				
Derivative (asset) / liability	15.90	4.88	15.90	4.88
	3779.35	3,563.37	3779.35	3,563.37

- 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.
- 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.
- 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 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, 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.

B) Coal, Methanol:

The following table shows the effect of price changes for Coal, Methanol for the year 2024-25:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Change in Price	Impact on post tax profit and equity	Change in Price	Impact on post tax profit and equity
Coal	5%	6.88	5%	5.92
Methanol	5%	1.06	5%	0.94
Total		7.94		6.86

39 Related party transactions

List of parties where control exists

Sanmar Chemical Enterprises Limited (Formerly known as Sanmar Engineering Services Limited)
Sanmar Holdings Limited

Ultimate Holding Company
Holding Company

Subsidiaries

Chemplast Cuddalore Vinyls Limited

Fellow Subsidiaries

Sanmar Group International Limited
TCI Sanmar Chemicals S.A.E.
Sanmar Overseas Investments AG

Other related party

Sanmar Shipping Limited

Directors

Vijay Sankar
Ramkumar Shankar (Managing Director)
Chandran Ratnaswami (upto May 10, 2024)
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)
Sumit Maheshwari (from May 20, 2024)



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for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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, 2025, 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		Other related party		Directors	
Transactions during the year	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24	April 24 to March 25	April 23 to March 24
Reimbursement of expenses - received								
Sanmar Shipping Limited	-	-	-	-	0.28	-	-	-
Reimbursement of expenses - paid								
Sanmar Shipping Limited	-	-	-	-	0.20	-	-	-
Remuneration								
Ramkumar Shankar	-	-	-	-	-	-	4.63	5.48
Sitting Fees								
Dr. Lakshmi Vijayakumar	-	-	-	-	-	-	0.09	0.06
Aditya Jain	-	-	-	-	-	-	0.09	0.06
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	0.08	0.06
Prasad Raghava Menon	-	-	-	-	-	-	0.06	0.04
Vikram Taranath Hosangady	-	-	-	-	-	-	0.05	0.03
Commission								
Dr. Lakshmi Vijayakumar	-	-	-	-	-	-	0.08	0.08
Aditya Jain	-	-	-	-	-	-	0.08	0.08
Sanjay Vijay Bhandarkar	-	-	-	-	-	-	0.08	0.08
Prasad Raghava Menon	-	-	-	-	-	-	0.08	0.08
Balances as at year end	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Investments	-	-	0.04	0.04	-	-	-	-
Sundry receivables	-	-	-	87.33	-	-	-	-

Note:

Refer Note 41 for details of guarantee provided on behalf of the group.

40 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, 2025	As at March 31, 2024
Unquoted fully paid equity shares			
TCI Sanmar Chemicals S.A.E.*	15	0.04	0.04
March 31, 2025: 2 (March 31, 2024: 2) Equity shares, fully paid up, par value EGP 1000 each			
Sai Regency Power Corporation Private Limited	15	-	-
March 31, 2025: 6,00,000 (March 31, 2024: 6,00,000) shares of face value ₹ 10 each			

*The Group 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

41 Contingent liabilities*

Particulars	As at March 31, 2025	As at March 31, 2024
A. Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
On account of Direct Taxes	62.56	36.89
On account of Indirect Taxes	34.89	27.42
On account of other disputes	15.97	16.21
B. Guarantees		
Corporate guarantee given to State Industries Promotion Corporation of Tamil Nadu (SIPCOT)	100.26	156.48
	213.68	237.00

*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.

42 Capital commitments

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	301.86	292.81
	301.86	292.81

43 Dues to micro and small enterprises

As at March 31, 2025, 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.

44 Corporate Social Responsibility

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Amount required to be spent by the Company during the year	4.94	9.10
(ii) Amount of expenditure incurred	5.08	8.99
(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.	-	-



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Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Excess amount spent on CSR		
Opening balance	0.04	0.16
Amount required to be spent during the year	4.94	9.10
Amount spent during the year	5.08	8.99
Closing balance	0.18	0.05

The Group has expenditure towards Corporate Social Responsibility in excess of the prescribed limits for the year ended March 31, 2025 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.
- (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.

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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		Total	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
External revenue	2,087.20	1,482.78	2,258.87	2,440.20	-	-	4,346.07	3,922.98
Inter segment revenue	300.41	172.80	39.02	7.50	(339.43)	(180.30)	-	-
Segment revenue	2,387.61	1,655.58	2,297.89	2,447.70	(339.43)	(180.30)	4,346.07	3,922.98
Other income	21.13	41.71	25.92	38.76	-	-	47.05	80.47
Segment results	2,408.74	1,697.29	2,323.81	2,486.46	(339.43)	(180.30)	4,393.12	4,003.45
Segment result (Profit before interest, exceptional item and tax)	(25.09)	(123.47)	92.90	78.58	(1.01)	(0.16)	66.81	(45.05)
Less: Finance cost	86.81	32.70	149.07	147.82	-	-	235.88	180.52
Profit before tax	(111.90)	(156.17)	(56.16)	(69.24)	(1.01)	(0.16)	(169.07)	(225.57)
Provision for tax								
Current	-	-	-	-	-	-	-	-
Deferred	46.33	51.62	12.38	13.83	-	-	58.71	65.45
Income tax relating to earlier years	-	0.68	-	1.01	-	-	-	1.69
Profit / (Loss) after tax	(65.57)	(103.87)	(43.78)	(54.40)	(1.01)	(0.16)	(110.36)	(158.43)
Other comprehensive income								
Items that will not be reclassified to profit or loss in subsequent years								
- Remeasurement of defined benefit plans	(0.52)	0.63	(0.71)	0.18	-	-	(1.23)	0.81
- Deferred tax expense on the above items	0.13	(0.22)	0.18	(0.04)	-	-	0.31	(0.26)
- Revaluation of property, plant and equipment	351.66	-	66.23	-	-	-	417.89	-
- Income Tax expense relating to revaluation of property, plant and equipment	70.72	-	(9.48)	-	-	-	61.24	-
Other comprehensive income	421.99	0.41	56.22	0.14	-	-	478.21	0.55
Total comprehensive income	356.42	(103.46)	12.44	(54.26)	(1.01)	(0.16)	367.85	(157.88)
Other information								
Segment assets	4,881.97	4,274.39	1,633.45	1,767.26	(12.23)	(11.35)	6,503.19	6,030.30
Total assets	4,881.97	4,274.39	1,633.45	1,767.26	(12.23)	(11.35)	6,503.19	6,030.30
Segment liabilities	2,242.17	1,990.00	2,204.82	2,351.07	(12.23)	(11.35)	4,434.76	4,329.72
Total liabilities	2,242.17	1,990.00	2,204.82	2,351.07	(12.23)	(11.35)	4,434.76	4,329.72
Capital expenditure	357.92	847.00	36.71	36.14	-	-	394.63	883.14
Depreciation	148.16	106.73	50.75	44.63	-	-	198.91	151.36

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, 2025 by an independent actuary.



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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate(s)	6.98%	6.97%
Return on plan assets	6.98%	6.97%
Expected rate(s) of salary increase	7.00%	7.00%
Attrition rate	2.00%	2.00%
Average duration of defined benefit obligations (in years)	9.40	9.40

Future mortality assumptions are in accordance with Indian Assured Lives Mortality (2012-14) Ultimate table.

Particulars	As at March 31, 2025	As at March 31, 2024
Cost of defined benefit plans are as follows:		
Current service cost	2.69	2.51
Interest on obligation	1.76	1.76
Return on plan assets (to the extent it represents an adjustment to interest cost)	(1.78)	(1.66)
Net cost recognised in the statement of profit and loss	2.67	2.61
Return on plan assets (to the extent it does not represent an adjustment to interest cost)	-	-
Actuarial (gains) / losses recognised in the year	1.23	(0.81)
Net (gains) / losses recognised in the other comprehensive income	1.23	(0.81)

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, 2025	As at March 31, 2024
Present value of funded defined benefit obligation	29.75	26.28
Fair value of plan assets	29.75	23.14
Net liability / (asset)	-	3.14

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Movements in the present value of the plan assets in the current year were as follows:		
Opening fair value of plan assets	23.14	24.63
Return on plan assets	1.78	1.66
Actuarial gains / (losses)	(0.06)	(0.01)
Contributions from the employer	7.04	-
Transfer of obligations	0.09	(0.31)
Benefits paid	(2.24)	(2.83)
Closing fair value of plan assets	29.75	23.14

Movements in the present value of the define benefit obligation in the current year were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening defined benefit obligation	26.28	25.97
Current service cost	2.69	2.51
Interest cost	1.76	1.76
Actuarial (gains) / losses	1.17	(0.82)
Transfer of obligations	0.09	(0.31)
Benefits paid	(2.24)	(2.83)
Closing defined benefit obligation	29.75	26.28

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(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial (gain) / loss on obligations attributable to change in financial assumptions	(0.02)	(0.09)
Actuarial (gain) / loss on obligations attributable to change in demographic assumptions	-	-
Actuarial (gain) / loss on obligations attributable to experience adjustments	1.19	(0.73)
Projected Undiscounted Expected Benefit Outgo [Mid Year Cash Flows]		
Year 1	2.11	1.98
Year 2	5.36	4.66
Year 3	2.67	2.42
Year 4	2.41	1.94
Year 5	3.26	2.51
Years 6 through 10	11.83	11.10

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 %	0.08	0.35	(2.25)
Decrease in discount rate by 1 %	0.83	0.12	2.61
Increase in salary escalation by 1 %	0.83	0.43	2.62
Decrease in salary escalation by 1 %	0.07	0.09	(2.30)

- 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, 2025 and March 31, 2024.

Name of the entity	For the year ended March 31, 2025							
	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Consolidated Total Comprehensive Income	
	as % of Consolidated Net Assets	Amount	as % of Consolidated Profit and Loss	Amount	as a % of Consolidated Other Comprehensive Income	Amount	as a % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	202.89%	4,196.68	59.41%	(65.57)	88.24%	421.99	96.89%	356.42
Subsidiary								
Chemplast Cuddalore Vinyl Limited	(102.89%)	(2,128.25)	40.59%	(44.79)	11.76%	56.22	3.11%	11.43
Total	100.00%	2,068.43	100.00%	(110.36)	100.00%	478.21	100.00%	367.85



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

Name of the entity	For the year ended March 31, 2024							
	Net Assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Consolidated Total Comprehensive Income	
	as % of Consolidated Net Assets	Amount	as % of Consolidated Profit and Loss	Amount	as a % of Consolidated Other Comprehensive Income	Amount	as a % of Consolidated Total Comprehensive Income	Amount
Parent								
Chemplast Sanmar Limited	225.82 %	3,840.26	65.56 %	(103.87)	75.65 %	0.41	65.52 %	(103.46)
Subsidiary								
Chemplast Cuddalore Vinyl Limited	(125.82%)	(2,139.69)	34.44 %	(54.57)	24.35 %	0.14	34.48 %	(54.43)
Total	100.00 %	1,700.58	100.00 %	(158.43)	100.00 %	0.55	100.00 %	(157.88)

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, 2025					
Projects in progress	25.84	104.16	2.40	5.06	137.46
Projects temporarily suspended	-	-	-	-	-
Total	25.84	104.16	2.40	5.06	137.46
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

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, 2025								
(i) Undisputed trade receivables - considered good	160.34	7.36	0.00	0.00	-	-	(12.27)	155.43
(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 CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(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	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	-	-	-	-	-	-	-	-

51 Trade payable ageing 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, 2025										
(i) MSME	-	5.45	-	0.10	0.25	-	-	-	-	5.80
(ii) Others	95.57	1,091.56	0.14	458.22	24.78	0.36	0.33	2.41	(12.27)	1,661.10
(iii) MSME disputed dues	-	-	-	-	-	-	-	-	-	-
(iv) Others disputed dues	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-

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, 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,



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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 Group had engaged independent valuation specialists to assess fair value for revaluation of land, buildings, plant and equipment as at November 30, 2024. Fair value of land was determined by using the market approach, hypothetical layout method and building and plant & 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2025

(All amounts are in Indian Rupees in Crores unless otherwise stated) (Contd.)

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.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022

S Sethuraman

Partner

Membership No. 203491

Place: Chennai

Date: May 13, 2025

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 13, 2025

M Raman

Company Secretary

Membership No. ACS 06248

Place: Chennai



Corporate Office
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