IOL CHEMICALS AND PHARMACEUTICALS LIMITED

7th August 2026
IOLCP/CGC/2026

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

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

Sub.: Submission of Integrated Annual Report for FY 2025-26

Pursuant to Regulation 34 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Integrated Annual Report of the Company for the financial year 2025-26, containing the Notice convening the **39th Annual General Meeting ("AGM")**, which is scheduled to be held on **Wednesday, 2nd September 2026 at 11:30 a.m. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

The aforesaid Annual Report, along with the Notice of the AGM, is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.

The Annual Report is also available on the Company's website at the following link:

https://www.iolcp.com/uploads/Annual_Report_2025-26.pdf

Kindly take the above on record.

Thanking You,

Yours faithfully,
For IOL Chemicals and Pharmaceuticals Limited

ABHAY RAJ SINGH

Digitally signed by ABHAY RAJ SINGH
DN: c=IN, st=Punjab, 2.5.4.20=9b5fb24ffd5e1618227129f5800bba452021e7d448ced7f36ecace3e8e60188c, postalCode=142022, street=So Shri Brij Raj Singh Flat No O06 Royal View Homes Omaxe Residency Pakhowal Road Thakarwal, pseudonym=a48ff9e8136649fba2f091e9f81ad5a6, title=4478, serialNumber=4eddb9d8fa2badd1aec2177edceb9bcb5686d0add922a187c263226373e6063e, o=Personal, cn=ABHAY RAJ SINGH
Date: 2026.08.07 16:02:18 +05'30'

Abhay Raj Singh
Sr Vice President & Company Secretary

Integrated Annual Report
2025-26

Guiding Compass
Journey Forward

IOL Chemicals and Pharmaceuticals Limited

The future rarely unfolds along a predictable path. Markets shift. Technologies evolve. New opportunities emerge.

What matters is having the clarity to stay the course and the confidence to move ahead.

At IOL, our direction is guided by a compass forged through decades of experience, resilience and trust. Consistent quality strengthens confidence. Diversification expands our horizons. Disciplined execution provides stability. Research and innovation unlock new possibilities. Sustainability ensures that growth remains responsible and enduring.

Together, these strengths help us navigate complexity, adapt to change and pursue long-term value creation with purpose.

Guiding Compass for Journey Forward embodies this approach. It reflects our commitment to navigating change with confidence, advancing with purpose and creating value that endures.

As new opportunities emerge and fresh milestones come into view, we remain focused on the path ahead, transforming possibilities into progress and ambition into lasting achievement.

40 YEARS of Legacy Built on Trust

Forty years ago, we began with a simple ambition: to build capabilities that create lasting value.

Over the decades, that ambition has grown into an integrated business built on Active Pharmaceutical Ingredients and specialty chemicals, serving pharmaceutical and industrial markets across the world. Through every phase of growth, we have stayed close to what matters most: quality, reliability, innovation and responsible operations.

Our products support essential industries. Our manufacturing capabilities strengthen supply chains. Our commitment to excellence helps build trust across markets.

Forty years is not just a marker of how far we have come. It reflects the strong foundations we have built over four decades, evidenced by our 14 USFDA Drug Master Files and 21 EDQM Certificates of Suitability, while opening new possibilities for the future.

As India strengthens its pharmaceutical leadership, we advance API manufacturing through innovation, quality, and regulatory excellence, delivering trusted solutions that improve global healthcare outcomes.

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Scan the QR code to know more about us

About the Report

This Integrated Report provides an overview of the business performance, value creation approach and strategic priorities of IOL Chemicals and Pharmaceuticals Limited ('IOL' / 'Company') for the financial year ended March 31, 2026. While incorporating disclosures beyond statutory requirements, the report has been prepared in accordance with the principles and guidance of the International Integrated Reporting Council (IIRC).

The report is primarily intended for shareholders and prospective investors, offering insights into the Company's operating environment, governance practices, business model, risks, opportunities and long-term value creation. It also serves as a relevant source of information for regulators, customers, employees, suppliers and communities associated with the Company's operations.

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

SCOPE AND BOUNDARY

This Integrated Report presents an overview of the operational, financial and strategic performance of IOL Chemicals and Pharmaceuticals Limited. The report is structured in accordance with the principles of the International Integrated Reporting Framework and adopts the six capitals approach to illustrate how the Company utilises various resources and relationships to create value over time.

The report covers the standalone operations of the Company and includes material financial and non-financial information relevant to its stakeholders. It provides insights into business performance across the pharmaceutical and specialty chemicals segments, operational capabilities, governance practices, risk management, sustainability initiatives and the factors influencing value creation. The disclosures are intended to present a balanced view of the Company's activities, achievements and priorities during the reporting period as a standalone legal entity.

REPORTING FRAMEWORKS

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

- The Companies Act, 2013
- Indian Accounting Standards
- SEBI-LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

ASSURANCE

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

OUR STAKEHOLDERS AND MATERIALITY ASSESSMENT

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

OUR STAKEHOLDERS

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

RESPONSIBLE STATEMENT

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

FEEDBACK

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

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

www.iolcp.com

Our journey

A Story of Resilience and Progress

1986-91
Incorporated and established Acetic Acid plant

Listing on BSE

1996
Commissioned Ethyl Acetate plant

1999
Commissioned Acetic Anhydride plant

2000
Production of Ibuprofen

2007
Commissioned dedicated Ibuprofen Unit- 01.

2009
Commissioned IBB, MCA and Acetyl Chloride plants

2010
Listing on NSE;

Commissioned 13 MW Co-Generation Plant

2012
Commissioned Unit 02 (Multi-product facility)

2013
Received EU-GMP certification

2015
Received US FDA EIR for Ibuprofen

2016
Commissioned Unit-03 for new product development

2017
Converted Unit-2 into a dedicated Ibuprofen facility

2018
Commissioned Unit-04 (Dedicated to Metformin)

Commissioned Unit-05 (Clopidogrel and Fenofibrate)

2019
Commissioned Unit-06 (Dedicated to Pantoprazole)

2020
Commissioned Unit-07 (Dedicated to Metformin)

2021
Commissioned Unit-08 and Unit 10 (Multi-product facilities)

2022
Commenced commercial production of Paracetamol with installed capacity of 1800 MTPA supported by backward integration.

2023
Increased Paracetamol capacity to 3,600 TPA

Commissioned state of the art Acaic Anhydride Plant.

2024
Successful completion of Site Inspection by ANVISA, Brazil GMP of all 10 API's manufacturing unit and received approval in May 2024.

2025
Commissioned new Paracetamol Unit-11 with installed capacity of 10,800 MTPA.

Increased Clopidogrel capacity to 240 MTPA from 180 MTPA.

2026
Ethyl Acetate capacity increased to 1,20,000 MTPA

Acetic Anhydride capacity increased to 32,000 MTPA.

Installed Triacetin Capacity of 6000 MTPA

Enhanced Capacity of Pantoprazole to 276 MTPA.

About us

Defining Our Identity

IOL Chemicals and Pharmaceuticals Limited (IOL) is an integrated manufacturer of Active Pharmaceutical Ingredients (APIs) and specialty chemicals, serving customers in India and international markets. Established in 1986, we have developed strong capabilities across manufacturing, quality systems, process development and supply chain management, enabling us to address the evolving needs of the pharmaceutical and industrial sectors.

OUR VISION

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

OUR MISSION

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

We operate through two primary business segments: Pharmaceuticals and Specialty Chemicals. Our pharmaceutical portfolio comprises a diversified range of APIs spanning multiple therapeutic categories, while our specialty chemicals business serves a broad spectrum of industrial applications. This integrated operating model strengthens efficiency, enhances product quality and supports dependable supply.

We are among the world's largest manufacturers of Ibuprofen and maintain a significant presence in products such as Metformin and Ethyl Acetate. Our manufacturing facilities are supported by backward integration, process expertise and quality systems designed to meet the requirements of regulated and semi regulated markets.

OUR VALUES

Transparency

We speak up early, clearly, and honestly.

Responsible

We take accountability for outcomes across quality, safety, impact and earth.

Efficiency

We simplify, systematize, and reduce friction in everything we do.

Collaborative

We think like a team, across functions and with customers.

3000+
Employees

80
Countries

Diversified API Company with Global Ibuprofen Leadership

Supported by Backward Integrated Manufacturing Platform.

Fully backward integrated paracetamol manufacturing facility with capacity of 10800 MTPA

Spanning 180+ Acres

Over 20 products
are commercialised with 9 products in pipeline

Ecovadis Gold Medal Recipient

Ranked among top 5% of companies assessed globally for ESG performance.

Major producer of Ethyl Acetate in India with a capacity of
1,20,000 MTPA

Acetic Anhydride capacity of
32,000 MTPA

0.08
Debt to Equity Ratio

Product Portfolio

A Spectrum of Possibilities

We offer a diversified portfolio of Active Pharmaceutical Ingredients (APIs), intermediates and specialty chemicals. Backed by integrated manufacturing capabilities, we serve the requirements of pharmaceutical and industrial customers across domestic and international market.

API BUSINESS

Our API business encompasses the development and manufacture of a diversified portfolio of Active Pharmaceutical Ingredients used in essential medicines worldwide. Supported by a fully integrated manufacturing facility, we combine process expertise, quality systems and research capabilities to deliver reliable and cost-effective solutions.

While reinforcing our leadership in Ibuprofen, we are steadily broadening our product portfolio through focused investments in research, process development and product commercialisation.

OUR KEY API PORTFOLIO

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

THERAPEUTIC CATEGORY SERVED

- Anti-Inflammatory
- Analgesic and Antipyretic
- Anti-Diabetic
- Anti-Convulsant
- Anti-Platelet
- Anti-Hypertension
- Anti-Cholesterol
- Proton Pump Inhibitor
- Anti–Epileptic

SPECIALITY CHEMICALS

Established in 1996, our Specialty Chemicals business manufactures products such as Ethyl Acetate that cater to a wide range of industrial applications. Supported by manufacturing expertise and stringent quality standards, the business delivers reliable products to customers across domestic and global markets.

OUR KEY CHEMICAL PORTFOLIO

- Ethyl Acetate
- Triacetin
- Acetic Anhydride

Industries we serve

- Paints
- Ink
- Textiles
- Flexible packaging
- Flavours and Fragrances
- Pharmaceuticals
- Food processing
- Plasticizers and Ploymers
- Agro-chemicals
- Personal Care & Cosmetics

We delivered strong growth in revenue and profitability while maintaining a healthy financial position. Our strong balance sheet, prudent capital allocation and disciplined approach to growth provide us with the flexibility to invest in future opportunities while maintaining financial prudence.

Chairman's Message

The North Star Perspective

DEAR SHAREHOLDERS,

It gives me immense pleasure to present the Annual Report of IOL Chemicals and Pharmaceuticals Limited ("the Company") for FY 2025–26 and to reflect on the progress we have achieved during the year. As we navigate an increasingly dynamic global environment, our commitment to delivering sustainable long-term value for all our stakeholders remains unswerving. Guided by prudent governance, strategic foresight and disciplined execution, we continue to strengthen the foundations of a future-ready enterprise.

The year under review was characterised by geopolitical uncertainties, evolving trade dynamics and changing industry conditions. While these developments created challenges across global markets, they also reinforced the importance of resilience, adaptability and strategic clarity. Against this backdrop, the Company remained focused on strengthening its competitive position, enhancing operational excellence and pursuing sustainable growth opportunities that align with our long-term vision.

THE MARKET AT A GLANCE

The global economy witnessed uneven growth during the year, influenced by inflationary pressures, supply chain disruptions and geopolitical developments. The pharmaceutical sector demonstrated resilience, supported by steady demand fundamentals, while the specialty chemicals industry began showing signs of recovery following an extended period of inventory correction. Amid these developments, India continued to emerge as a preferred global manufacturing destination, supported by favourable policy initiatives, strong domestic demand, ongoing global supply chain diversification along with manufacturing-led reforms. These structural shifts continue to create significant opportunities for Indian pharmaceutical and specialty chemical manufacturers.

MEASURING OUR PROGRESS THROUGH NUMBERS

Our performance during FY26 reflects the strength of our strategy, execution and commitment of our people. Despite, a challenging global environment, we delivered strong growth in revenue and profitability while maintaining a healthy financial position. Our robust balance sheet, prudent capital allocation and disciplined approach to growth provide us with the flexibility to invest in strategic opportunities while maintaining financial prudence and creating sustainable long-term value for our stakeholders.

STRENGTHENING THE FOUNDATIONS OF FUTURE GROWTH

As we continue to prepare for the future, strengthening our manufacturing and integration platform remains a strategic priority. During the year, we strengthened our manufacturing capabilities through strategic capacity expansions and investments in manufacturing facilities. These initiatives have enhanced our operational flexibility, improved our ability to meet growing customer demand, and laid a strong foundation for sustainable long-term growth. They also support backward integration, strengthen supply chain reliability, and reinforce our position as one of India's most integrated players in the industry.

Innovation continues to be an important pillar of our growth strategy. Through investments in research and development, process excellence and sustainable technologies, we are building a robust pipeline of differentiated, value added products and solutions that will support future growth while enhancing our competitive advantage.

We are also leveraging digital technologies and data-driven decision-making to improve operational efficiency, strengthen governance and enhance customer responsiveness.

EXPANDING GLOBAL REACH AND REGULATORY EXCELLENCE

As we continue to strengthen our position in global markets, regulatory excellence remains a critical enabler of sustainable growth. During the year, we further enhanced our regulatory capabilities across key regulated and emerging markets through new product registrations, regulatory filings and compliance with stringent international quality standards. Our sustained focus on quality, compliance and customer trust and long-term strategic partnerships has allowed us to deepen relationships across international markets. Supported by robust manufacturing capabilities and strong regulatory credentials, we remain well positioned to serve the evolving requirements of pharmaceutical and specialty chemical customers worldwide and capture emerging opportunities.

"Following our earlier EcoVadis Silver recognition, IOL was awarded the EcoVadis Gold Medal in July 2026, placing us among the top 5% of companies globally assessed for ESG performance"

With a diversified portfolio, integrated manufacturing and a clear long-term strategy, we are creating a resilient platform for sustainable growth and enduring stakeholder value.

SUSTAINABILITY AT THE CORE

We believe that long-term value creation must go hand in hand with responsible environmental stewardship, social responsibility and sound governance. During the year, we maintained 100% water neutrality through efficient water management and recycling initiatives while continuing to operate state-of-the-art zero liquid discharge facilities. We also continued to reduce greenhouse gas emission intensity, increase the adoption of renewable energy and strengthen environmental stewardship through measurable ESG targets and governance mechanisms. Recognition through the EcoVadis Silver Medal* further validates our commitment to advancing sustainability across our operations.

PEOPLE, GOVERNANCE AND CULTURE

We continue to invest in employee development, safety, well-being and capability building to foster a workplace where our people can thrive and perform at their best. Through continuous learning and skill enhancement initiatives, we are strengthening organisational capabilities while preparing our workforce to meet evolving business requirements.

Equally important is our commitment to strong corporate governance. Supported by active Board oversight and robust risk management frameworks, we continue to uphold the high standards of transparency, accountability and ethical business conduct across the organisation.

PREPARING FOR THE NEXT PHASE OF GROWTH

Looking ahead, I remain confident about the long-term prospects of our Company. We remain committed to disciplined capital allocation, prudent risk management and responsible growth as we execute our long-term strategic roadmap. With a diversified portfolio, integrated operations, strong capabilities and a clear strategic roadmap, the Company is well positioned to create sustainable value for all stakeholders.

On behalf of the Board of Directors, I extend my sincere gratitude to our employees, customers, suppliers, bankers, regulators and shareholders for their continued trust and support. Together, we will continue to build a stronger, more resilient and sustainable company, while creating enduring value for all our stakeholders.

Sincerely,

Rajender Mohan Malla
Chairman

The benefits of our backward integration model became increasingly evident during the year. Improved supply assurance, enhanced cost efficiencies and greater operational resilience continued to strengthen our competitive position.

MD's Message

Turning Vision into Voyage

DEAR SHAREHOLDERS,

At IOL, our journey is guided by purpose, disciplined execution and a relentless pursuit of excellence. In FY26, amid geopolitical uncertainty, pricing pressure and evolving market dynamics, our integrated business model, operational resilience and the unwavering commitment of people enabled us to deliver strong performance.

By focusing on operational excellence, portfolio diversification, customer engagement and prudent capital allocation, we strengthened our existing business while investing in the capabilities and opportunities that will shape our next phase of growth. These strategic initiatives are enhancing our product portfolio, expanding our market reach and reinforcing our position as a trusted global pharmaceutical partner.

SEGMENT-WISE PERFORMANCE

Across our pharmaceutical and specialty chemicals businesses, we continued to strength our pharmaceutical portfolio, deepen backward integration and enhance manufacturing capabilities while maintaining the competitiveness of our specialty chemicals business.

PHARMACEUTICAL BUSINESS

One of the key areas of progress during FY26 was the continued evolution of our pharmaceutical business. Our long-term strategy is centred on building a broader and more diversified API business capable of delivering sustained growth across markets. This strategy continued to yield encouraging results during the year.

Products such as Paracetamol, Metformin, Pantoprazole, Clopidogrel, Fenofibrate and Levetiracetam witnessed healthy demand, increasing the contribution of non-Ibuprofen products to our pharmaceutical business. The scaling of our fully integrated Paracetamol facility, commissioned in the previous year, further strengthened our manufacturing capabilities, supply reliability and operational efficiencies. We also continued to strengthen our product portfolio while expanding our presence in regulated markets through regulatory filings, approvals and deeper customer engagement.

With 14 DMFs, 21 CEPs and a presence across in more than 80 countries, we have built a strong international footprint and enhanced our ability to serve diverse markets. At the same

time, we remain firmly positioned among the world's largest and most integrated Ibuprofen manufacturers, supported by extensive backward integration and manufacturing excellence.

SPECIALTY CHEMICALS BUSINESS

Our specialty chemicals business also continued to play a critical role in supporting both captive requirements and merchant sales while contributing to the strength and competitiveness of our overall business model.

During the year, we successfully expanded Ethyl Acetate capacity to 120,000 MTPA and enhanced Acetic Anhydride capacity to 32,000 MTPA. We also commissioned Triacetin capacity, further strengthening our product portfolio and integrated manufacturing platform.

The benefits of our backward integration model became increasingly evident during the year. Improved supply assurance, enhanced cost efficiencies and greater operational efficiencies continued to strengthen our competitive position.

As global specialty chemical demand gradually recovers and supply chains continue to diversify, we believe our integrated platform and manufacturing capabilities position us well to capitalise on emerging opportunities.

BUILDING THE PLATFORM FOR LONG-TERM GROWTH

Alongside strengthening our existing operations, we are also preparing for the future. During the year, we acquired 101 acres of land, creating a strong foundation for long-term expansion across our businesses. Work related to environmental, industrial and infrastructure approvals is progressing and we are evaluating multiple opportunities for our long-term growth strategy.

INNOVATION CREATING NEW POSSIBILITIES

Our DSIR-approved R&D centre remains at the heart of our innovation efforts and supports our product quality process improvement. Our R&D team comprises over 120 professionals, including more than 50 scientists. Our research is focused on green chemistry, process innovation, cost-efficient synthesis and backward integration opportunities. We are also working on differentiated and niche products that can strengthen our competitive position and open up new growth opportunities. Innovation continues to play an increasingly important role in shaping IOL's future.

GUIDED BY RESPONSIBILITY

During FY26, we maintained 100% water neutrality and continued to uphold 100% Zero Liquid Discharge across our operations. We also achieved a 14.4% reduction in combined Scope 1, Scope 2 and Scope 3 emission intensity while increasing the use of renewable energy across our facilities. These initiatives reflect our commitment to improving resource efficiency and advancing our long-term carbon neutrality roadmap.

RECOGNITION AND GOVERNANCE

Our sustainability efforts continue to be recognised through leading frameworks and assessments such as EcoVadis, Responsible Care and CDP Climate and Water Security. These recognitions encourage us to keep raising our standards and strengthening our environmental performance and sustainability practices.

Strong governance remains equally important to our organisation.

Maintaining high standards of compliance, transparency and accountability is fundamental to the way we operate and to the trust that our stakeholders place in us.

EMPOWERING PEOPLE, ENRICHING COMMUNITIES

Our achievements were made possible by the dedication of over 3,000 employees. During the year, we continued to invest in safety, capability building, employee engagement and professional development through structured training, leadership development programmes, and diversity and inclusion initiatives, strengthening our organisation and preparing future leaders.

Our responsibilities also extend beyond our manufacturing facilities. Through our CSR initiatives, aligned with the United Nations Sustainable Development Goals, we continue to support programmes focused on education, healthcare, environmental sustainability and community development.

These initiatives are helping improve the quality of life in the communities where we operate.

LOOKING AHEAD WITH CONFIDENCE

I remain optimistic about the opportunities ahead. The long-term outlook for both the pharmaceutical and specialty chemical industries remains encouraging supported by increasing healthcare demand, expanding global manufacturing opportunities and India's role in global manufacturing continues to strengthen as supply chains diversify.

I would like to sincerely thank our employees, customers, business partners and shareholders for their continued trust and support. Your confidence in IOL has been instrumental in our journey and we remain committed to creating sustainable long-term value for all our stakeholders.

With warm regards,

Varinder Gupta
Managing Director

Investment Case

A Compelling Growth Proposition

We are a fully backward integrated manufacturer of Active Pharmaceutical Ingredients and Specialty Chemicals, combining with backward integrated manufacturing operation for diversified product portfolio.

Supported by a near debt free balance sheet, we delivered revenue of ₹2,319 Cr, EBITDA of ₹290 Cr and profit after tax of ₹138 Cr in FY26. With a 101-acre greenfield site secured, we are laying the foundation for the next phase of expansion through a planned investment programme funded predominantly through internal accruals.

Our 100% Zero Liquid Discharge facility, EcoVadis Gold Medal and 14.4% reduction in GHG emission intensity reflect our focus on responsible manufacturing.

Backward integration through in house production of key intermediates enhances operational efficiency, retains value within the business and supports a structural cost advantage across the value chain enhances operational efficiency, supply reliability and cost competitiveness.

With 14 USFDA DMFs and 21 EDQM CEPs, we continue to expand our presence across regulated markets including Brazil, Korea, Taiwan and Russia.

The contribution of non Ibuprofen APIs has increased from 18% in FY21 to 37% in FY26, driven by products such as Paracetamol, Clopidogrel and Pantoprazole, creating a more balanced product mix.

A 101 acre greenfield site with environmental clearances and a planned investment to position us for the next phase of capacity expansion.

A near debt free balance sheet with a debt equity ratio of 0.08 provides financial flexibility, while planned capital expenditure is being funded primarily through internal accruals.

Our Sustainability initiatives

Growth Aligned with Responsibility

Environmental stewardship, social responsibility and sound governance practices are integrated into our business operations and decision-making processes. Through focused initiatives across resource efficiency, workplace practices, community engagement and governance oversight, we seek to create long term value while supporting sustainable business growth.

We operate through two primary business segments: Pharmaceuticals and Specialty Chemicals. Our pharmaceutical portfolio comprises a diversified range of APIs spanning multiple therapeutic categories, while our specialty chemicals business serves a broad spectrum of industrial applications. This integrated operating model strengthens efficiency, enhances product quality and supports dependable supply.

We are among the world's largest manufacturers of Ibuprofen and maintain a significant presence in products such as Metformin and Ethyl Acetate. Our manufacturing facilities are supported by backward integration, process expertise and quality systems designed to meet the requirements of regulated and semi regulated markets.

GOLD | Top 5%
ecovadis
Sustainability Rating
JUN 2026

ECOVADIS Gold Medal Recipient ranking among top 5% of companies assessed globally for ESG performance.

100%
Water neutral

8.8 %
Reduction in Scope 1 + 2 GHG emissions

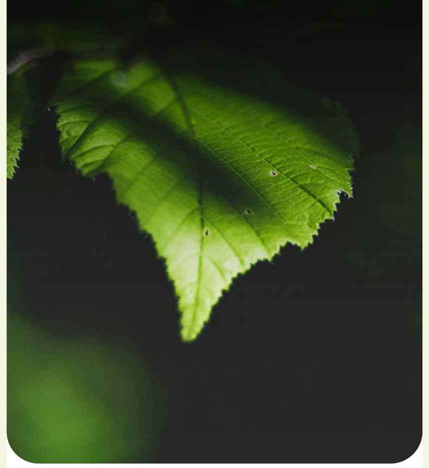
0.31-0.15
ground water intensity (KL/ton of production)

Level "B"
CDP Climate Change & Water Security

Level "A"
CDP Supplier Engagement

77%
Energy Consumption met through renewable sources

Environment

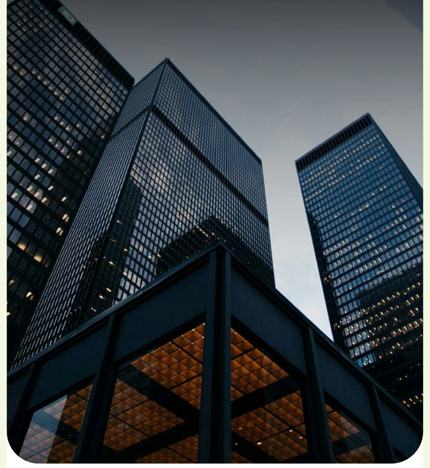


- Reduced combined Scope 1, 2 and 3 GHG emission intensity by 14.4% in FY25–26
- Operate a 100% Zero Liquid Discharge (ZLD) facility
- Installed 1,187 KW of solar capacity with annual carbon offset benefits
- Completed product carbon footprint assessment across the portfolio
- Defined emissions reduction targets aligned to the FY2022–23 baseline

Social

- SA 8000:2014 certified for responsible labour and human rights practices
- Contributing to 17 UN Sustainable Development Goals (SDGs) through participation in the UN Global Compact
- Community initiatives focused on education, healthcare and livelihood development
- Social Audit under "Prayas" Initiative conducted for Tier -1 Suppliers

Governance



- Defined EHS&S responsibilities across leadership and operational levels
- Governance framework supported by established policies and oversight mechanisms
- Recipient of the Responsible Care logo for three consecutive years
- Certified to ISO 27001 and ISO 37001 standards
- Approximately 80% of power requirements met through renewable energy sources

SDG Mapping — Contributing to UN Sustainable Development Goal

Aligning with Global Priorities

Sustainability is integrated into our business decisions, operational practices and long-term growth strategy. We have aligned our efforts with seven Sustainable Development Goals (SDGs) where we believe our operations can create the most meaningful impact.

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

Protecting the health, safety and well-being of our workforce is fundamental to our operations. Our occupational health and safety framework encompasses risk management, preventive healthcare, emergency preparedness and access to medical support, helping foster a safe and healthy working environment at our manufacturing facilities.

Our Priorities

- Zero Reportable Accidents.
- Zero Lost Time Injury Rate (LTIR).
- Zero Lost Time Fatality Rate (LTFR).
- Provision of basic medicines at the primary health centre on site.

Actions in progress

- Onsite and offsite mock drills conducted periodically.
- Fire alarm and smoke detection systems installed and maintained.
- Health check-up sessions with empanelled professionals on a regular basis.
- Toolbox talks integrated into daily shift routines.

ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Water stewardship is a key part of our environmental management approach. We monitor water use, manage related risks and implement conservation measures across operations. Our facility follows a Zero Liquid Discharge (ZLD) model, recycling and reusing treated effluents within the plant. Initiatives such as steam condensate recovery, process optimisation and water-efficient infrastructure help reduce dependence on freshwater resources.

What we target

- 100 % water neutrality
- Sustaining ZLD status at the manufacturing facility
- 5% reduction in water consumption per KL per tonne of production.

Key Actions

- Deployment of high-pressure jet cleaning systems
- Dual plumbing infrastructure for water conservation
- Steam condensate recovery and reuse
- Process level water optimisation initiatives
- Water conservation awareness programmes

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

Improving energy efficiency and increasing the use of renewable energy remain central to our decarbonisation strategy. Through investments in solar infrastructure, process optimisation and cleaner energy sources, we are working to reduce our carbon footprint while enhancing energy security across operations. Approximately 80% of the energy used at our manufacturing facility is derived from renewable sources, supporting our target of achieving carbon neutrality by 2050.

What we target

- Increase the share of renewable energy across operations
- Reduce Scope 2 emissions in line with decarbonisation objectives
- Advance towards carbon neutrality by 2050

Key Actions

- Installed 510 KW, 62.1, 615KW of Solar capacity till date.
- Phase wise implementation of an additional 1.5 MW solar project underway
- Approximately 80% of energy requirements met through renewable sources
- Expanding the use of biofuels and other cleaner energy alternatives

8 DECENT WORK AND ECONOMIC GROWTH

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

We seek to create value through responsible business practices, safe working conditions and opportunities for employee growth and development. Our people policies, workplace standards and governance mechanisms support a culture built on safety, inclusivity, well-being and respect for human rights.

What we target

- Maintain zero human rights violations across operations
- Uphold responsible workplace practices and governance standards
- Enhance employee well-being and workplace engagement
- Be recognised as an employer of choice
- Promote an inclusive, safe and supportive workplace culture

Key Actions

- Comprehensive employee insurance coverage
- Employee recognition and engagement programmes
- Periodic well-being and workplace awareness initiatives

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

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

Innovation, technology and process excellence support our efforts to enhance operational efficiency and develop sustainable products. Through investments in research and development, digital initiatives and manufacturing capabilities, we continue to build a foundation for long term growth and value creation.

What we target

- Expand product development capabilities
- Reduce environmental footprint through product and process innovation
- Advance lifecycle assessment coverage across products
- Develop innovative and sustainable product solutions
- Enhance operational efficiency through technology adoption

Key Actions

- Investments in research and development
- Digital transformation initiatives across operations
- Strengthening capabilities in process and intermediate research

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Resource efficiency and responsible production practices are integrated into our manufacturing operations. Through process optimisation, waste reduction, environmental management systems and circularity initiatives, we seek to minimise environmental impact while enhancing operational efficiency.

What we target

- Maintain compliance with environmental management standards
- Promote resource efficiency across operations
- Reduce waste generation and enhance circularity initiatives

Key Actions

- ISO 14001 and ISO 50001 certified management systems
- Sustainability awareness programmes conducted across the organisation
- Carbon sink verification initiatives undertaken
- Recycling and responsible disposal of expired and unused APIs
- Procurement of BIS approved raw materials for specialty chemical production

7 AFFORDABLE AND CLEAN ENERGY

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Addressing climate related risks and reducing greenhouse gas emissions remain central to our sustainability agenda. Through renewable energy adoption, energy efficiency initiatives and science-based emissions reduction targets, we continue to progress towards a lower carbon operating model

What we target

- Reduce combined Scope 1 and Scope 2 emissions by 58.8% by 2033
- Reduce Scope 3 emissions by 35% by 2033
- Progress towards long-term climate-related objectives
- Align operations with global climate goals
- Reduce the carbon intensity of manufacturing operations
- Advance the transition towards cleaner energy sources

Key Actions

- Increased use of renewable energy and biofuels
- Publication of greenhouse gas inventory disclosures
- Product lifecycle assessments completed for key products
- SBTi targets approved and validated
- Zero instances of environmental non- compliance during the year

Growth Strategy

Pathways to Progress

Our growth strategy is anchored in our expertise across APIs and specialty chemicals, enabling us to pursue innovation, improve operational performance and broaden market access.

MEDIUM TERM PLAN

Growth Pillar	Strategic Intent	Strategic Actions	Key metrics
Product Diversification and Expansion	Strengthen leadership in key APIs while diversifying revenue across therapies and geographies.	• Commercialise APIs in various therapeutic segments through integrated manufacturing • Expand capacities for key growth products	• Revenue growth from Diversified API Product. • Optimised capacity utilisation
Strengthening Global Presence	Expand presence in regulated global markets.	• Obtain regulatory approvals across key regulated markets • Enhance commercial presence and customer engagement in regulated geographies	• Export revenue growth
Operational Efficiency and Cost Management	Improve profitability through operational efficiency and cost optimisation.	• Accelerate automation and digital adoption across manufacturing operations • Strengthen backward integration through strategic KSM development	• EBITDA margin improvement • Cost reduction through integrated systems
Capital Allocation and Financial Discipline	Maintain financial discipline while investing in high-return growth opportunities.	• Deploy internal accruals towards disciplined growth investments • Prioritise capital allocation to projects with strong return potential	• Zero-debt status • Annual CAPEX within defined budget • ROI/ROCE
Human Capital Development	Develop a skilled, agile and future-ready workforce.	• Strengthen workforce capabilities through targeted learning and development initiatives • Build organisational depth through focused talent acquisition in critical functions	• Retention rate ≥ 95% • Average training: 40 hours per employee/year
Market Leadership in APIs and Specialty Chemicals	Establish leadership positions across all key products.	• Advance a differentiated, research-led API portfolio • Enhance innovation capabilities through investments in R&D infrastructure • Pursue strategic collaborations with global pharmaceutical partners for product development	• Market share growth across key products APIs

LONG TERM PLAN (5-10 YEARS)

Growth Pillar	Strategic Intent	Strategic Actions	Key metrics
Sustainability and Environmental Stewardship	Advance sustainable manufacturing practices across operations	• Implement zero-waste manufacturing processes • Increase the share of renewable energy in the energy mix • Scope 3 Reduction by Supplier engagement under "PRAYAS" Initiative.	• Scope 1 & 2 emissions reduction of 58.8% by 2033 • Scope 3 emissions reduction of 40% by 2033 • 95% renewable energy usage by 2030 • 100% water neutrality
Digital Transformation and Technology Upgrades	Enhance operational effectiveness through advanced digital technologies	• Integrate AI across sourcing, maintenance and quality management processes • Deploy IoT-enabled systems for real-time operational monitoring	• Reduced equipment downtime • Improved inventory management and production efficiency
Global Supply Chain Resilience	Build a resilient and responsive global supply ecosystem	• Diversify sourcing through multi-supplier networks • Establish regional distribution hubs in key markets	• Greater supply chain continuity • Expanded regional distribution capabilities
Innovation and New Product Development	Strengthen innovation capabilities to improving the product manufacturing process and quality	• Expand investments in biopharma and biotechnology platforms in research and development product process.	• Increased patent filings • Higher revenue contribution from new product launches

Business Model

The Architecture of Growth

Inputs

Financial Capital

₹58.7 Cr Equity Share capital	**₹1798.40 Cr** Net worth	**₹164 Cr** Capex spent

Manufactured Capital

18 Manufacturing facilities	**80+** countries Customer base	**180+ Acres** integrated Manufacuring complex at Single Location

Intellectual Capital

120+ R&D team size	**₹ 26.01 Cr** R&D expense	**DSIR** approved facility for research & development

Human Capital

3000+ No of employees	**2,906** Employees trained on health and safety

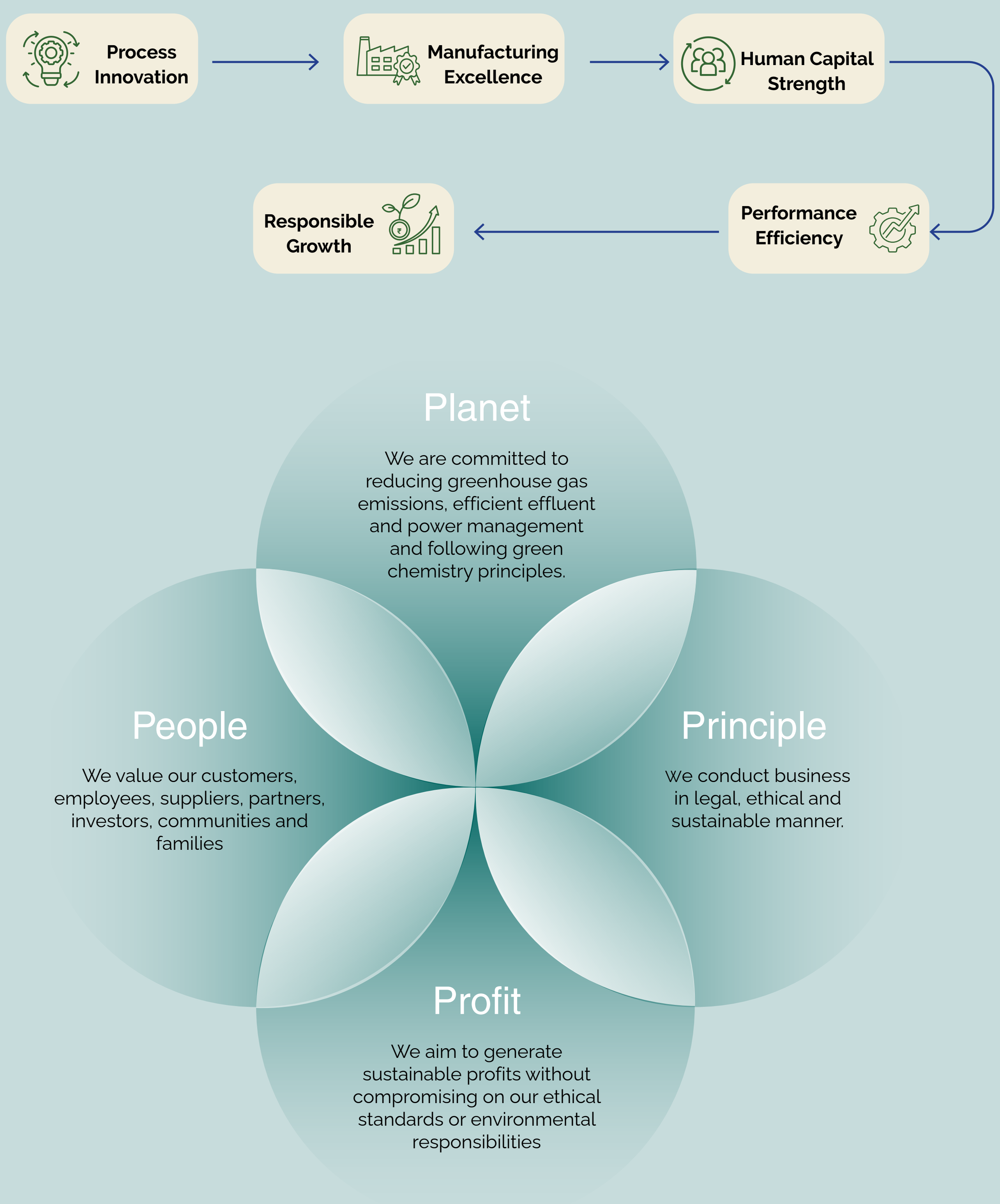
Social and relationship Capital

₹ 4.65 Cr Total CSR spends	**4** Focus areas	**100%** Of our key raw material suppliers who have undergone internal assessments on ESG factors

Natural Capital

2221.6 TJ Total energy consumption	**3,55,796 KL** Total water consumption	**2,74,832 KL** Total recycle water generation for reuse

Value creation process



Outputs

Financial Capital

₹2319.1 Cr Revenue from operations	**₹290.4 Cr** EBITDA	**0.08** Debt to equity ratio

Stakeholder Impacted: Investors/Stakeholders; Government authorities; Employees and contractual labourers

Manufactured Capital

30726 TPA API total installed capacity.	**182400 TPA** Speciality Chemicals total installed capacity

Stakeholder Impacted: Employees and contractual labourers; Service contractors; Government authorities; Suppliers/Vendors

Intellectual Capital

20 products commercialised	**21** CEP with EDQM	**14** DMF filed with USFDA

Stakeholder Impacted: Customers; Investors/Stakeholders

Human Capital

00 LTIFR (workers)	**00** High consequence work related injury	**00** Complains received for Working conditions

Stakeholder Impacted: Employees and contractual labourers; Service contractors

Social and relationship Capital

~2,00,000 Lives impacted through Health care initiatives	**~5.55 lakh** Lives impacted through social upliftment initiatives

Stakeholder Impacted: Communities; Non-government organisation; Suppliers/Vendors; Customers; Media

Natural Capital

80.0 % Renewable energy contribution	**100.0 %** Zero liquid discharge facility	**100.0 %** Water neutrality facility

14.4 % Reduction in Scope 1 and 2 emissions

Stakeholder Impacted: Communities; Government authorities

Stakeholder Impacted

SDG Impacted

Stakeholder Engagement

Guided by Shared Purpose

Meaningful stakeholder engagement is integral to the way we operate and create value. Through transparent communication and regular dialogue, we encourage constructive relationships with investors, employees, customers, suppliers, government authorities, regulators and local communities.

Our engagement approach is built on trust, accountability and mutual understanding. Structured engagement mechanisms and responsive feedback channels help us understand stakeholder priorities, address emerging concerns and incorporate valuable insights into our decision-making. This ongoing dialogue strengthens our ability to create sustainable value while supporting responsible business growth.

INVESTORS/STAKEHOLDERS

Key Priorities	Expectations	Value Created
• Sustainable revenue growth • Margin expansion • Capital discipline	• Earnings visibility • Strong governance • High returns	• Stable cash flows • Disciplined capital allocation • Strong credit profile

EMPLOYEES AND CONTRACTUAL LABOURERS

Key Priorities	Expectations	Value Created
• Competitive rewards and professional growth • Safe, inclusive and supportive work environment • Continuous learning and capability enhancement	• Clear communication of organisational policies and decisions • Opportunities for participation, collaboration and knowledge sharing • Employee well-being, fair employment practices and equitable benefits • Strong health, safety and workplace welfare standards	• Motivated and engaged workforce • Strong workplace culture and employee retention • Respect for human rights and a safe working environment

SERVICE CONTRACTORS

Key Priorities	Expectations	Value Created
• Timely payments and transparent contracting • Clear scope of work and compliance requirements	• Timely settlement of dues • Clear communication of contractual and compliance obligations	• Operational continuity and compliance adherence

SUPPLIERS AND VENDORS

Key Priorities	Expectations	Value Created
• Long-term business relationship • Quality, reliability and ethical sourcing	• Transparent procurement practices and business policies • Adherence to quality, compliance and responsible sourcing standards	• Resilient and collaborative supply chain partnerships • Consistent quality and supply reliability

GOVERNMENT AUTHORITIES

Key Priorities	Expectations	Value Created
• Regulatory compliance across operations • Transparent environmental, social and governance disclosures	• Compliance with applicable laws, regulations and industry standards • Timely approvals, licences and statutory filings • Effective environmental management and regulatory oversight	• Strong compliance performance • Regulatory trust and operational continuity

COMMUNITIES

Key Priorities	Expectations	Value Created
• Environmental protection and community well-being • Access to livelihood opportunities and local infrastructure • Inclusive development through education and social initiatives	• Responsible operations that safeguard environmental and public health • Investments in community development across education, healthcare and infrastructure • Employment and livelihood opportunities for local communities	• Enhanced community well-being and livelihood outcomes • Sustainable investments in education, healthcare and infrastructure

CUSTOMERS

Key Priorities	Expectations	Value Created
• Consistent product quality and reliable delivery • Responsive service and technical support	• Safe, effective and compliant products • Transparent product information and regulatory adherence	• Strong customer satisfaction and repeat business • Products aligned with global quality and standards

MEDIA

Key Priorities	Expectations	Value Created
• Accurate, timely and transparent corporate communication	• Timely dissemination of material developments, policies and corporate updates	• Consistent corporate messaging and enhanced public credibility

NON-GOVERNMENTAL ORGANISATION

Key Priorities	Expectations	Value Created
• Sustainable community development and social impact	• Alignment with community priorities and development objectives • Transparent reporting of social and environmental outcomes	• Broader social impact and strengthened community outcomes • Meaningful partnerships that support inclusive development

Double Materiality Assessment

What Guides Our Course

We conducted a double materiality assessment to identify the ESG topics most relevant to our business and stakeholders, enabling focused resource allocation and informed decision making. It incorporates both stakeholder perspectives and a dual lens that evaluates our impacts on society and the environment, as well as the influence of environmental, social and governance factors on our business performance and long-term value creation.

Impact Materiality

Assesses how our operations affect people, communities and the environment across our value chain, including our employees, host communities and natural resources.

Financial Materiality

Assesses how external ESG factors, such as regulations, climate change and input costs, influence our assets, liabilities, cash flows and long-term value creation.

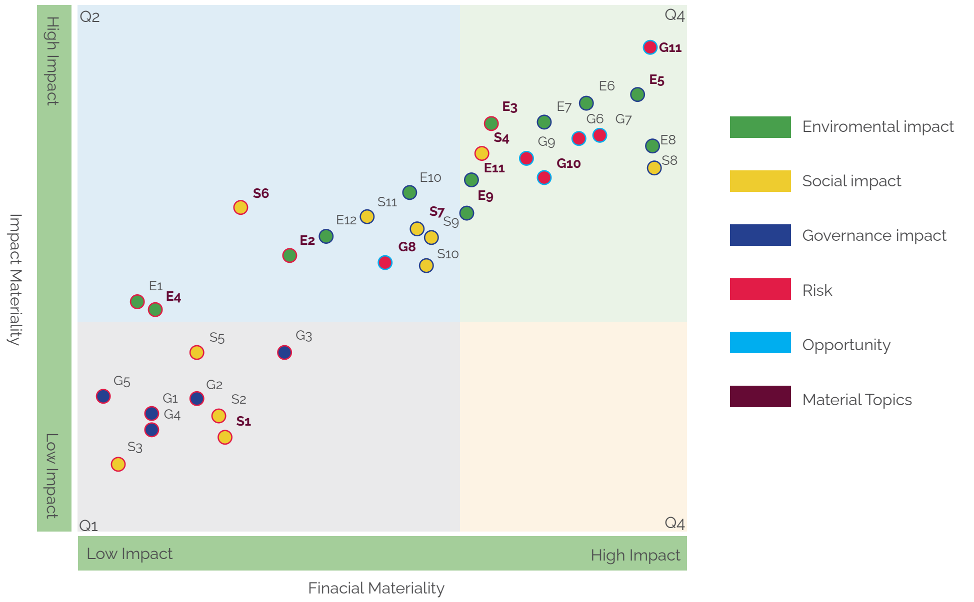
Stakeholder Engagement

We identified our material sustainability topics through structured engagement with a broad range of internal and external stakeholders, including employees, senior management, suppliers, customers, investors and local communities.

Material Topic Identified

Our material topics are organised across the Environmental, Social and Governance dimensions and classified as either risks to be managed or opportunities to be pursued. Four topics newly identified in this year's assessment are currently marked as TBC, pending final classification based on our materiality assessment outcomes.

Code	Material Topic	Category	Risk / Opportunity
E1	Air Emissions	Environmental	Risk
E2	GHG Emissions	Environmental	Risk
E3	Hazardous Waste Management	Environmental	Risk
E4	Waste Water Treatment	Environmental	Risk
E5	Energy Management	Environmental	Opportunity
E6	Renewable Energy Management	Environmental	Opportunity
E7	Green Chemistry	Environmental	Opportunity
E8	Process Efficiency	Environmental	Opportunity
E9	Recycled Material Use	Environmental	Opportunity
E10	General Waste Management (Non-Hazardous)	Environmental	Opportunity
E11	Water Management (Withdrawal, Consumption & Discharge)	Environmental	Opportunity
E12	Biodiversity	Environmental	--
S1	Occupational Health & Safety	Social	Risk
S2	Emergency Preparedness	Social	Risk
S3	Safe Material Handling	Social	Risk
S4	Human Rights	Social	Risk
S5	Product Safety	Social	Risk
S6	Sustainable Supply Chain	Social	Risk
S7	Community Engagement	Social	Opportunity
S8	Customer Satisfaction	Social	Opportunity
S9	Diversity & Inclusion	Social	Opportunity
S10	Employee Attraction / Retention	Social	--
S11	Labor Practices	Social	--
G1	Business Continuity	Governance	Risk
G2	Anti-Corruption	Governance	Risk
G3	Data Privacy	Governance	Risk
G4	Information Security	Governance	Risk
G5	Counterfeit Risk	Governance	Risk
G6	Access to Medicines	Governance	Risk
G7	Affordable Medicines	Governance	Opportunity
G8	Ethical Conduct	Governance	Opportunity
G9	Regulatory Compliance	Governance	Opportunity
G10	Strong Governance	Governance	Opportunity
G11	Product Quality	Governance	Risk



Risk management framework

Anticipating Every Horizon

We maintain a disciplined approach to risk management, recognising its role in safeguarding business continuity, strengthening operations and supporting sustainable value creation. Operating in an environment shaped by evolving market dynamics, regulatory developments and industry-specific challenges, we adopt a structured framework to identify, assess and mitigate risks.

This approach enables us to respond effectively to emerging uncertainties, enhance organisational preparedness and protect stakeholder interests. By integrating risk considerations into business planning and decision-making, we strengthen our ability to navigate change and pursue growth opportunities with confidence.

RISK CATEGORIES

We regularly evaluate and monitor the most material risks that could significantly influence our performance. While these reflect our current assessment of key exposures, we remain vigilant to changes in the external environment and the potential emergence of new risks over time.

Operational Risks	Financial Risks	ESG Risks	Regulatory & Compliance Risk

OPERATIONAL RISKS

Business Continuity Disruption

Root Cause
Unforeseen events affecting critical operations and business processes

Impact
Operational interruptions, delayed deliveries, revenue loss and stakeholder dissatisfaction

Mitigation
Established Business Continuity Plan (BCP), defined recovery protocols and periodic Business Impact Analysis (BIA) reviews.

ESG Linkage: Social and Governance
Risk Area: Business Continuity Planning

Capital Impacted

Supply Chain Disruption

Root Cause
Dependence on key suppliers, logistics bottlenecks, geopolitical developments, natural disasters and equipment failures.

Impact
Production interruptions, delayed deliveries, increased costs and revenue loss.

Mitigation
Supplier diversification, strategic inventory management, business continuity planning and cross-functional response mechanisms.

Backward integration across key intermediates.

ESG Linkage: Governance
Risk Area: Manufactured Facility

Capital Impacted

Cyber Attack

Root Cause
Increasing digitalisation, evolving cyber threats and unauthorised access attempts

Impact
Operational disruptions, data breaches, regulatory non-compliance, financial losses and reputational damage

Mitigation
Comprehensive cybersecurity and IT governance frameworks safeguard digital infrastructure. Regular Vulnerability Assessment and Penetration Testing (VAPT), continuous monitoring and preventive controls support timely threat detection and risk mitigation.

ESG Linkage: Governance
Risk Area: Information Technology

Capital Impacted

Risk management framework

FINANCIAL RISK

Foreign Exchange Exposure

Root Cause	Impact	Mitigation
Fluctuations in exchange rates impacting imports and export realisations.	Margin pressure, cost escalation and volatility in earnings	Continuous monitoring of currency exposure, hedging strategies and periodic market reviews.

ESG Linkage: Governance
Risk Area: Foreign Exchange

Capital Impacted

Product Portfolio Concentration

Root Cause	Impact	Mitigation
Dependence on a limited number of products and therapeutic segments	Exposure to market volatility, pricing pressure and fluctuations in demand affecting profitability.	Portfolio diversification across APIs and specialty chemicals, supported by expansion into new products and markets.

ESG Linkage: Governance
Risk Area: Product Concentration

Capital Impacted

ESG RISK

Fire and Industrial Hazards

Root Cause	Impact	Mitigation
Fire incidents, equipment malfunction, unsafe conditions or process failures at manufacturing facilities.	Damage to assets and infrastructure, production disruptions, financial losses and employee safety incidents.	Fire protection systems, periodic safety drills, employee awareness programmes and emergency response procedures ,robust EHS systems,periodic audits, environmental monitoring and adherence to global sustainability standards.

ESG Linkage: Environment
Risk Area: Fire / Hazard Management

Capital Impacted

Innovation and R&D Risk

Root Cause	Impact	Mitigation
Insufficient investment in R&D, technology and talent development.	Reduced product innovation, slower new product development and loss of competitive advantage.	Continued investment in R&D infrastructure, technology platforms, digital tools and capability development.

ESG Linkage: Governance
Risk Area: Research & Development

Capital Impacted

REGULATORY & COMPLIANCE RISK

Ethical Conduct & Monitoring

Root Cause	Impact	Mitigation
Weak internal controls, unethical conduct or non-compliance with policies	Financial losses, reputational damage, regulatory scrutiny and erosion of stakeholder trust.	Robust internal controls, whistle-blower mechanisms, employee awareness programmes and periodic compliance reviews.

ESG Linkage: Governance
Risk Area: Ethics and Compliance

Capital Impacted

Product Quality Variability

Root Cause	Impact	Mitigation
Process deviations, raw material inconsistencies, equipment issues and non-conformance to quality standards	Customer complaints, product recalls, regulatory action, revenue loss and reputational impact.	Robust quality management systems, regular audits, process controls, employee training and continuous improvement initiatives.

ESG Linkage: Social and Governance
Risk Area: Quality

Capital Impacted

Governance

Keeping True North

Guided by our compass for journey forward, we view governance as the steady force that shapes responsible decisions, strengthens oversight and anchors long-term trust across all our stakeholder relationships. Governance forms the foundation of sustainable growth, responsible business conduct. We remain committed to strengthening sound governance as an enabler of informed decision-making, enhanced risk oversight, steadfast ethical conduct and enduring value creation.

We believe that this disciplined approach to governance supports robust decision-making, reinforces risk oversight and upholds ethical conduct, thereby sustaining trust and long-term value creation for shareholders, employees, customers, partners and communities.

OUR GOVERNANCE PRINCIPLES

Our governance approach is anchored in four core principles-

Transparency
Timely disclosures, robust financial reporting and proactive stakeholder engagement

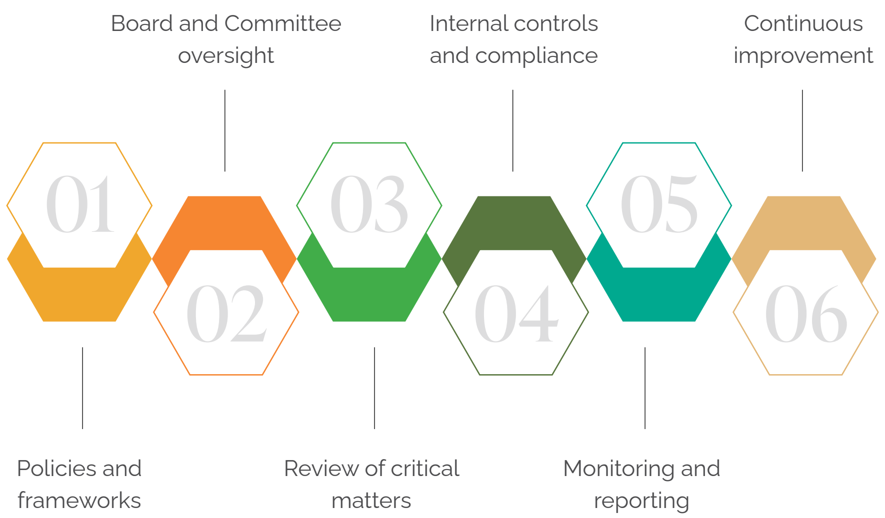
Accountability
Clearly defined roles, internal controls and periodic Board performance evaluations

Integrity
Ethical conduct, fairness and responsible business practices embedded across operations

Compliance
Alignment with applicable laws, regulations and evolving stakeholder expectations

GOVERNANCE FRAMEWORK

Our governance framework comprises well-defined policies, procedures and oversight mechanisms that support regulatory compliance and sound decision-making across the organisation. These frameworks help ensure that business activities remain aligned with applicable laws, regulatory requirements and stakeholder expectations, thereby reinforcing disciplined governance and sustained organisational integrity.



The Board and its Committees regularly review critical matters. These include financial reporting, risk management and internal controls. They also review related party transactions, sustainability and compliance. This reinforces disciplined oversight and informed decision-making across the organisation.

We continue to strengthen our compliance culture through periodic policy reviews. Structured reporting mechanisms and continuous monitoring support this effort. This ensures our governance framework remains responsive and adaptive. It aligns with evolving business dynamics and regulatory environments.

BOARD AND COMMITTEE OVERSIGHT

The Board Committees play an important role in enhancing governance effectiveness. They enable focused review, independent oversight and informed recommendations to the Board. Each Committee provides specialised oversight across critical areas that support business continuity, stakeholder confidence and long-term value creation.

Our committees

Audit Committee	Risk Management Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	CSR Committee
Financial reporting, internal controls and audit processes	Enterprise risk oversight and resilience planning	Investor engagement and grievance redressal	Leadership succession, Board evaluation and remuneration matters	Social responsibility initiatives and community impact

Board composition

- Independent Director **(4)**
- Managing Director **(1)**
- Joint Managing Director **(1)**
- Executive Director **(1)**
- Director (Works) **(1)**

10 years
Average tenure of Board

Independent Director
Chairman of the Board

50%
Independent Board of Directors

96%
Average attendance

Governance

ETHICS AND ACCOUNTABILITY

Ethical conduct remains central to our governance culture. Our Code of Conduct establishes clear expectations for directors, employees and business partners.

These expectations relate to integrity, fairness, transparency and professional behaviour.

We reinforce these standards through regular awareness initiatives and leadership engagement. Compliance-focused communication further supports consistent understanding and adherence across the organisation.

Building a culture of ethics

Code of conduct
Establishes expectations on integrity, fairness and professional behaviour

Awareness and training
Reinforces ethical standards through regular communication and policy awareness

Leadership Reinforcement
Encourages responsible decision-making and accountability across levels

Ethical reporting
Promotes openness by encouraging employees and stakeholders to raise genuine concerns

RESPONSIBLE BUSINESS PRACTICES

Our governance framework extends beyond regulatory compliance, encompassing the proactive identification and management of emerging risks.

We operate through dedicated frameworks and practices across key areas, including whistleblower protection, anti-bribery, anti-corruption and cybersecurity, thereby reinforcing stakeholder confidence and strengthening organisational preparedness.

Key focus areas

Whistleblower protection
Enables employees and stakeholders to report genuine concerns confidentially and without fear of retaliation

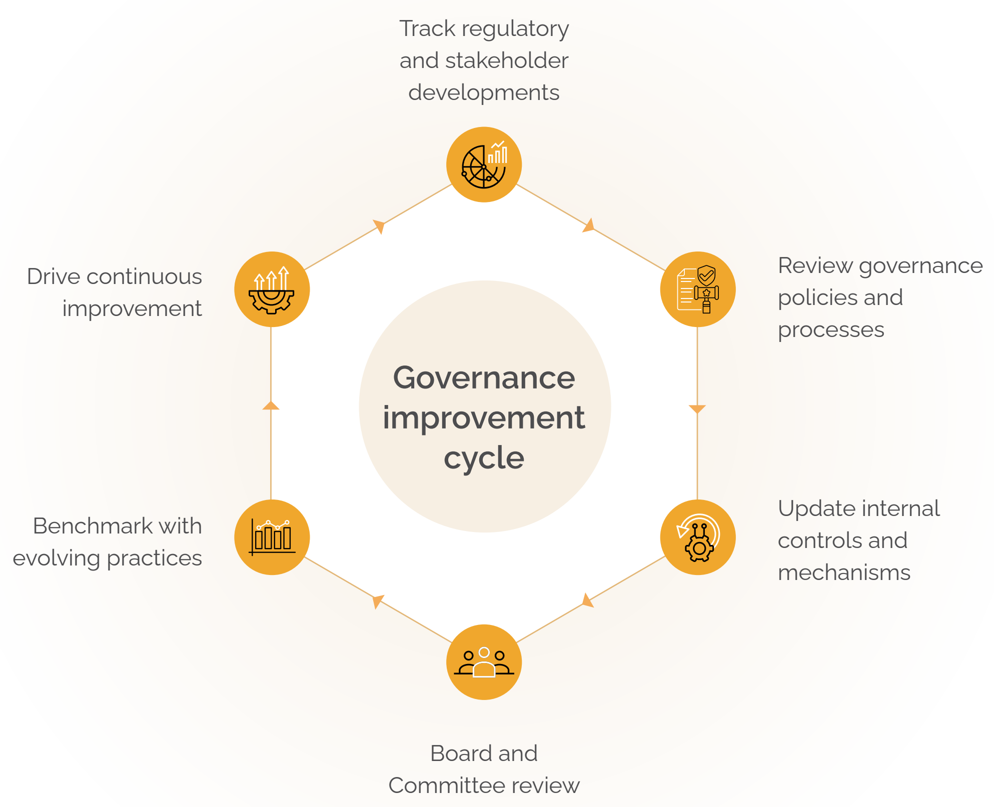
Anti-bribery and anti-corruption
Reinforces a zero-tolerance approach towards unethical business practices and guides responsible conduct

Cybersecurity and information security
Strengthens technology safeguards, risk monitoring, employee awareness and protection of critical business information and systems

FUTURE-READY GOVERNANCE

In response to evolving regulatory requirements, stakeholder expectations and business risks, we remain committed to maintaining an agile, resilient and future-ready governance framework.

We undertake regular reviews of our governance policies, internal processes and control mechanisms. This ensures continued alignment with emerging regulations, industry standards and evolving governance practices.



The Board receives periodic updates on regulatory changes, cybersecurity developments, sustainability expectations and other key governance matters. This proactive approach enables us to maintain a governance framework that supports responsible decision-making and strengthens accountability. It also contributes to sustainable long-term value creation.

By embedding governance into everyday business conduct, we continue to build a culture of integrity, responsibility and accountability. This further supports the Company's growth and continued progress.

Board of Directors

The Minds at the Helm

Mr. Rajender Mohan Malla
Chairman and Independent Director

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

Mr. Vikas Gupta
Joint Managing Director

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

Mr. Varinder Gupta
Managing Director

Mr. Varinder Gupta is an esteemed industrialist with over 38 years of extensive experience in the chemical and pharmaceutical industry. His strategic vision and comprehensive oversight have driven innovation and excellence within the organisation, positioning IOL as a leader in the pharma and API sectors.

Mr. Abhiraj Gupta
Executive Director

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

■ Member ● Chairman

■ Audit Committee
■ Nomination and Remuneration Committee
■ Stakeholders Relationship Committee
■ Corporate Social Responsibility Committee
■ Risk Management Committee
■ Strategy & Growth Committee

Mr. Kushal Kumar Rana
Director (Works)

Mr. Kushal Kumar Rana, with a Bachelor's in Chemistry, Physics, and Math, Master's in Chemistry and Strategic Leadership development program (SLDP) from IIM Bangalore, has over 33 years of experience in the pharmaceutical industry. His expertise in quality assurance, quality control, EHS Statutory and regulatory compliance is instrumental in maintaining the company's high standards.

Mr. Harpal Singh
Independent Director

Mr. Harpal Singh, a Chartered Engineer and Fellow of the Institution of Engineers (India), has over 37 years of experience in banking and financial services. A Certified Associate of the Indian Institute of Bankers, he has held senior positions, including General Manager of Punjab National Bank, overseeing the bank's operations in Punjab.

Ms. Rajni Jha
Independent Director

Ms Rajni Jha is a highly accomplished Senior Pharmaceutical Regulatory, Quality, and Compliance professional with over 33 years of extensive experience in the pharmaceutical industry. An IIT Kanpur scholar and Regulatory Affairs professional, she has made significant contributions across various departments, including Chemical Research, Corporate Regulatory Affairs, Quality Assurance and Drug Regulatory Affairs- RA & QA [R&D & Manufacturing plant] &Techno Commercial Team. Ms Rajni Jha has done M.Sc. in Synthetic Organic Chemistry form Kanpur University. She is an IIT Kanpur Scholar - Research work at I.I.T Kanpur.

Mr. Sharad Tyagi
Independent Director

Mr. Sharad Tyagi, with a degree in engineering from Delhi University and an MBA from IIM Ahmedabad, has over 38 years of entrepreneurial experience in pharmaceuticals, OTC, automotive catalysts, and specialty chemicals. He has held prominent positions, including Managing Director of Boehringer Ingelheim India and Senior Vice President at Dr. Reddy's, contributing significantly to their strategic growth.

■ Member ● Chairman

■ Audit Committee
■ Nomination and Remuneration Committee
■ Stakeholders Relationship Committee
■ Corporate Social Responsibility Committee
■ Risk Management Committee
■ Strategy & Growth Committee

Financial Capital

Steering Growth with Financial Resilience

The strength of our Financial Capital lies in our ability to convert scale, integration and operational discipline into enduring value. Even amid industry-wide pricing pressures, our backward-integrated model and diversified portfolio enabled us to maintain performance, protect competitiveness during the year and build for the future.

A clear strategic compass has enabled us to balance growth ambitions with financial discipline. Backed by a strong balance sheet, capital expenditure funded through internal accruals and increasing diversification through our optimized product portfolio., we are strengthening long-term resilience while investing in capabilities that will define our next phase of growth.

FOCUS AREA

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

STAKEHOLDERS IMPACTED

- Shareholders/ Investors
- Government authorities
- Employees and contractual labourers

₹2,319 Cr
Revenue from operations

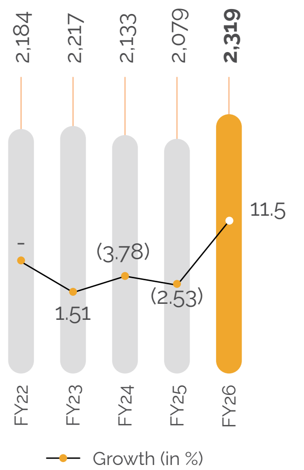
₹290 Cr
EBITDA

₹138 Cr
PAT

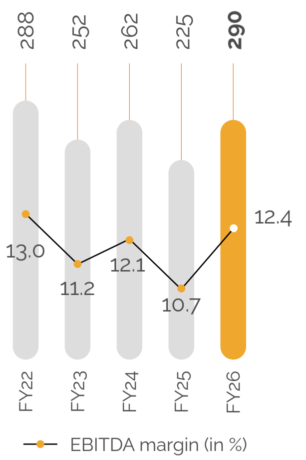
SDG IMPACTED

DRIVING SUSTAINABLE GROWTH THROUGH FINANCIAL DISCIPLINE

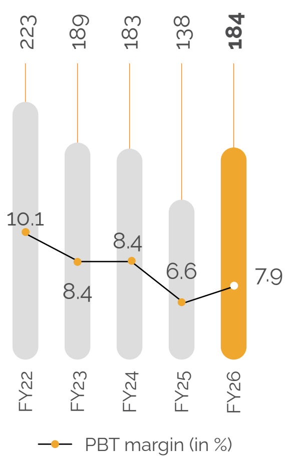
Revenue from operations
(₹ in Cr)



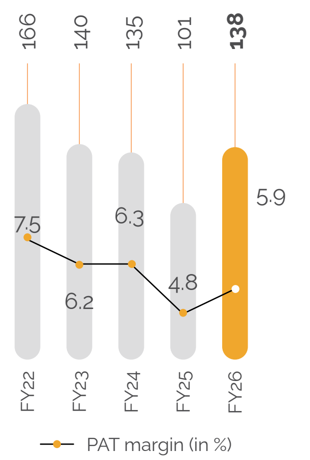
EBITDA and EBITDA margin
(₹ in Cr)



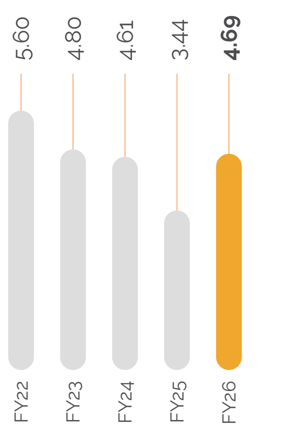
PBT and PBT margin
(₹ in Cr)



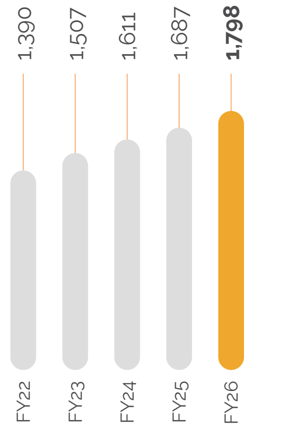
PAT and PAT margin
(₹ in Cr)



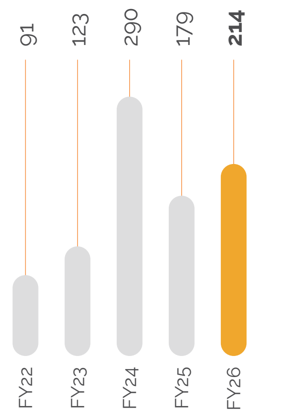
EPS
(in ₹) Face value per equity share ₹ 2/- each



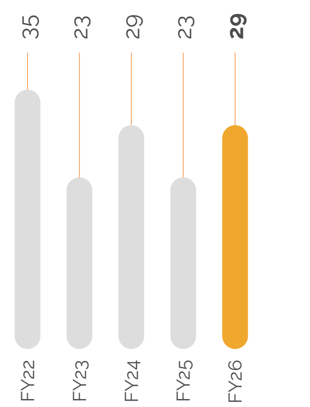
Net worth
(₹ in Cr)



Cash flow from operations (Net)
(₹ in Cr)

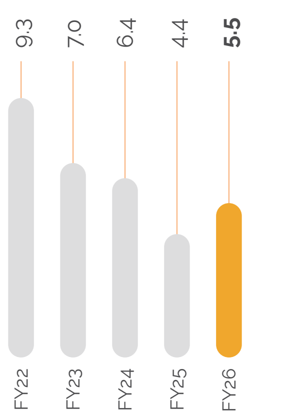


Dividend
(₹ in Cr)

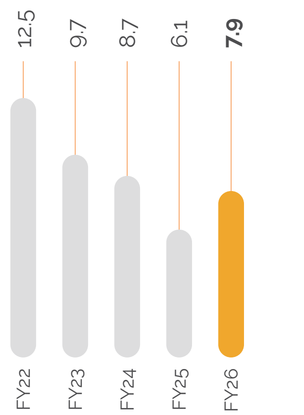


KEY RATIOS

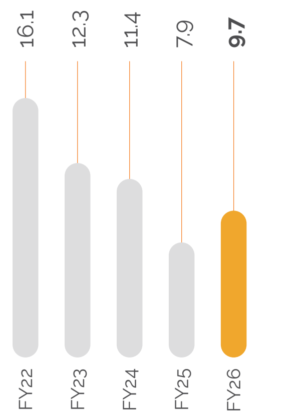
Return on Assets (RoA)
(in %)



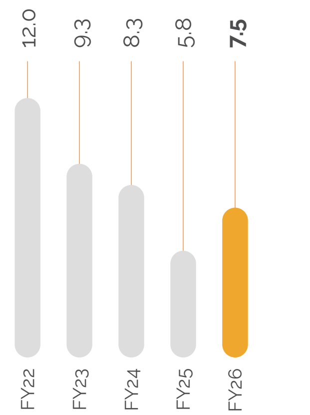
Return on Equity (RoE)
(in %)



Return on Capital Employed (RoCE)
(in %)



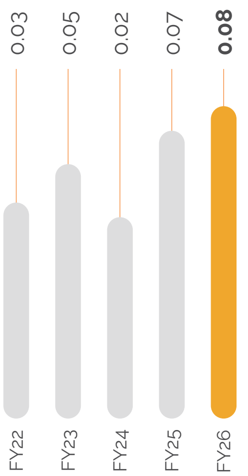
Return on Net Assets (RoNA)
(in %)



Financial Capital

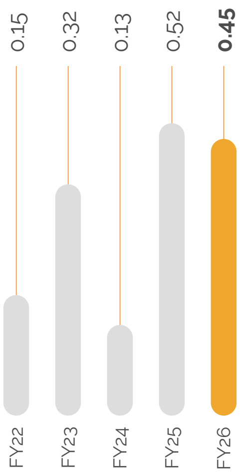
Debt to Equity

(in times)



Debt to EBITDA

(in times)



BUILDING A DIVERSIFIED REVENUE BASE

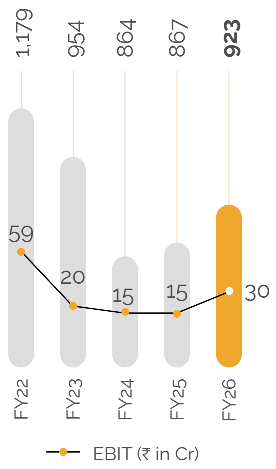
Over the past few years, we have made meaningful progress in diversifying our portfolio beyond Ibuprofen, strengthening business resilience and reducing concentration risk. Non-Ibuprofen APIs now account for around 35-37% of API revenue, supported by expanded capacity in Paracetamol and Clopidogrel and new regulatory approvals across a wider product basket.

This diversification across anti-diabetics, cardiovascular and anti-epileptic therapies is helping reduce concentration risk and improve revenue stability.

Chemical segment Revenue and EBIT

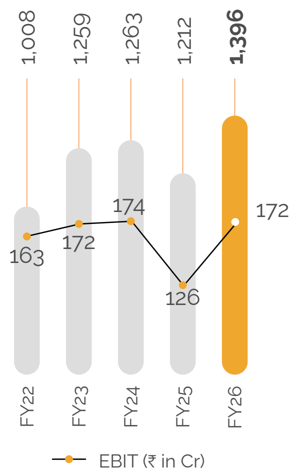
(Net of intersegment)

(₹ in Cr)



Pharma segment Revenue

(₹ in Cr)



Geographical Break-up

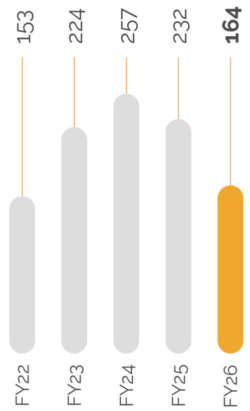
EVALUATING CAPEX FOR LONG-TERM RETURNS

We evaluate our investments based on their ability to deepen backward and forward integration, expand our presence in regulated markets through regulatory filings and unlock higher capacity utilisation gains.

Our capex approach is primarily growth-oriented, which allows us to build capacity, strengthen our manufacturing platform and improve efficiency while maintaining capital discipline.

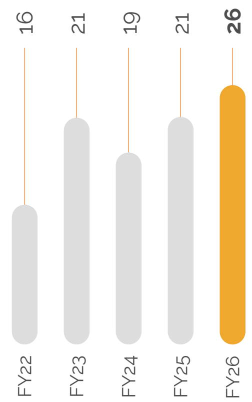
Capex

(₹ in Cr)



R&D investment

(₹ in Cr)



Capex utilisation

MAINTAINING STABILITY IN A CHALLENGING PRICING ENVIRONMENT

Amid pricing pressures and raw material volatility during the year, our backward-integrated operations provided a significant competitive advantage. By enhancing supply security, optimising costs and reducing reliance on external sourcing, we maintained operational stability and strengthened our cost competitiveness.

Our ability to pass on part of price increases to customers further supported performance. The balance impact was absorbed through our 1–2 month order book, where prices had been locked earlier. Going forward, margin improvement is expected to be supported by backward integration, volume growth, improving price realisations and a growing contribution from the non-Ibuprofen API portfolio.

CAPTURING GLOBAL SUPPLY CHAIN OPPORTUNITIES

Global supply chains are undergoing structural changes as customers seek to reduce dependence on single-geography sourcing. This is creating opportunities for Indian API manufacturers with scale, regulatory capabilities and diversified portfolios.

We are improving our position through additional DMF and CEP filings, Ibuprofen approval in China and recertification for chemicals in Europe. Our export strategy is focused on regulated markets such as Europe, the US, Brazil, China and Russia, with the goal of growing exports to 40% of revenue.

OUTLOOK

Our strategic priorities are anchored in expanding margins, improving asset productivity and driving sustainable revenue growth through optimal capacity utilisation. We also remain committed to expanding our global market presence and strengthening engagement in regulated markets, supported by a steadily expanding portfolio of regulatory filings and product registrations.

With backward integration, portfolio diversification, disciplined capital allocation and export-led growth, we remain focused on building a stronger, more resilient financial platform for the next phase of expansion.

Human Capital

Steering Growth Through Talent

Our people are central to our operational excellence, innovation and long-term sustainable growth. As we steer through an increasingly dynamic business environment, we are committed to building a talented, agile and future-fit talent pool to translate ambition into sustained performance.

We invest in building human capital through capability development, leadership development and progressive people practices that promote continuous learning, innovation and collaboration. We also ensure an inclusive, safe and empowering work environment where individuals are encouraged to achieve their full potential and make a meaningful contribution to the organisation's growth journey.

Our Human Capital philosophy is built on trust, accountability and shared purpose and goes beyond talent development to create an environment where people thrive, leadership emerges and collective success is celebrated.

FOCUS AREA

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

3095
Total workforce

3.2 %
Women employees

2906
Employees trained on health and safety

STAKEHOLDERS IMPACTED

Service contractors

Employees and contractual labourers

SDG IMPACTED

LEARNING AND DEVELOPMENT (L&D)

Our learning and development approach is aligned with evolving business priorities, technological advancements and future capability requirements. As the pharmaceutical and specialty chemicals industry transforms through automation, digitalisation, regulatory changes and sustainability expectations, we are focused on building a skilled, agile and future-ready workforce.

We build capability in technical, digital, behavioural and leadership areas through structured learning pathways, role-based development programmes and immersive cross-functional experiences. We increase agility, promote innovation and develop a workforce prepared to succeed in a dynamic business environment by encouraging wider organisational exposure and inter-disciplinary collaboration.

Our capacity building framework

Technical and compliance capability

Building skills in manufacturing excellence, process optimisation, quality systems, regulatory compliance, global GMP standards, EHS practices and data integrity.

Digital capability building

Developing employee proficiency in ERP systems, analytics, automation, SAP HANA, SAP Analytics Cloud (SAC), Document Management System (DMS) and Learning Management Systems (LMS) to support digital transformation.

Leadership and behavioural development

Strengthening decision-making, collaboration, people management and ownership through structured leadership and behavioural programmes.

Role-based skill development

Using functional academies, competency frameworks and the Professional Skill Development Policy to support current and future business requirements.

Human Capital

MENTORING AND LEADERSHIP DEVELOPMENT

Learning and Development

Our senior leaders and experienced professionals play a critical role in building the next line of leadership. Through mentoring, coaching and practical exposure, they help transfer institutional knowledge, strengthen functional capabilities and prepare employees for larger responsibilities. This approach enables emerging talent to gain real business exposure, develop leadership confidence and build the capabilities required to support long-term organisational growth.

Initiatives taken

Knowledge transfer

Sharing technical expertise, regulatory understanding, operational best practices, Six Sigma and Operational Excellence practices.

On-the-job learning

Grooming employees through practical work exposure and day-to-day guidance from experienced professionals.

Shadow mentoring

Enabling employees to learn directly from senior leaders and understand decision-making in real situations.

Strategic project exposure

Involving employees in key projects to build problem-solving, ownership and business understanding.

Leadership readiness

Strengthening decision-making, stakeholder management, cross-functional collaboration and problem-solving skills.

High-potential talent development

Identifying and nurturing employees through focused development initiatives and structured career progression pathways.

Values-led leadership

Reinforcing ethics, accountability, performance orientation and a culture of ownership.

Succession planning

Building a strong leadership pipeline to ensure continuity across critical functions and business operations.

TALENT MANAGEMENT

It is guided by our focus on trust, growth, inclusion and long-term career development. We aim to create a workplace where employees feel valued, empowered and connected to our long-term vision.

Our approach combines continuous learning, transparent communication, performance-linked recognition, employee wellness and inclusive participation. By enabling employees to grow professionally, contribute ideas and take ownership of outcomes, we strengthen workforce stability, engagement and organisational commitment.

Key engagement drivers

- Continuous learning and growth
- Performance-linked recognition
- Transparent communication
- Inclusive workplace culture
- Mentor-mentee relationships
- Employee wellness and support
- Safe and compliant workplace
- Work-life balance
- Employee participation

Empowering employees for a high-performance culture

A high-performance culture is built when employees are empowered to take ownership, contribute ideas and participate in meaningful decision-making. Our people practices are designed to provide clarity, accountability and opportunities for employees to contribute beyond their defined roles.

By involving employees in cross-functional projects, stewardship roles, sustainability initiatives, operational excellence programmes and global compliance frameworks, we enable them to build broader business understanding and leadership capabilities.

1 **Clear role definition**

Defining responsibilities, expectations and performance priorities across roles.

2 **Delegated ownership**

Providing employees opportunities to participate in decision-making and problem-solving initiatives.

3 **Cross-functional exposure**

Involving employees in projects and stewardship roles to enhance business understanding.

Recognising contribution and excellence

Recognition remains an important part of our talent management approach. We acknowledge employee contributions not only for performance outcomes, but also for demonstrating ownership, collaboration, innovation and commitment to organisational values.

Our reward and recognition initiatives help motivate employees, reinforce positive behaviours and strengthen a culture of excellence. By celebrating both individual and team contributions, we build organisational pride and long-term engagement.

RECOGNITION INITIATIVES

1 **Structured reward and recognition programmes**

Acknowledging exceptional performance and value-driven contributions.

2 **Safety and excellence awards**

Recognising achievements in safety, operational excellence, productivity enhancement and continual improvement.

3 **Long-service recognition**

Celebrating employee loyalty, dedication and long-term commitment to the organisation.

4 **Appreciation platforms**

Recognising cross-functional collaboration, innovation and leadership contributions beyond defined responsibilities.

DIVERSITY, EQUITY AND INCLUSION (DEI)

We strive to create a workplace where respect, equity and inclusion are part of our organisational culture. We embrace a Diversity, Equity and Inclusion philosophy that promotes a culture where people from diverse backgrounds, experiences and perspectives can flourish and achieve their full potential, contributing significantly to our collective success.

Maintaining a focus on fairness, belonging and equal opportunity, we build an environment that values diverse perspectives, promotes collaboration and enhances our ability to innovate, adapt and grow long-term.

Human Capital

Our DEI approach

- Merit-based hiring
- Equal opportunity practices
- Inclusive learning and development
- Transparent people practices
- Employee participation
- Respectful workplace culture

POLICIES AND PRACTICES

We follow a structured, merit-based approach to support fair evaluation, equal opportunity and career progression across the organisation. Entry-level hiring is guided by a defined matrix based on qualifications and experience, while annual performance reviews are conducted through a transparent, performance-linked framework.

We maintain zero tolerance towards harassment, discrimination or unfair treatment of any kind. Our POSH Policy is well communicated across the organisation, with mandatory training conducted across all levels to reinforce awareness and accountability. Accessible grievance mechanisms are also in place and are constantly monitored to ensure timely redressal.

ADVANCING FAIRNESS AND PARTICIPATION

We promote fairness and equal opportunity through transparent HR policies, structured appraisal systems and merit-based evaluation practices.

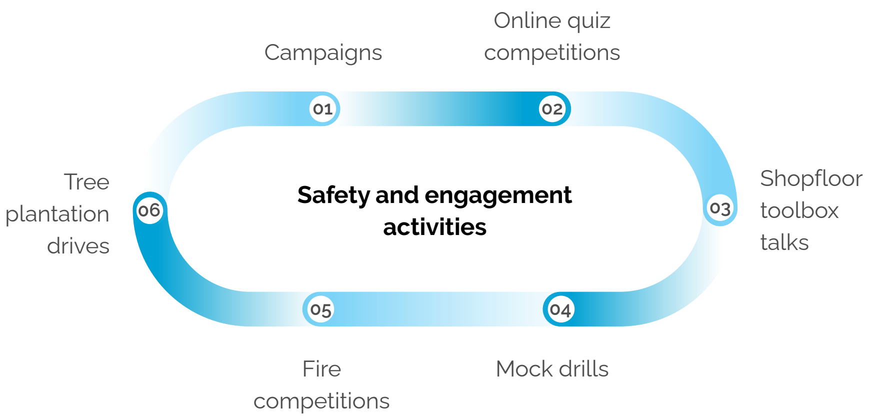
In the year, we enhanced learning and development opportunities across functions and levels, while encouraging employee participation through engagement initiatives. These efforts helped build a more inclusive, collaborative and respectful workplace culture, supported by strong governance mechanisms focused on trust, belonging and continuous growth.

HEALTH AND SAFETY

Ensuring the health, safety and well-being of our people remains a fundamental priority. We strengthen our safety culture through systematic risk assessment, preventive controls, regular training, emergency preparedness and continuous improvement initiatives.

Supported by rigorous compliance with applicable statutory and regulatory requirements, our efforts are focused on building a resilient workplace where safety is embedded into everyday operations and decision-making.

Safety considerations are embedded across planning, design, operations, maintenance and day-to-day decision-making. This approach helps us promote a culture of accountability, awareness and responsible environmental stewardship across the organisation.



During FY 2025-26, a total of 697 near misses were reported through the Incident Prevention Opportunity portal. The increase in near-miss reporting compared to previous years reflects stronger awareness and greater participation in proactive safety reporting. [Read more (Link to BRSR)]

EMPLOYEE WELL-BEING

Employee well-being is integral to building a resilient, motivated and future-ready workforce. Our people practices are designed to support employees across different stages of their professional and personal journeys, while promoting work-life balance, personal growth and a strong sense of belonging.

We focus on creating a caring, inclusive and supportive work environment where employees feel valued and empowered to perform at their best. Through structured policies, wellness programmes, engagement initiatives and welfare measures, we enhance employee morale, long-term commitment and organisational trust.

Our well-being initiatives

- Leave and family support
- Work-life balance
- Health and wellness programmes
- Learning and personal growth
- Medical and preventive care
- Employee convenience
- Insurance and security
- Recognition and appreciation
- Mental and emotional well-being
- Social security and welfare

ASSESSING THE IMPACT OF WELL-BEING INITIATIVES

We assess the effectiveness of our well-being initiatives through key people and organisational indicators. These measures help us understand how employee support programmes contribute to productivity, engagement, workforce stability and overall organisational performance.

Impact indicators

- Improved employee productivity and operational efficiency
- Stronger workplace safety culture
- Safer operations with minimal or zero accident focus
- Higher employee engagement and participation
- Greater organisational involvement
- Low attrition and strong workforce stability
- Enhanced employee satisfaction and morale
- Stronger long-term organisational commitment

CELEBRATING OUR PEOPLE AND CULTURE

We believe that an engaged workplace is built through shared experiences, celebrations and meaningful connections. We organised various employee engagement initiatives and celebrations that brought our people together across locations, strengthened team bonding and reinforced a sense of belonging within the organisation.

New Year celebration

Navratri celebration

Lohri celebration

Christmas Celebration

Natural Capital

Charting a Sustainable Future

We recognise that long-term industrial growth must be in harmony with environmental stewardship. We, therefore, remain committed to building a resource-efficient and environmentally responsible manufacturing ecosystem that minimises ecological impact while strengthening operational strength and competitiveness.

The responsible management of natural resources and the continuous improvement of environmental performance throughout our operations underpin our sustainability agenda. Targeted interventions in energy efficiency, water stewardship, emissions reduction and waste circularity are driving a more sustainable operating model that supports both business excellence and environmental preservation.

We continue to embed sustainability into all our operations, whether it is by increasing our use of renewable energy, moving towards water neutrality, improving waste valorisation or reducing greenhouse gas emissions.

These efforts enhance resource productivity, circularity and also reinforce our commitment to creating enduring value while contributing to a more sustainable and resilient future.

FOCUS AREA

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

STAKEHOLDERS IMPACTED

Communities

Customers

2,221.6 TJ
Total energy consumption from Renewable sources

2,74,832 KL
Total water recycled

14.4%
GHG Emission intensity Scope 1,2 & 3 Combined.

SDG IMPACTED

ENERGY MANAGEMENT

Energy efficiency is a key focus area in our Natural Capital approach, given its direct impact on operational performance, emissions management and responsible resource utilisation. As an ISO 50001 certified organisation, we improve our energy management practices through structured monitoring, process optimisation, automation and technology-led interventions.

Our dedicated Energy Management Team plays an important role in optimising natural resource utilisation and identifying opportunities to improve energy performance across manufacturing operations. By adopting energy-efficient processes and equipment, automation-led controls and closed-loop systems, we aim to reduce overall energy consumption while maintaining process reliability and operational efficiency.

Key focus areas

1 Energy-efficient processes and equipment
Improving energy performance through efficient technologies, process optimisation and better control systems.

2 Automation and closed-loop controls
Strengthening process control to reduce energy losses and improve operational consistency.

3 Solar energy adoption
Implementing solar panels to support reduction in Scope 2 emissions.

4 Passive heating and cooling
Enhancing passive heating and cooling techniques to improve energy efficiency across facilities.

5 HVAC system upgrades
Upgrading air-conditioning and heating systems for improved energy performance.

6 Natural light and insulation
Maximising natural light usage and insulation to reduce energy demand.

7 Solvent recycling
Continuing solvent recovery through highly efficient structured packed columns to improve recovery and reduce resource intensity.

Monitoring energy consumption

STEP 01	STEP 02	STEP 03	STEP 04	STEP 05
Real-time metering	Data analysis	Trend identification	Energy-saving initiatives	Improved operational efficiency

We prioritise the monitoring and measurement of energy consumption as a critical part of our environmental sustainability strategy. Advanced metering systems provide real-time data on energy consumption across manufacturing facilities, enabling better visibility and control over energy use.

Natural Capital

This data is analysed regularly to identify consumption trends, areas of improvement and opportunities for targeted energy-saving initiatives. Through systematic tracking and review, we are able to improve energy efficiency while supporting operational performance and long-term sustainability.

Parameters	FY 2025 - 26	FY 2025-2026 (Excluding new Expansion) (TJ)	FY 2024 - 25	FY 2024-2025 (Excluding new Expansion) (TJ)	FY 2023-24	FY 2023 - 2024 (Excluding new Expansion) (TJ)
Renewable Energy						
Total electricity consumption	2218.1	1787.4	1974.5	1544.9	1775.3	1502.5
Energy consumption through other sources	3.49	3.49	0.37	0.37	0.1699	0.169
Total energy consumed from renewable sources	2221.6	1790.0	1974.9	1545.3	1775.4	1502.7
Non - Renewable Energy						
Total electricity consumption	672.9	504.1	495.7	495.7	626.0	616.5
Energy consumption through other sources	3.5	3.5	2.58	2.58	3.77	3.77
Total energy consumed from Non-renewable sources	676.4	507.5	498.2	498.2	629.73	620.28
Total energy consumption	2898	2298.4	2473.1	2043.5	2405.2	2123
Energy intensity (J per rupee of turnover)	126002	99932	119589	98816	112549	99344
Co-Generation Capacity	17	17	17	17	17	17

Optimising energy mix

Our 17 MW captive co-generation power plant supports optimisation of our energy mix by enabling the use of renewable and biofuel-based resources such as rice husk, wapsi and wood chips. This helps reduce reliance on conventional fossil fuels and supports our broader environmental responsibility.

During FY 2025-26, biofuel consumption, particularly rice husk, increased by 12% compared to FY 2024-25. This contributed to a reduction in Scope 1 emissions and reflects our continued commitment towards long-term net zero goals.

Scope 1
emission reduction
supported by higher biofuel consumption

Scope 2
emission reduction
supported through solar panel implementation

ADVANCING WATER STEWARDSHIP

Water stewardship remains a bedrock of our Natural Capital strategy and our commitment to sustainable manufacturing. Recognising water as a vital shared resource, we are focused on enhancing water efficiency, strengthening recycling and reuse practices, and reducing freshwater dependency across our operations.

Given the critical role of water across multiple stages of the manufacturing value chain,from raw material processing and equipment cleaning to utility operations and domestic consumption, we maintain a rigorous approach to monitoring, conservation and resource optimisation. Through targeted interventions in wastewater recovery, process efficiency and water reuse, we improve resource productivity while minimising our environmental footprint.

Our efforts are guided by a broader objective of building long-term water resilience, ensuring that operational growth is supported by responsible resource management and sustainable environmental practices.

Wastewater management and ZLD operations

Our wastewater management practices are supported by modern treatment systems and rigorous operating controls. Process effluent generated from manufacturing activities is segregated at source and treated separately in well-designed wastewater treatment systems to recover good quality water for reuse, including make-up water in cooling towers.

We ensure that no effluent containing residual API traces is discharged outside or inside the premises. Domestic and sewage effluent is also segregated at source and treated through a well-designed Sewage Treatment Plant (STP). Treated water from the STP is reused for maintaining green belts around the factory premises, supporting water circularity and reducing freshwater consumption.

100%
Zero Liquid Discharge

Water treatment infrastructure

- Zero Liquid Discharge facility
- Effluent Treatment Plant (ETP)
- Dissolved Air Flotation (DAF) system
- Reverse Osmosis (RO) system
- Multiple Effect Evaporator (MEE)
- Mechanical Vapour Recompression Evaporator (MVRE)
- Agitated Thin Film Dryer (ATFD)
- Sludge Dryer
- Sewage Treatment Plant (STP)

Natural Capital

Water management and conservation

We have adopted advanced technologies and implemented water conservation measures to optimise consumption across the facility. These initiatives support efficient water utilisation, resource recovery and long-term operational sustainability.

Preventing contamination and protecting water resources

We have implemented a comprehensive set of control measures to prevent groundwater contamination. Our closed-loop wastewater management approach helps eliminate the risk of groundwater pollution from industrial discharge by recovering and reusing treated water within operations.

Groundwater quality monitoring is an integral part of our compliance strategy. Regular sampling and data submission are carried out in line with requirements of regulatory authorities, including the Central Pollution Control Board and the Ministry of Environment, Forest and Climate Change.

We also adhere to the Water (Prevention and Control of Pollution) Act, 1974, and employ advanced pollution control technologies to mitigate risks related to heavy metal or chemical leaching. A rigorous ZLD standard operating procedure and a specialised laboratory for evaluating stream parameters further support safe water management and regulatory compliance.

WATER RISK MANAGEMENT

We conduct water risk assessments by following established environmental guidelines and regulatory frameworks. These assessments help us evaluate consumption patterns, identify potential sources of contamination and assess the availability and quality of local groundwater resources.

We also engage with local communities and environmental experts to better understand regional water challenges and incorporate these insights into our water risk management approach. This enables us to implement effective measures such as optimising water-use efficiency, enhancing wastewater treatment and recycling, and maintaining strict controls to prevent groundwater contamination.

Through monitoring and adherence to best practices, we aim to mitigate water-related risks while contributing to water resource conservation and continued operational effectiveness.

Water audit

A comprehensive water audit was conducted by the National Productivity Council to systematically evaluate water consumption patterns and strengthen water management practices. The audit covered detailed mapping of water usage across manufacturing processes, utility operations, cooling systems and domestic consumption within the facility.

It also assessed existing infrastructure and water flow mechanisms to improve monitoring and control. These insights support our ongoing focus on efficient water utilisation, operational sustainability and reduced ecological impact.

(KL)

Parameter (KL)	FY2025-26	FY 2024-25
Surface Water	324641	213273
Groundwater	31155	49750
Total Volume of Water Withdrawal	355796	263023
Total Volume of Water Consumption	355796	263023
Total Water Discharge (total recycled water)	0	0
Water-neutral %	100	94
Water Recycled	274832	251104
Ground Water Intensity (KL/ton of product)	0.15	0.31

Water neutrality

Water neutrality focuses on balancing water used with water replenished by reducing consumption, improving efficiency and restoring water sources. During the year, we took significant steps towards environmental sustainability by strengthening water conservation, reuse and replenishment practices.

As part of this commitment, nearby village ponds are acquired on a regular basis for cleaning and desilting to increase their water-holding capacity. We also use treated Sewage Treatment Plant water for horticulture, helping reduce freshwater consumption within our premises.

A large surface water reservoir has also been constructed to support water security. The reservoir can accommodate the total water requirement of the facility for a minimum period of 60 days, strengthening water availability and reducing dependence on groundwater.

100%
Water neutrality achieved during the year

MANAGING OUR EMISSIONS FOOTPRINT

Our approach to greenhouse gas management is focused on reducing environmental impact, improving operational efficiency, ensuring regulatory readiness and strengthening stakeholder trust. We track and report emissions across Scope 1, Scope 2 and Scope 3 categories to provide greater transparency on the sources and scale of emissions associated with our operations.

Decarbonisation approach

We are reducing our emissions footprint through a comprehensive decarbonisation approach anchored in our Science Based Targets initiative (SBTi) validated goals.

Our targets

58.8%
Reduction in Scope 1 and Scope 2 by March, 2033

35%
Reduction in Scope 3 by March, 2033

Our operational model already meets 80% of power requirements through renewable energy. Our R&D centre is optimising existing processes and developing green chemistry innovations. Together, these initiatives support long-term emissions reduction while improving operational efficiency and environmental performance.

615 KW, 510kW and 62.1 kW
On-site solar panel installations

1.5 MW
Phased solar installation plan

8.8%
reduction in net Scope 1 and 2
Emissions intensity per tonne of production in FY 2025-26 (Excluding new plants)

14.4%
reduction in total Scope 1, 2 and 3
Emissions in FY 2025-26 (Including new expansions)

Natural Capital

Total Scope 3/Cat 3,4,5 Emissions FY 25-26

85529 MTCOze

FY 25-26 Upstream and Downstream Emissions

75442.396
Total Upstream Emissions

10085.9413
Total Downstream Emissions

Emission Summary

Scope/Category	FY 2022-23 (Base year)	FY 2023-24	FY 2024-25	FY 2025-26	FY 2025-26 (Excl. new expansion)
Scope 1/Category 1	23786	49521	45920.3	60731.8	45526.6
Scope2 /Category 2	6134.45	6179.06	6019.9	16681.2	16681.2
Scope 3 /Category 3,4 & 5	124010	108357.15	93042.4	85528.6	85528.6
Total Scope 1,2 & 3/ Category 1,2,3,4& 5	**153930.5**	**164057.2**	**144982.6**	**162941.7**	**147736.5**

(MT)

Sr. No.	Parameter	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6
1	Diesel for Vehicles Barnala (Owned)	73.50	0.01	0.93	NA	NA	NA
2	Petrol for Vehicles Barnala (Owned)	34.91	0.00	0.44	NA	NA	NA
3	Diesel for Vehicles HO (Owned)	67.43	0.24	0.17	NA	NA	NA
4	Petrol for Vehicles HO (Owned)	59190.56	252.99	560.62	NA	NA	NA
5	Coal Consumption Boilers	NA	NA	NA	260.87	NA	NA
6	Refrigerant R 22 Barnala	NA	NA	NA	6.47	NA	NA
7	Refrigerant R 22 HO	0.0739	NA	NA	NA	NA	NA
8	CO2 Fire Extinguishers	4.23	0.00	0.05	NA	NA	NA
9	Emergency Vehicles Barnala	246.578	0.027	3.104	NA	NA	NA
10	HSD Consumption in DG's/Hydra/Forklifts	11.038	0.001	0.139	NA	NA	NA
11	HSD Consumption in DG's HO	12.659	0.011	0.007	NA	NA	NA
12	LPG HO Owned Canteen	1.633	0.002	0.752	NA	NA	NA
13	PNG Consumption Barnala	34.91	0.00	0.44	NA	NA	NA

Total Scope 1/Cat 1* Emissions FY 25-26 **60732** MTCO2e

Scope 2 Emissions FY 25-26

Emissions disaggregated by source types

Scope 2/Category 2: Indirect Emissions from the Use of Purchased Electricity, Steam, Heating and Cooling	tCO2e
Indirect Emissions from Purchased/Acquired Electricity	16681.2
Indirect Emissions from Purchased/Acquired Steam	0
Indirect Emissions from Purchased/Acquired Heating	0
Indirect Emissions from Purchased/Acquired Cooling	0
Total Scope 2/Category 2 Emissions	**16681.2**

*Scope 1,2 & 3 is mentioned as per GHG protocol and Category 1,2,3,4 &5 as per ISO 14064-1 requirement

GHG Emission Intensity MTCO2e/Ton of Production (S1+S2)

FY23-24	FY 24-25	FY 25-26	FY 25-26 (Excluding new expansion)	% Reduction
0.37	0.331	0.38	0.302	8.8 %

GHG Emission Intensity MTCO2e/Ton of Production (S1+S2+S3)

FY23-24	FY 24-25	FY 25-26	FY 25-26 (Excluding new expansion)	% Reduction
1.100	0.925	0.792	0.72	14.4%

Case Study 1

Solar panel installation

Objective

To reduce Scope 2 emissions by lowering dependence on purchased grid electricity and increasing the use of clean, renewable energy.

What we did

We commissioned a solar plant as part of our decarbonisation strategy. The installation helped offset a portion of our electricity requirement through renewable energy and supported a reduction in grid electricity consumption, excluding new expansions.

Result and impact

- **1.1 MW** solar plant installed
- Reduced dependence on purchased grid electricity
- Supported reduction in Scope 2 emissions
- Planned installation of **1 MW** additional solar panels in FY 2026-27
- Expected to enhance cumulative solar power capacity to **2 MW**

Case Study 2

Multi-modal logistics initiative: Road, rail and sea

Objective

To reduce Scope 3 emissions and improve supply chain efficiency by optimising transportation across road, rail and sea routes.

What we did

We implemented a multi-modal logistics optimisation initiative by integrating road, rail and sea transport. As part of this, compatible materials were consolidated into single shipments, and a higher share of deliveries was shifted to rail wherever feasible instead of road transport.

Result and impact

- **103 MT CO_2e** reduction in Scope 3 greenhouse gas emissions
- Improved supply chain efficiency through better transport planning
- Reduced dependence on road-only transportation
- Enhanced resource utilisation through vehicle consolidation
- Supported sustainable logistics and continuous improvement in environmental performance

Natural Capital

Case Study 3

Transition from LPG to Piped Natural Gas in Main Block Canteen

Objective

To reduce greenhouse gas emissions, improve fuel safety and ensure uninterrupted energy supply for daily canteen operations.

What we did

The Main Block canteen earlier relied on Liquefied Petroleum Gas cylinders, with average consumption of 50-60 cylinders per month. These created risks related to cylinder storage, handling and supply dependency. To address this, the Human Resources team led the transition to a Piped Natural Gas system, enabling a cleaner, safer and more reliable fuel supply without disrupting canteen operations.

Result and impact

- **0 LPG cylinder** usage achieved from March 2026 onward
- **600+ LPG cylinders** removed annually
- **33.50 MT CO_2e** annual emission reduction achieved
- Improved safety by eliminating cylinder storage and handling risks
- Ensured continuous gas availability for canteen operations
- Strengthened operational reliability through a cleaner fuel system
- Supported ESG priorities by reducing emissions and improving workplace safety

(MT)

Sr. No.	Parameter	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6
Upstream - Purchased Goods and Services							
1	LPG Used in Canteen Barnala Site Cat-1	32.234	0.028	0.018	NA	NA	NA
2	RM (Cradle-to-gate emissions)	45869.6	NA	NA	NA	NA	NA
3	Capital Goods	315.19	NA	NA	NA	NA	NA
4	Fuel and Energy Related Activities	19837.6	NA	NA	NA	NA	NA
Upstream Transportation and Distribution							
5	Haz. Waste Transportation Upstream Cat -3	39.825775	NA	NA	NA	NA	NA
6	RM Cat -03 Domestic: Transport Only	2875.4	NA	NA	NA	NA	NA
7	RM Cat -03 Import: Transport Only	2488.6	NA	NA	NA	NA	NA
8	Packaging Transportation Cat -03	399.2	NA	NA	NA	NA	NA
9	Non HW Transportation	27.61989	0.00332	0.20602	NA	NA	NA
10	Waste Generated/Disposal in Operation Cat-4	3050.7	NA	NA	NA	NA	NA
11	Business Travel Cat-3	57.38	NA	NA	NA	NA	NA
Upstream - Employee Commute							
12	Employee Commute Cat-03 HO	95.60	NA	NA	NA	NA	NA
13	Employee Commute Cat-03 Barnala	353.32	NA	NA	NA	NA	NA
14	Upstream Leased Assets	0	NA	NA	NA	NA	NA
Downstream - Transportation and Distribution							
15	Cat -3 Product Sold Domestic: Transportation Only	6474.1	NA	NA	NA	NA	NA
16	Cat-3 Product Sold International: Transportation Only	2265.39	NA	NA	NA	NA	NA
17	Processing of Sold Products	1239.3	NA	NA	NA	NA	NA
18	Use of Sold Products	0.0	NA	NA	NA	NA	NA
19	End of Life treatment of Sold Products	107.17	NA	NA	NA	NA	NA
20	Downstream Leased Assets	0.0	NA	NA	NA	NA	NA
21	Franchises	0.0	NA	NA	NA	NA	NA
22	Investments	0.0	NA	NA	NA	NA	NA
Total Scope 3 Emissions		**85528.3378**	**0.0314**	**0.2239**	**NA**	**NA**	**NA**

DRIVING WASTE CIRCULARITY

We follow a structured waste management framework designed to advance resource circularity, minimise environmental impact and ensure full regulatory compliance. By prioritising waste reduction, recycling, recovery and responsible disposal, we enhance resource efficiency and support the long-term sustainability of our operations.

Waste handling approach

Source segregation

Segregating hazardous and non-hazardous waste at the point of generation.

Responsible recycling

Selling non-hazardous waste to authorised recyclers for recovery and reuse.

Safe hazardous waste management

Managing hazardous waste through treatment, storage, co-processing and pre-processing.

Certified partnerships

Collaborating with authorised recyclers and certified agencies for compliant waste handling.

Waste Life Cycle methodology

Monitoring waste from generation to final disposal or recovery.

Continuous improvement

Identifying opportunities to reduce waste, improve recycling and enhance resource efficiency.

Segregation of Waste at Source

Type of Waste (MT)	FY 2025-26	FY 2024-25	FY 2023-24
Plastic Waste	85.68	53.22	60.18
E-waste	0.746	0.38	1.05
Bio-medical Waste	0.0106	0.0107	0.02344
Battery waste	4.67	2.03	2.69
Hazardous waste	6670.12	2705.21	2458.775
Non-hazardous waste	1932	1634.13	1898.86
Total Waste Generated	8693.23	4394.98	4421.57
Total Recycled Waste	267.00	226.88	62.94
Incineration	634.61	417.59	342.37
Landfilling	5768.508	2067.24	2075.34
Total Waste Disposed	6403.121	2484.83	2417.71
Steam condensate recovery	94.3	94.3	97

Case Study 1

Waste-to-wealth initiative

Effluent reduction and energy savings in Unit-05

Objective

To reduce effluent generation and improve energy consumption norms through technology upgradation.

Timeframe

6 months

Process

At Unit-05, a material and energy balance study showed that steam ejectors used to create vacuum in the process were consuming significant energy. The steam used as motive fluid condensed during operations and became contaminated with process vapours, making direct reuse difficult. As a result, the condensate was sent to the Effluent Treatment Plant for treatment.

To reduce effluent load and improve energy efficiency, the steam ejectors were replaced with dry vacuum pumps. The pumps are currently operational and have shown a positive impact on both effluent reduction and energy consumption.

Result and impact

- **2.5 MTPD** effluent reduction achieved by replacing steam ejectors with dry vacuum pumps.
- **Nearly 50%** reduction in energy consumption for the specific operation.
- Improved energy consumption norms at Unit-05.

Manufactured Capital

Engineering scale with precision to deliver trusted solutions.

Our Manufactured Capital is the foundation of our operational strength, scale and integrated business model. Operating from a single, fully integrated manufacturing complex in Barnala, Punjab, we bring API and specialty chemical production together within one location, enabling seamless process coordination, shared utilities and comprehensive backward integration.

Our manufacturing infrastructure comprises dedicated and multi-product facilities, regulatory-approved production blocks and highly automated chemical plants that enable us to serve pharmaceutical and specialty chemical customers in regulated, domestic and international markets with efficiency and consistency.

During the year, we continued to invest in capacity expansion, automation and process optimisation, with all capital expenditure funded through internal accruals. We further enhanced our quality systems and regulatory standards, reinforcing our ability to meet the expectations of global customers.

Supported by prudent capital allocation and a strong manufacturing base, our infrastructure is well positioned to maximise capacity utilisation, enhance operational resilience and generate sustainable long-term value.

FOCUS AREA

- Capacity Expansion and Asset Optimisation
- Integrated Value Chain Development
- Automation-Driven Operational Efficiency
- Quality, Compliance & Regulatory Excellence

STAKEHOLDERS IMPACTED

- Shareholders/ Investors
- Customers
- Employees and contractual labourers
- Government authorities

180+ acres
Integrated manufacturing complex at a single location

18
Manufacturing units across API and chemical divisions

2,13,126 MTPA
Total installed capacity

SDG IMPACTED

INTEGRATED MANUFACTURING EXCELLENCE

A single integrated manufacturing platform enables shared resources, seamless process integration and captive production of critical intermediates, enhancing operational efficiency, supply security and cost competitiveness across the value chain.

Driving Sustainability Beyond Products

Our commitment to green chemistry extends well beyond Ethyl Acetate. We focus on improving resource efficiency, reducing emissions, minimising waste and optimising energy consumption throughout our manufacturing operations.

This approach is further strengthened through our Life Cycle Assessment (LCA) programme.

We have initiated cradle-to-gate LCAs for key products such as Ibuprofen and Metformin, providing a scientific basis for understanding and reducing environmental impacts. Looking ahead, we aim to extend LCA studies across our entire product portfolio by 2033, supporting greater transparency and continuous improvement in sustainable manufacturing practices.

Strengthening Value Through Backward Integration

Our leadership in Ibuprofen is built on complete backward integration across key intermediates and Key Starting Materials. By producing critical inputs in-house, including Iso Butyl Benzene, we retain control over the value chain from starting material to finished API at a single integrated location in Barnala.

This integrated model improves security of supply, enhances control over cost and quality, reduces exposure to raw material volatility and strengthens end-to-end traceability. These capabilities reinforce our position as a leading global Ibuprofen manufacturer while enabling dependable supply to customers in regulated and emerging markets.

Advancing Smart Manufacturing

We enhance productivity, efficiency and operational consistency through automation, advanced process controls, real-time monitoring and digital analytics. These technologies improve process stability, optimise resource utilisation and enable data-driven decision-making, helping us build a smarter and more agile manufacturing platform.

Reinforcing Quality and Regulatory Excellence

Robust quality systems, stringent process controls and risk-based compliance practices facilitate our manufacturing operations. Supported by digital platforms such as TrackWise, LIMS and SAP, we strengthen data integrity, operational discipline and regulatory compliance, enabling the consistent delivery of high-quality products across global markets.

DIVERSIFYING OUR PHARMACEUTICAL PORTFOLIO

Our pharmaceutical business has evolved from a single-molecule foundation into a diversified portfolio spanning multiple therapeutic categories. This expansion reduces concentration risk, broadens our customer base across regulated and emerging markets and creates a more balanced revenue mix.

The commissioning of our Unit 11 for Paracetamol facility further expands our manufacturing scale in the analgesics segment. Combined with integrated manufacturing, rigorous quality systems and a strong regulatory track record, this strengthens our ability to serve customers with dependable supply and consistent product quality.

Therapeutic Portfolio

1. **Analgesic & Anti-inflammatory:** Ibuprofen and Paracetamol anchor our pain management portfolio. Global leadership in Ibuprofen, complete backward integration and the commissioning of the Paracetamol facility strengthen scale and supply reliability.

2. **Anti-diabetic:** Metformin Hydrochloride strengthens our presence in diabetes care through dedicated manufacturing infrastructure and regulatory approvals, supporting customers across regulated and emerging markets.

3. **Cardiovascular | Anti-platelet:** Clopidogrel Bisulphate enhances our cardiovascular portfolio through dedicated manufacturing and global regulatory approvals, reinforcing our presence in regulated markets.

4. **Proton Pump Inhibitor:** Pantoprazole Sodium expands our gastrointestinal offering with enhanced capacity, supporting rising demand across regulated export markets.

5. **Anti-cholesterol:** Fenofibrate broadens our chronic care portfolio and supports deeper penetration into regulated markets, complementing our diversified APIbasket.

6. **Anti-epileptic:** Levetiracetam strengthens our neurology portfolio, enhancing therapeutic diversification and expanding opportunities in regulated markets.

7. **Anti-convulsant:** Lamotrigine further strengthens our neurological portfolio while reducing dependence on individual therapeutic categories through a diversified product mix.

8. **Anti-hypertensive:** Losartan Potassium expands our cardiovascular portfolio, addressing a large chronic therapy segment across domestic and international markets.

9. **Pipeline:** Minoxidil was commercially launched during the year, while nine additional molecules remain under development, supporting long-term portfolio expansion across multiple therapeutic categories.

API AND PHARMACEUTICAL

Pilot Plant

- Multi product facility
- Capable of any kind of reaction process
- Associated with hydrogenation
- High temperature reactions

Unit 1

- Dedicated facility for Ibuprofen
- Capacity 6,250 MTPA
- USFDA audited and EUGMP approved facility

Unit 2

- Dedicated facility for Ibuprofen
- Capacity 5,750 MTPA
- USFDA audited and EUGMP approved facility
- Dedicated solvent recovery plant

Unit 3

- Multi product facility
- EUGMP approved facility
- Isolator used in intermediate area
- 14 nos. SSR & MSGL with 59 KL capacity
- High temperature reactions
- Micronisation facility
- Vacuum drying facility
- Dedicated solvent recovery plant

Unit 4

- Multi product facility focused on Paracetamol
- EUGMP approved facility
- Dedicated solvent recovery plant

Unit 5

- Manufacturing facility for Clopidogrel Bisulphate (Form II)
- Capacity 240 MTPA
- EUGMP approved facility
- Dedicated solvent recovery plant

Manufactured Capital

Unit 6

- Dedicated facility for Pantoprazole Sodium
- Capacity 276 MTPA
- EUGMP approved facility
- Dedicated solvent recovery plant

Unit 7

- Dedicated facility for Metformin HCL
- Capacity 7,200 MTPA
- Automated filling and packing
- Dedicated solvent recovery plant

Unit 8

- Multi product facility
- 10 nos. SSR & GLR with 53 KL capacity
- Vacuum drying facility
- Micronisation facility
- Dedicated solvent recovery plant

Unit 9A

Design for multi-product manufacturing

Unit 9B

Manufacturing of Minoxidil and its intermediates with installed capacity of 120 MTP

Unit 10

- Dedicated facility for fenofibrate facility
- EUGMP approved facility
- Capacity 276 MTPA
- Dedicated solvent recovery plant
- Micronisation facility
- Vacuum drying facility

Unit 11

- Dedicated facility for Paracetamol
- Capacity 10,800 MTPA
- Dedicated solvent recovery plant

SPECIALTY CHEMICALS PORTFOLIO

Our Specialty Chemicals business complements our pharmaceutical operations through shared infrastructure, process chemistry expertise and common utilities. This integrated approach improves asset utilisation, broadens our revenue base and enables us to serve a diverse range of industries, including pharmaceuticals, paints and coatings, textiles and food processing.

As global supply chains continue to diversify, our focus on quality, reliability and integrated operations positions the business for sustained growth across domestic and international markets.

- Ethyl Acetate: A leading industrial solvent serving pharmaceuticals, paints and coatings, inks, flexible packaging and food processing. Manufactured at one of India's largest single-location facilities, it is REACH certified and exported to global markets, reinforcing our leadership in specialty chemicals.
- Triacetin: A versatile specialty chemical used across food processing, pharmaceuticals, cosmetics and cigarette filters. Commercialised during the year, it broadens our merchant product portfolio while supporting import substitution and expanding our presence in value-added specialty chemicals.
- Acetic Anhydride: A strategic intermediate serving both captive and merchant markets. It supports backward integration for Paracetamol manufacturing while supplying pharmaceutical and industrial customers, improving value chain integration and operational flexibility.

- Iso Butyl Benzene (IBB): A key starting material for Ibuprofen and an important merchant product. Backward integration secures raw material availability, while surplus production serves global customers, strengthening supply reliability and commercial competitiveness.
- Mono Chloro Acetic Acid (MCA): A critical intermediate consumed entirely within our integrated manufacturing operations. Its captive production strengthens backward integration, enhances process reliability and reduces dependence on external suppliers.
- Acetyl Chloride: Produced exclusively for captive consumption, Acetyl Chloride is an important intermediate in the Ibuprofen value chain. In-house manufacturing ensures consistent quality, secure supply and improved cost efficiency across operations.

CHEMICAL DIVISION

Ethyl Acetate Unit

- Dedicated manufacturing facility
- Capacity 120,000 MTPA
- DCS based fully automated plant
- 8,600 KL storage capacity
- Finished product quality up to 99.99%
- Dedicated drum filling and packaging facility

Iso Butyl Benzene Unit (Barnala, Punjab)

- DCS based fully automated dedicated manufacturing facility
- Capacity 12,000 MTPA
- High pressure gas induction reactors
- Energy integrated distillation columns setup
- Propylene handling and storage facility (450 KL)

Acetyl Chloride / MCA / IPCA Unit

- Dual technology DCS based operation
- Metallurgy used: glass lined, graphite, PTFE

Acetic Anhydride Unit

- Dedicated manufacturing facility
- Capacity 32000 MTPA
- DCS based fully automated plant
- Dedicated drum filling and packaging facility
- Energy integrated distillationcolumns setup
- High Temperature reduced pressure thermal Cracking

Triacetin

- Dedicated manufacturing facility
- Capacity 6000 MTPA
- DCS based fully automated plant
- Dedicated drum filling and packaging facility
- Energy integrated distillation columns setup
- Finished product quality up to 99.80%

Intellectual Capital

Transforming scientific expertise into sustainable business value

Our Intellectual Capital comprise our scientific expertise, technical know-how, research capabilities, regulatory capabilities, quality system and culture of innovation. Built through sustained investment in research and development, skilled talent, advanced laboratory infrastructure and robust quality systems, these capabilities expand our product portfolio and support access to global markets.

During the year, we advanced process development across our pharmaceutical and specialty chemical businesses, progressed green chemistry initiatives and expanded our intellectual property portfolio through safer and more sustainable manufacturing routes.

Together, these capabilities enhance operational efficiency, support diversification and create lasting value for stakeholders.

FOCUS AREA

- Research and development capability
- Process innovation and green chemistry
- Global regulatory compliance
- Intellectual property and proprietary know how
- Quality systems and certifications

STAKEHOLDERS IMPACTED

- Customers
- Shareholders/ Investors
- Employees
- Government authorities

3
Patents filed

14
DMFs with USFDA

26.01 Crore
Research and development investment during the year

SDG IMPACTED

ADVANCING RESEARCH AND DEVELOPMENT

Our research and development efforts drive innovation across our pharmaceutical and specialty chemical businesses. Supported by skilled scientific talent and modern laboratory infrastructure, we focus on process optimisation, specialty chemistries and sustainable manufacturing solutions. These initiatives help expand our product portfolio, enhance operational efficiency and develop higher-value products aligned with evolving customer and regulatory requirements.

Key Focus Areas

01 Pharmaceutical Innovation

We develop improved manufacturing routes, optimise processes and enhance product quality to deliver safer, more effective pharmaceutical solutions that address changing healthcare requirements.

02 Specialty Chemistry Development

Our work in specialty and green chemistries focuses on improving product performance while reducing environmental impact, creating sustainable solutions for a wide range of industrial applications.

03 Digital Integration and Automation

Automation, digital technologies and data-driven process monitoring support research precision, productivity and scalability, enabling faster development cycles and more efficient manufacturing.

04 Sustainable Process Development

We promote cleaner raw materials, energy-efficient technologies and waste reduction practices to improve manufacturing performance while aligning our operations with evolving sustainability and regulatory expectations.

Three Pillars of Innovation

Our research and development capability is anchored in three interconnected pillars that collectively enhance scientific advancement, operational excellence and long-term competitiveness.

Process Innovation

Process innovation focuses on developing smarter and more efficient manufacturing methods that improve productivity, shorten cycle times and optimise resource utilisation.

Through continuous refinement of production processes, we aim to enhance yields, strengthen product consistency and improve overall operational performance while maintaining the highest standards of quality and reliability.

Green Chemistry

Green chemistry guides our efforts to develop cleaner and more sustainable manufacturing solutions. This includes the adoption of environmentally preferable raw materials, energy-efficient production methods and waste minimisation practices that reduce the environmental footprint of our operations.

These initiatives not only support sustainability objectives but also help align our processes with evolving regulatory requirements and customer expectations.

Digital Transformation

Digital transformation strengthens our research and manufacturing capabilities through greater use of automation, predictive analytics and data-driven monitoring systems.

By improving process visibility, enabling faster decision-making and enhancing precision across operations, digital technologies support better risk management, operational agility and scalability.

Together, these three pillars create a more agile, efficient and innovation-led platform, enabling us to respond effectively to evolving market demands while supporting sustainable growth and value creation.

Intellectual Capital

EXPANDING OUR GLOBAL REGULATORY FOOTPRINT

Our presence in regulated markets is supported by research, manufacturing and quality systems aligned with internationally recognised standards. Our API manufacturing facilities continue to comply with the requirements of leading global regulatory authorities, including USFDA EU-GMP, supported by robust quality systems, validation practices, traceability and data integrity.

Our portfolio of regulatory filings, including Drug Master Files (DMFs) and Certificates of Suitability (CEPs), strengthens access to key global markets and reinforces confidence among customers, partners and regulatory authorities. These credentials reflect our technical expertise, quality standards and compliance capabilities while supporting long-term market access and customer relationships.

14 Active
DMFs with USFDA

21 CEPs
with EDQM

USFDA-Audited
API Facilities

Multiple EU-GMP
Approved Units

BUILDING VALUE THROUGH INTELLECTUAL PROPERTY

Intellectual property forms an important part of our long-term growth strategy. Through focused research and development, we create differentiated manufacturing processes and technologies that improve product quality, strengthen sustainability and enhance operational efficiency.

Our patent portfolio reflects practical innovation that addresses evolving industry needs, improves manufacturing performance and creates lasting value for customers and stakeholders alike.

Patent Portfolio Highlights

Innovation Area	Key Advancement	Value Created
Safe, Nitrosamine-Free Valsartan Process	**Developed** an improved manufacturing route for Valsartan and related sartan drugs.	**Enhances** product safety by addressing nitrosamine impurity concerns while improving process robustness.
Recyclable Biocatalytic Sitagliptin Process	**Created** a novel biocatalytic process enabling the reuse of non-immobilised enzymes.	**Reduces** environmental impact, improves resource efficiency and supports sustainable manufacturing.
Quality-Focused Losartan Process	**Developed** a process that minimises the formation of carcinogenic azido impurities.	**Strengthens** patient safety and product quality through cleaner manufacturing pathways.
Sustainable Generic Intermediate Process	**Designed** an improved manufacturing route for a key generic intermediate.	**Enhances** process efficiency, resource utilisation and sustainability across the value chain.

CERTIFICATIONS AND ACCREDITATIONS

USFDA Approved Facility

EUGMP Certification

EDQM Certificate of Suitability

Halal Certified

DMF Registration From MFDS Korea

ISO 9001:2015, 14001:2015 & 45001:2018

Kosher Certified

WHOGMP (COPP) Certified

Written confirmation from COSCO

ISO 27001 & ISO 37001

REACH Certificate

GMP Certificate by Russian Federation

Ecovadis Gold Medal

State Food and Drug Administration Manufacturing License, GMP

Social Accountability Standard

CDE of NMPA, China

ANVISA, Brazil

Social and Relationship Capital

Creating lasting value through trusted partnerships and shared progress.

Our Social and Relationship Capital reflects the trust we build with communities, customers, suppliers, business partners and regulatory authorities. Operating from Barnala and Ludhiana in Punjab, we seek to create shared value through responsible business practices, meaningful stakeholder engagement and targeted community development initiatives.

Our CSR investments during the year centred on education, healthcare, rural development and environmental stewardship, creating better access to essential services and opportunities for the communities around our operations. These enduring relationships strengthen our social licence to operate, support inclusive growth and reinforce the long-term sustainability of our business.

FOCUS AREA

- Education and learning infrastructure
- Healthcare access and preventive care
- Social upliftment and environment
- Responsible supply chain
- Stakeholder and government engagement

STAKEHOLDERS IMPACTED

- Communities
- Suppliers/Vendors
- Service contractors
- Customers
- Government authorities

₹4.65 Cr
Total CSR investment during the year

~5.5 lakh
Lives impacted

SDG IMPACTED

CREATING SHARED VALUE THROUGH COMMUNITY DEVELOPMENT

We believe sustainable business success is closely linked to the progress of the communities in which we operate. Through focused CSR programmes and collaborative partnerships, we address priority social needs while creating lasting value. During the year, our CSR investments focused on education, healthcare and social upliftment, supporting inclusive development across our areas of operation.

Focus area

Social and Relationship Capital

EXPANDING ACCESS TO QUALITY EDUCATION

Education represents the largest component of our CSR programme by reach. During the year, we invested ₹47 lakh to strengthen learning infrastructure, improve access to quality education and create better learning environments for students in Barnala and Ludhiana districts.

Our interventions combined infrastructure development, technology-enabled learning and student support programmes to help improve educational outcomes, particularly for children from underserved communities.

Strengthening School Infrastructure

We upgraded educational infrastructure at several government schools through the construction and renovation of classrooms, washrooms, playgrounds, libraries and mid-day meal facilities. Improvement works at Government Primary Smart School, Handiaya, Government Elementary School, Kunran and Government Primary School, Kotduna enhanced safety, hygiene and the overall learning experience.

To improve classroom facilities, benches were donated to PM Shri Government Senior Secondary School, Handiaya, while storage infrastructure was provided to Government Primary Smart School, Ghunas.

Advancing Digital Education

Recognising the growing importance of digital literacy, we strengthened technology-enabled learning through the provision of projectors, LED displays, computer systems, printers, UPS units and smart classroom equipment.

Schools in Ludhiana received desktop computers, computer tables and LED television, enabling students to access modern educational resources and digital learning platforms.

Improving Educational Access

To reduce financial barriers to education, we distributed school uniforms, educational materials and need-based assistance to students from economically disadvantaged families. These interventions encouraged school attendance and contributed to higher student retention.

Supporting Holistic Learning

Our efforts also extended to improving the overall learning experience through the distribution of books and educational materials, support to Government ITI Barnala and the introduction of Building as Learning Aid initiatives that transformed school spaces into more engaging and interactive learning environments.

Key Highlights

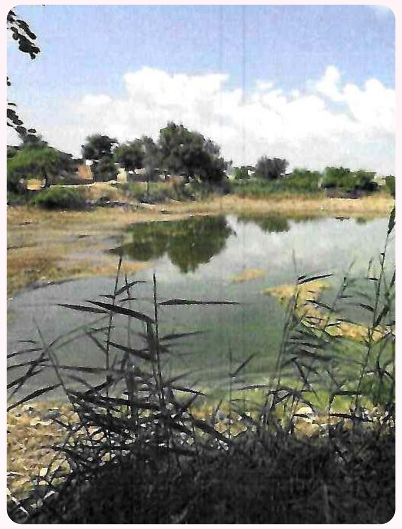
- 47 lakh invested in education initiatives
- Smart classrooms equipped with digital learning infrastructure
- Benches donated to PM Shri Government Senior Secondary School, Handiaya
- Digital learning kits provided across schools in Ludhiana
- Multiple government schools renovated and upgraded across Barnala and Ludhiana

Performance Snapshot

Parameter	FY2025-26	Unit
Investment in Education	47	₹ lakh
Lives Impacted Through Education	~1.50 lakh	Nos

STRENGTHENING COMMUNITIES THROUGH SOCIAL DEVELOPMENT

Our social upliftment initiatives seek to improve quality of life beyond the areas of education and healthcare. Through interventions focused on environmental stewardship, rural development, disaster relief and community welfare, we work closely with local stakeholders to address pressing needs and create lasting social value. During the year, we invested ₹1.40 crore across these initiatives.



Environmental Stewardship

We undertook extensive plantation drives across villages including Badra, Dhaula, Nimwala Maur and Sohal Patti, enhancing green cover and promoting environmental awareness. Tree guards were installed to improve sapling survival rates, while the maintenance of Natural Park and Shaheed Bhagat Singh Park contributed to preserving community green spaces.

Water Conservation and Rural Development

To support sustainable water management, we carried out pond cleaning and restoration activities in Aspal Kalan, Dhurkot and Kotdunna. These initiatives improved water quality, restored community water bodies and enhanced the local environment.

Responding During Times of Need

We extended financial assistance towards flood relief efforts undertaken by the Government of Punjab, contributing to rehabilitation and recovery initiatives in affected areas. In addition, we supported paddy stubble management activities around our manufacturing facilities to help address air pollution associated with crop residue burning.

Advancing Community Welfare

Our community welfare efforts included the distribution of winter clothing and footwear near the Barnala villages. We also supported animal welfare through the distribution of medicines and cattle feed, while undertaking improvement works such as wall art initiatives at community spaces to create a more engaging local environment.

Key Highlights

- ₹1.40 crore invested in social upliftment initiatives
- Plantation drives conducted across multiple villages in Barnala district
- Pond restoration completed in Aspal Kalan, Dhurkot and Kotdunna
- Support extended towards Punjab flood relief efforts
- Paddy stubble management initiatives undertaken to improve air quality

Performance Snapshot

Parameter	FY2025-26	Unit
Investment in Social Upliftment	1.40	₹ lakh

Social and Relationship Capital

ADVANCING HEALTHCARE ACCESS

Healthcare represents the largest component of our CSR investments. During the year, we invested ₹2.79 crore to strengthen healthcare infrastructure, improve access to quality medical services and support underserved communities across Ludhiana and Barnala districts. Through partnerships with hospitals, government health facilities and charitable organisations, we contributed to both curative and preventive healthcare initiatives.

Strengthening Medical Infrastructure

We contributed to the development of critical healthcare facilities, including the construction of a new patient ward and care centre at Shri Krishna Charitable Hospital, Ludhiana and the renovation of the Critical Care ICU at Christian Medical College and Hospital (CMC), Ludhiana. These initiatives helped improve the availability of quality care for patients requiring specialised and emergency treatment.

Enhancing Diagnostic Capabilities

To improve diagnostic capabilities, we facilitated the installation of a CT scan facility, a cath lab and advanced medical equipment at CMC Hospital. Additional laboratory and diagnostic equipment improved the speed, accuracy and availability of diagnostic services.

Expanding Access to Medical Care

We provided financial assistance for the treatment of underprivileged patients through leading healthcare institutions, including support for cancer and stroke patients from economically weaker sections. These interventions helped improve access to timely medical care for vulnerable communities.

Promoting Community Health

Our community healthcare initiatives included the supply of essential medicines through government dispensaries across villages in Barnala district and support for charitable organisations engaged in medicine distribution. We also partnered with health authorities to provide nutritional kits to tuberculosis patients, supporting treatment adherence and better health outcomes.

Key Highlights

- ₹2.79 crore invested in healthcare initiatives
- New patient ward and care centre supported at Shri Krishna Charitable Hospital, Ludhiana
- Critical Care ICU upgraded at CMC Hospital, Ludhiana
- CT scan facility, cath lab and diagnostic equipment supported at CMC Hospital
- Essential medicines supplied through government dispensaries across Barnala district
- Nutritional support provided to tuberculosis patients

Performance Snapshot

Parameter	FY2025-26	Unit
Investment in Healthcare	2.79	₹ crore
Lives Impacted Through Healthcare Initiatives	~2,00,000	Nos

Impact Stories

Advancing Critical Care at CMC Ludhiana

Christian Medical College and Hospital (CMC), Ludhiana serves as a major healthcare institution for communities across the region. During the year, we contributed to the renovation and modernisation of its Critical Care ICU and enabled the installation of a CT scan facility, a cath lab and advanced diagnostic equipment. These investments have expanded the hospital's capacity to deliver timely critical care and improved access to advanceddiagnostic services.

Expanding Access to Affordable Healthcare

We contributed to the construction of a new patient ward and care centre at Shri Krishna Charitable Hospital, Ludhiana.

The expanded infrastructure has improved the hospital's capacity to serve more patients while enhancing the quality of care available to underserved communities.

Promoting Cleaner Air and Sustainable Farming

To address air pollution associated with crop residue burning, we partnered with local shareholders to promote paddy stubble management in areas surrounding our manufacturing facilities. The initiative encouraged sustainable residue management practices, contributing to cleaner air and healthier communities.

RELATIONSHIP CAPITAL

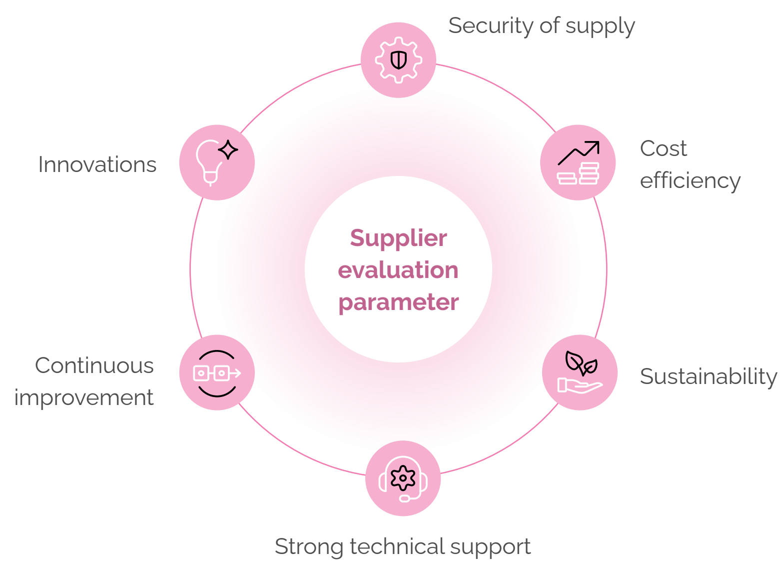
Strong relationships with suppliers, customers, regulators and industry stakeholders are essential to the resilience and success of our business. During the year, we strengthened responsible supply chain practices through our PRAYAS initiative, aligned with the principles of ISO 20400 Sustainable Procurement, while continuing to engage closely with customers and regulatory authorities. These partnerships support operational reliability, responsible sourcing and long-term value creation across our value chain.

Building a Responsible Supply Chain

Our supply chain strategy is centred on resilience, transparency and shared quality standards. We work closely with suppliers to promote responsible sourcing, regulatory compliance and consistent quality across our operations.

Through structured due diligence, risk assessments, compliance monitoring and supplier engagement programmes, we seek to build a reliable and sustainable supply network.

Through our PRAYAS initiative and alignment with the principles of ISO 20400 Sustainable Procurement, we strengthen supplier capabilities through training, audits and collaborative engagement. Where feasible, we prioritise local sourcing, contributing to regional economic development while improving supply chain responsiveness and long-term business resilience.



Social and Relationship Capital

Supplier engagement capability

Parameter	Unit	FY 2024-25	FY2025-26
Total number of suppliers	Nos	240	261
Tier 1 Suppliers	Nos	43	48

Procurement and supplier Diversity

Parameter (%)	FY 2023-24	FY 2024-25	FY2025-26
Procurement spends within India	57	46	47
Diverse suppliers, MSME	16	15	14
Diverse suppliers, women owned	1.5	1.7	1.79
Diverse suppliers minority owned	0.3	0.58	0.69

Building Capabilities Through Continuous Learning

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

We complement these programmes through partnerships with external training institutions that deliver specialised technical and behavioural development for selected employees. This integrated approach strengthens organisational capabilities, promotes awareness of evolving industry practices and equips our workforce to respond to changing business and regulatory requirements. By investing in stakeholder competency development, we aim to strengthen our market position through innovation-driven strategies while maintaining high-quality products and services.

39
Number of RM suppliers

10
Number of packaging suppliers

313.18 Cr
Spend with MSME sources

15.80 %
Buying from MSME

20.10 %
Buying from local supplier

Collaborating across the Ecosystem

We work closely with industry associations, research institutions and technical collaborators to align with emerging industry developments, strengthen technical capabilities and advance shared sustainability objectives. These partnerships facilitate knowledge exchange, access to recognised technical standards and performance benchmarking while encouraging the adoption of evolving manufacturing and quality practices.

Deepening Customer Engagement

Our customer-centric approach is built on responsiveness, technical expertise and close collaboration. Regular interactions through market visits, industry exhibitions and and customer engagements provide valuable insights into evolving market requirements.

Working alongside customers on product customisation and joint development enables us to respond effectively to changing application needs. As our portfolio expands, we are serving a broader customer base across industries and geographies, reinforcing long-standing relationships while creating opportunities in new market segments.

Maintaining Regulatory Excellence

We maintain a structured compliance framework supported by a Legal Register that identifies applicable statutory and regulatory requirements and is reviewed through monthly compliance assessments.

Regulatory developments are monitored through legal update services, regular engagement with government authorities, compliance reviews and participation in industry forums. This disciplined approach promotes transparency, regulatory preparedness and timely implementation of changing legal requirements.

Encouraging Open Dialogue

Open communication forms an important part of our organisational culture. We have established structured forums, including Town Hall meetings, Coffee with the Director sessions, Workers' Meets and the Internal Complaints Committee under the POSH framework, providing employees with multiple channels to share feedback, raise concerns and participate in constructive dialogue.

Fair and Transparent Grievance Resolution

We maintain a structured grievance redressal mechanism that promotes open communication, fair resolution and a respectful workplace. The framework enables employees to raise concerns related to workplace practices, compensation, working conditions and other employment-related matters in a transparent and confidential manner.

Employees are encouraged to discuss concerns with their immediate supervisors in the first instance. Where issues remain unresolved, they may be formally escalated to the Human Resources team for further review. A dedicated three-tier committee oversees the grievance resolution process, ensuring concerns are addressed impartially and within defined timelines.

Matters relating to sexual harassment and employment contracts are managed through separate mechanisms to ensure appropriate handling and due process.

To promote awareness and accessibility, the grievance redressal process is regularly communicated through employee training programmes, emails, notice boards and workplace displays. This approach helps foster trust, accountability and a culture of constructive dialogue across the organisation.

Engaging with Industry and Research Partners

Our engagement with industry associations, regulatory bodies, research institutions and technical experts strengthens our technical capabilities and helps us remain aligned with evolving industry expectations. These collaborations facilitate knowledge exchange, improve regulatory preparedness and encourage the adoption of recognised practices that enhance innovation, product quality and sustainable growth.

Participation in Industry Platforms

- Participate in in pharmaceutical and specialty chemical industry forums and associations
- Monitor emerging regulatory developments, policy changes and industry trends
- Benchmark operational performance against leading industry practices
- Contribute to discussions on quality, safety and responsible manufacturing

Collaborative Knowledge Sharing

- Partner with research institutions and technical experts to exchange knowledge and insights
- Enhance process understanding and operational efficiency through external collaboration
- Strengthen regulatory preparedness and compliance capabilities
- Encourage the adoption of advanced technologies, quality systems and sustainable manufacturing practices

Management Discussion and Analysis

Economy Overview

Global Economy[1]

The global economy demonstrated resilience during CY 2025 despite heightened geopolitical tensions, evolving trade policies and elevated market uncertainty. While higher tariffs, supply-chain realignment and financial market volatility moderated growth across several regions, supportive fiscal measures, easing inflationary pressures and continued investments in technology and infrastructure helped sustain economic activity.

As a result, the global economy recorded moderate growth of around 3.5% in CY 2025. Advanced economies expanded by 1.9%, while emerging market and developing economies (EMDEs) grew by 4.5%. Among EMDEs, India outperformed most peer economies and remained a key contributor to global and regional growth.

Global trade remained resilient despite evolving market dynamics. Supply chain reconfiguration, geopolitical tensions, trade disputes, higher US tariffs, lower input costs from Southeast Asian and policy adjustments across major economies reshaped trade patterns.

During the year, stronger domestic manufacturing capabilities supported supply chain diversification and gradual realignment. Technology-related trade remained a significant growth driver, partly offsetting softer demand in other segments. These developments continued to influence capital expenditure, infrastructure and industrial activity across markets.

Outlook

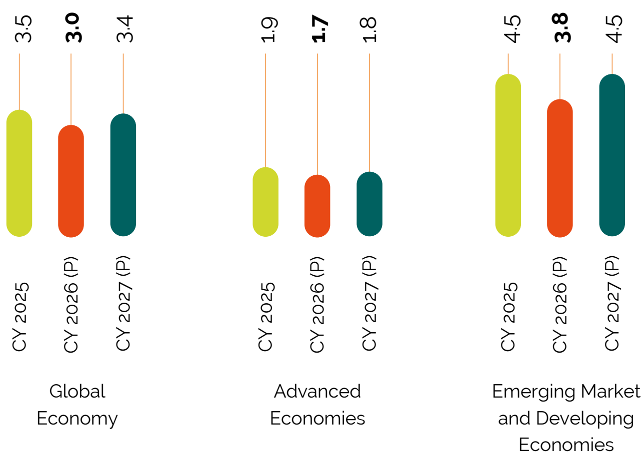
The global outlook remains influenced by trade policy changes, financial market conditions, elevated public debt and geopolitical developments. Energy market disruptions may affect supply chains and increase commodity price volatility.

According to the International Monetary Fund (IMF), global GDP is projected to grow by 3.0% in CY 2026 and 3.4% in CY 2027, supported by moderating inflation, resilient labour markets and continued investment in technology and infrastructure. However, the outlook remains subject to downside risks arising from geopolitical tensions, trade restrictions, financial market volatility and slower-than-expected global demand.

Central banks are expected to remain focused on price stability. Policy measures are likely to reflect evolving inflation trends and economic conditions. Strengthening policy credibility, improving institutional agility and enhancing international cooperation are expected to remain critical priorities. These measures are expected to support resilience amid prevailing challenges and future uncertainty.

Global GDP Growth Trend

(in %)



P – Projections

Source – IMF World Economic Outlook, July 2026

Indian Economy[2]

The Indian economy maintained strong growth momentum in FY 2025–26, with real GDP expanding by 7.6%. Growth was supported by robust domestic demand, investment activity and stable macroeconomic fundamentals. The services and manufacturing sectors remained key growth drivers. Economic activity remained resilient despite global uncertainty, geopolitical tensions, elevated energy prices and supply chain disruptions.

Domestic demand remained the primary driver of growth. Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) increased by 7.7% and 7.1%, respectively, during FY 2025–26.[3] Rural demand remained steady, supported by agriculture, while urban consumption strengthened alongside services sector growth.

Inflation remained well contained during FY 2025–26. Headline CPI inflation stayed below the 4% target. Core inflation averaged around 3.4%, while core inflation excluding precious metals stood at around 2.1%, reflecting stable underlying price trends.[4]

The Reserve Bank of India maintained an accommodative monetary stance. The policy repo rate was reduced by 100

[1]https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026

[2]https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF

[3]https://www.mospi.gov.in/uploads/latestReleases/latest_release_1772189865181_f040336d-bc57-4aed-b80f-586d9ccb279e_Press_Note_on_New_Series_of_GDP_Estimates_with_Base_Year_2022-23_27022026.pdf

[4]https://www.mospi.gov.in/uploads/latestreleasesfiles/1776078391571-Press_Release_of_CPI_March_2026.pdf

basis points to 5.25%, during the year. Liquidity conditions remained adequate, supporting credit growth across sectors.[5]

Growth momentum was further reinforced by prudent fiscal management, stable revenue collections and disciplined expenditure. Continued public spending on infrastructure supported investment activity. Higher GST collections and greater digital adoption improved economic efficiency.

Investments across transportation, energy and logistics under initiatives such as PM Gati Shakti and the National Infrastructure Pipeline enhanced industrial activity and capacity creation. Capacity utilisation improved to approximately 75%–76%, indicating a gradual recovery in private investment and stronger demand in infrastructure-linked industries.[6]

Regulatory measures by the Reserve Bank of India further strengthened the infrastructure financing ecosystem. The revised infrastructure lending framework reduced provisioning requirements for under-construction projects from 5% to 1%. This change improved credit availability and enhanced financing viability for lenders.[7]

Indirect tax reforms, particularly GST, have simplified the tax framework and rationalised rates across key sectors. Trade agreements, including the India–EU Free Trade Agreement and ongoing discussions with the US are strengthening India's position within global value chains.

The India–EU FTA is expected to generate significant economic benefits. Bilateral trade currently stands at around 11.5 lakh crore (USD 136.5 billion) and exports to the EU at 6.4 lakh crore.[8] The agreement provides preferential market access for over 99% of Indian exports, creating opportunities for export growth, employment generation and investment inflows. This agreement is expected to benefit Indian pharmaceutical exporters through improved market access and reduced trade barriers.

Outlook

India's growth trajectory remains aligned with the Government's Viksit Bharat 2047 vision, which aims to transform the country into a developed economy through sustained economic expansion, infrastructure development and productivity gains. Infrastructure creation continues to be a central pillar of this strategy.

The Indian economy is expected to maintain a stable growth trajectory, underpinned by strong domestic fundamentals and a favourable policy environment. Domestic demand is likely to remain the primary growth driver, complemented by continued focus on infrastructure and capital formation.

Higher public expenditure, improving capacity utilisation and healthier corporate and banking sector balance sheets are expected to support a gradual increase in private sector investment. Inflation is expected to remain within the target range of 4%, with a tolerance range of 2%, aided by stable supply conditions and calibrated policies.

Policy reforms are expected to enhance competitiveness and strengthen export potential. The Union Budget 2026–27 reinforces the Government's focus on infrastructure development, with public capital expenditure of approximately 12.2 lakh crore, equivalent to 3.1% of GDP. Total expenditure is budgeted at around 53.5 lakh crore. This investment commitment is expected to stimulate economic activity, strengthen productive capacity and sustain growth momentum.[9]

The continued emphasis on manufacturing, infrastructure development and export competitiveness is expected to create a favourable operating environment for pharmaceutical and specialty chemical manufacturers such as IOL.

Annual GDP and GVA Estimates along with YOY Growth Rates at Constant Prices

Annual GDP Estimates (in Rs. Lakh Crore) and Growth Rates (6) at Constant Prices

Annual GVA Estimates (in Rs. Lakh Crore) and Growth Rates (6) at Constant Prices

Source: MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION

[5] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF

[6] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULT23042026FL5A726E38FAF84453B435F18A3709DD11.PDF

[7] https://www.ey.com/content/dam/ey-unified-site/ey-com/en-in/insights/strategy-transactions/documents/2025/08/ey-private-credit-in-india-h1-2025-update.pdf?utm_source

[8] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2219065&lang=1&reg=3&

[9] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221455&

Industry Overview

Global Pharmaceutical Industry

The global pharmaceutical industry recorded steady growth in CY 2025, driven by increasing demand for speciality therapies, biologics, oncology treatments and GLP-1 therapies for diabetes and obesity management. Wider adoption of digital healthcare platforms, faster drug approvals across select therapeutic areas and growing penetration in emerging markets further contributed to industry expansion.

Global pharmaceutical sales are estimated at approximately $1.7 trillion to $1.8 trillion in CY 2025,[10] with industry growth ranging between 6% to 7%. The Asia Pacific region remained the largest generic drug market, followed by Europe, North America, Latin America, Africa and the Middle East.

The industry also faced pricing pressure in regulated markets, rising compliance costs and loss of exclusivity for key products. Despite these challenges, leading pharmaceutical companies delivered resilient operating performance through diversified portfolio, pipeline development and sustained investments in research and manufacturing capabilities.

Outlook

The global pharmaceutical industry is expected to maintain a healthy growth trajectory in CY 2026. Global pharmaceutical sales are projected to reach approximately $1.8 trillion to $1.9 trillion in 2026[11 12].

Industry growth is expected to be driven by rising demand for obesity, oncology, immunology and rare disease therapies, alongside higher healthcare expenditure across developed and emerging markets.

Pharmaceutical companies are accelerating investments in cell and gene therapies, AI-enabled drug discovery and digital research platforms to improve development efficiency and strengthen pipelines.

The global generic formulations market is projected to grow at a CAGR of 5–6.5% and reach US$570–720 billion by the early 2030s. Patent expiries, greater demand for affordable healthcare, a rising chronic disease burden and wider biosimilars adoption is expected to support market expansion.[13]

Manufacturers are diversifying supply chains and expanding regional production network, including increased engagement with CDMOs. These initiatives are expected to reduce sourcing risks and enhance operational resilience.

The growing adoption of outcome-based pricing models and intensifying competition from generics and biosimilars may affect profitability across certain markets. However, diversified product portfolios, strong balance sheets and continued innovation are expected to sustain industry performance over the near term.[14]

Indian Pharmaceutical Industry

India's pharmaceutical sector continues to reinforce its position within the global healthcare supply chain through its leadership in generics, vaccines, biosimilars and contract manufacturing.

Valued at approximately US$65 billion in FY 2025–26,[15] the India's pharmaceutical industry is widely recognised as the 'Pharmacy of the World'. It ranks among the top three pharmaceutical producers globally by volume and is one of the largest pharmaceutical markets by value.

[10]https://www.precedenceresearch.com/pharmaceutical-market

[11]https://www.precedenceresearch.com/pharmaceutical-market

[12]https://www.grandviewresearch.com/industry-analysis/pharmaceutical-market-report

[13]https://www.mordorintelligence.com/industry-reports/generic-drugs-market

[14]https://www.spglobal.com/ratings/en/regulatory/article/sector-review-pharmaceutical-industry-2026-credit-outlook-is-stable-as-healthy-revenue-growth-mitigates-pressure-from-drug-price-reform-and-ma-s101667417

[15]https://pharma-dept.gov.in/sites/default/files/Annual%20Report%202025-26_0.pdf

India accounts around 55–60% of global vaccine demand, including a major share of supplies for immunisation programmes.[16] The industry comprises more than 10,500 manufacturing facilities and approximately 670 USFDA-approved plants, the highest number outside the United States.[17]

Pharmaceutical exports exceeded USD 30 billion during FY 2025-26, increasing by 5.6% year-on-year despite global trade disruptions. India currently exports pharmaceutical products to over 200 countries, with regulated markets such as the U.S. and Europe accounting for a substantial share of export revenues.[18] India's regulatory manufacturing ecosystem, supported by the largest number of USFDA-approved facilities outside the United States, continues to strengthen its position as a preferred global pharmaceutical manufacturing destination.

Outlook

The India pharmaceutical industry is projected to reach US$130 billion by 2030 and approximately US$450 billion by 2047. Expansion is expected to be driven by an ageing population, increasing prevalence of lifestyle diseases, wider adoption of personalised medicine and policy initiatives such as the Production Linked Incentive (PLI) schemes and favourable FDI regulations. Advances in biotechnology, AI-enabled drug discovery, biosimilars and digital healthcare are creating new opportunities across the pharmaceutical value chain. Ongoing investments in manufacturing infrastructure, research capabilities and regulatory frameworks are expected to enhance industry competitiveness and strengthen India's position in international markets.

India's share of the global pharmaceutical market is projected to increase from approximately 3%–3.5% at present to nearly 5% by 2030, reflecting the sector's expanding scale and capabilities.[19]

Growth Drivers

Ageing Population	India's ageing population is expected to approach 230 million by 2036, increasing demand for therapies addressing age-related and chronic conditions.[20] This demographic trend is expected to support long-term expansion of the pharmaceutical market.
Rising Disposable Income	Rising disposable income are improving healthcare affordability and access to preventive care. This is expected to increase uptake of branded medicines, chronic therapies and healthcare services
Increasing Burden of Chronic Diseases	The increasing prevalence of chronic diseases, coupled with earlier onset and low diagnosis rates, is driving the need for preventive screening, early intervention and long-term treatment. This trend is expected to sustain demand across key therapeutic categories.
Digitalisation of Healthcare	Growing adoption of digital technologies is improving access to healthcare through telemedicine, e-pharmacies and digital health records. These advancements are expanding healthcare reach and enhancing treatment delivery.
Expansion of Health Insurance	India's health insurance industry is projected to grow at a CAGR of approximately 15% over the next five years.[21] Higher insurance penetration is expected to improve healthcare access, increase treatment adoption and support overall healthcare spending.
Favourable Government initiatives[22]	**PLI scheme for bulk drugs** The scheme aims to strengthen domestic production of critical inputs and reduce import dependence. As on 31st March 2026, investment mobilised under the scheme stood at Rs. 4,763.34 crore, against the target of Rs. 4,329.95 crore. **PLI scheme for Pharmaceuticals** The scheme promotes domestic manufacturing of high-value biopharmaceutical products, complex generics and autoimmune drugs. It continues to contribute to higher sales, exports and employment generation.

[16] https://www.unicef.org/supply/vaccines

[17] https://pharma-dept.gov.in/sites/default/files/Annual%20Report%202025-26_0.pdf

[18] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248

[19] https://www.bain.com/insights/healing-the-world-a-roadmap-for-making-india-a-global-pharma-exports-hub/

[20] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2183196&reg=3&lang=2

[21] https://www.datainsightsmarket.com/reports/indian-health-insurance-market-19737

[22] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248&reg=3&lang=2#

Favourable Government initiatives

Research and Innovation

The Scheme for Promotion of Research and Innovation in Pharma MedTech (PRIP) seeks to strengthen research capabilities, accelerated product development and nurture collaboration between industry and academia through two structured components.

Biopharma SHAKTI - Strengthening India's Biopharmaceutical Ecosystem

In the Union Budget 2026-27, the Government of India proposed the Biopharma SHAKTI (Strategy for Healthcare Advancement through Knowledge, Technology and Innovation) initiative. The programme aims to position India as a global biopharmaceutical manufacturing hub. With a proposed outlay of Rs. 10,000 crores over the next five years, the initiative seeks to establish a robust ecosystem for the domestic production of biologics and biosimilars.

Global Active Pharmaceutical Ingredient (API) Industry[23]

The global Active Pharmaceutical Ingredient (API) industry forms the foundation of pharmaceutical manufacturing, supplying the essential therapeutic components used in branded medicines, generic drugs, biologics and biosimilars. The global API market was valued at approximately USD 256.4 billion in 2025, supported by rising healthcare expenditure, increasing prevalence of chronic diseases and growing demand for affordable medicines.

Demand continues to be driven by the expanding use of generic medicines and biosimilars, increasing incidence of lifestyle-related diseases and sustained pharmaceutical research and development. The industry is also witnessing a strategic shift towards complex APIs, including high-potency APIs (HPAPIs), peptides and oligonucleotides, as pharmaceutical innovation increasingly focuses on targeted therapies, specialty medicines and biologics. These products require advanced manufacturing capabilities, stringent regulatory compliance and specialised process expertise, creating higher entry barriers and supporting greater value addition across the pharmaceutical value chain. In parallel, pharmaceutical companies are increasingly outsourcing API production to Contract Development and Manufacturing Organisations (CDMOs) and Contract Manufacturing Organisations (CMOs) to enhance manufacturing flexibility, optimise costs and accelerate product development.

Outlook

The market is projected to reach approximately USD 376.2 billion by 2034, expanding at a CAGR of 4.22% during 2026–2034. Future growth is expected to be supported by increasing pharmaceutical demand, wider adoption of generic medicines and biosimilars, continued outsourcing of API manufacturing, and rising investments in complex and high-value APIs. Advances in manufacturing technologies and expanding pharmaceutical production across regulated and emerging markets are expected to further support the industry's long-term growth trajectory.

Indian Active Pharmaceutical Ingredient (API) Industry

India continues to strengthen its position in the global Active Pharmaceutical Ingredient (API) industry through expanding manufacturing capabilities, robust regulatory standards and deeper integration into global pharmaceutical supply chains. The country has over 2,000 WHO-GMP compliant pharmaceutical manufacturing facilities and one of the largest USFDA-compliant manufacturing bases outside the United States, enabling access to highly regulated markets.

Pharmaceutical exports exceeded approximately USD 30 billion in FY 2025-26, with APIs and drug intermediates contributing meaningful to export growth[24].

The API segment is witnessing significant capacity expansion under the PLI and bulk drug park initiatives. As of FY 2026, investments under the PLI scheme for bulk drugs exceeded 4,760 crore. Production capacity has been established for 26 critical APIs, KSMs and drug intermediates that were previously import dependent[25].

India is expanding bulk drug infrastructure to strengthen supply chain resilience and reduce reliance on imported APIs. Growing presence in biologics, injectables, CDMO/CRDMO services and speciality formulations is enhancing the industry's value mix.

India supplies nearly 20% of global generic medicines by volume, creating sustained demand for domestically manufactured APIs. Under the PLI scheme for bulk drugs, approved manufacturers have committed investments exceeding 6,900 crore, compared with the originally commitment of around 3,900 crore, indicating accelerated capacity expansion across critical APIs, KSMs and intermediates[26].

The scheme has also approved 48 critical fermentation-based and chemically synthesised APIs, key starting materials (KSMs) and intermediates, strengthened domestic production capabilities and reduced import dependence[27].

[23]https://www.imarcgroup.com/active-pharmaceutical-ingredients-market

India currently accounts for nearly 8% of the global API market by value and remains among the largest suppliers of generic-drug linked APIs globally. Increasing focus on high-potency APIs, peptide-based therapeutics, oncology APIs and CDMO partnerships is further improving the industry's value mix and export competitiveness. Rising regulatory approvals, quality-compliance investments and digital manufacturing adoption are also expected to support long-term growth across the sector.

Outlook

India's API sector is entering a new phase of growth in FY 2025–26, led by investments in fermentation capabilities, speciality molecules and backward integration of raw material. Manufacturers are expanding capacity for complex APIs, oncology products, peptides and high-potency ingredients as global pharmaceutical companies seek alternative sourcing destinations beyond China.

The industry is also witnessing greater localisation of key starting materials (KSMs) and intermediates, strengthening supply security and reducing import dependence. Investments under the government's PLI initiatives have surpassed initial targets, while new bulk drug parks and greenfield facilities are enhancing infrastructure, logistics efficiency and production economics.[28]

Pharmaceutical exports continue to gain traction in regulated markets, with the United States and Europe accounting for a significant share of shipments. Companies are strengthening manufacturing infrastructure, digital quality systems and integrated supply chains to enhance reliability and improve margin resilience.[29]

Industry estimates indicate that the Indian API market could exceed USD 15 billion in 2026, supported by export demand, contract manufacturing opportunities and wider adoption of China-plus-one sourcing strategies by multinational pharma companies.[30]

Expansion in speciality and high-value APIs

Indian pharmaceutical players are increasing investments in oncology APIs, peptides, hormone-based products and contrast media to improve product mix and enter higher-margin therapeutic categories. This shift is widening India's presence in regulated markets and reducing reliance on commoditised bulk drugs.

Rising domestic production of key starting materials

Manufacturing capacity for several critical KSMs, drug intermediates and APIs has increased under government-backed incentive programmes. Higher domestic production is improving supply security and reducing exposure to external sourcing risks.

Development of bulk drug manufacturing infrastructure

Large-scale bulk drug parks under development are expected to improve utility access, waste management systems and logistics efficiency. Shared infrastructure facilities are likely to reduce operating costs and support faster commissioning of manufacturing facilities.

Growth in regulated market exports

Indian API manufacturers are witnessing growing opportunities across the US, Europe and other regulated markets. Global pharmaceutical companies are increasingly diversifying sourcing networks to enhance supply-chain resilience. Demand for compliant manufacturing facilities and long-term supply arrangements continue to rise.

Increased focus on fermentation-based manufacturing

Manufacturers are expanding fermentation capabilities for antibiotics and niche APIs. Fresh approvals under the PLI scheme are supporting capacity additions. These investments are strengthening domestic production in segments previously dependent on imports.

China-plus-one sourcing is changing global procurement patterns

Large pharmaceutical companies in the US and Europe are reducing dependence on single-country sourcing models amid supply-chain disruptions and geopolitical uncertainties. India is emerging as a preferred manufacturing destination, supported by its extensive USFDA-approved facility base, cost competitiveness and improving backward integration. Enquiry volumes for Indian contract manufacturers have increased as customers diversify procurement networks.

[24] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248
[25] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197947
[26] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197947
[27] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197947
[28] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2197947

Oncology and chronic therapy APIs are becoming major revenue drivers

Demand for APIs used in oncology, cardiovascular and diabetes therapies continue to outpace traditional acute-care segments. Oncology APIs are expected to growth deliver strong over the next five years as pharmaceutical pipelines increasingly focus on specialised and targeted therapies.

API manufacturing is becoming more technology-intensive

API manufacturing is becoming increasingly technology driven. Manufacturers are adopting AI-enabled process monitoring, continuous manufacturing systems and digital quality controls. These initiatives improve production efficiency, reduce material losses and strengthen regulatory compliance. Technology investments are also enhancing competitiveness in regulated markets and large-scale CDMO engagements.

Global Chemical Industry[31]

The global chemical industry remains one of the world's largest manufacturing sectors, serving industries such as pharmaceuticals, agriculture, automotive, construction and electronics. The global chemical market was valued at approximately USD 6.04 trillion in 2025, supported by growing industrial activity, increasing demand for specialty chemicals and high-performance materials, and rising investments in sustainable manufacturing and process innovation.

Outlook

The global chemical market is projected to reach approximately USD 8.78 trillion by 2035, growing at a CAGR of 3.81% during 2026–2035. Growth is expected to be driven by expanding manufacturing activity, increasing demand for sustainable and specialty chemicals, and continued investments in advanced manufacturing technologies and circular economy solutions.

Indian Chemical Industry[32]

India's chemical industry remains a key contributor to the country's manufacturing sector and is well positioned for long-term growth, supported by strong domestic demand, a competitive cost base and an expanding role in global value chains. The industry is currently valued at approximately USD 155–165 billion and is expected to outperform India's GDP growth over the medium term. The next phase of growth is expected to be driven by high-growth segments, increasing export opportunities, import substitution, innovation and greater focus on specialty and performance chemicals.

Outlook

India's chemical industry is projected to reach approximately USD 230–255 billion by 2030, expanding at a CAGR of 8–9% over the next five to six years. Continued investments in innovation, manufacturing competitiveness, supply-chain resilience and value-added chemical products are expected to strengthen India's position as a preferred global manufacturing hub while creating opportunities across both domestic and international markets.

Global Speciality Chemical Industry[33]

The global speciality chemicals industry continues to expand, driven by increasing demand for high-performance and sustainable chemical solutions across automotive, electronics, construction, healthcare and personal care industries. The market was valued at approximately USD 1,008.4 billion in 2025, supported by product innovation, growing industrial applications and the increasing adoption of performance chemicals.

Outlook

The global speciality chemicals market is projected to reach approximately USD 1,717.5 billion by 2035, growing at a CAGR of 5.47% during 2026–2035. Growth is expected to be driven by rising demand for sustainable and high-performance materials, continued innovation and expanding applications across advanced manufacturing, healthcare and industrial sectors.

Indian Speciality Chemical Industry[34]

India's speciality chemicals industry continues to witness steady growth, supported by rising demand from agriculture, pharmaceuticals, personal care, automotive and construction sectors. The market is estimated at approximately USD 27.1 billion in 2024, driven by rapid industrialisation, expanding end-user industries, technological advancements and increasing adoption of sustainable chemical solutions. Government initiatives such as Make in India and Atmanirbhar Bharat, along with India's cost-competitive manufacturing base and growing export capabilities, continue to strengthen the industry's global competitiveness.

Outlook

The Indian speciality chemicals market is projected to reach approximately USD 41.3 billion by 2033, growing at a CAGR of 4.8% during 2024–2033. Growth is expected to be driven by increasing domestic demand, expanding exports, continued investments in innovation and green chemistry, and the development of environmentally responsible chemical solutions, reinforcing India's position as a preferred global speciality chemicals manufacturing hub.

[29] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2243248

[30] https://www.mordorintelligence.com/industry-reports/india-active-pharmaceutical-ingredients-market

[31] https://www.snsinsider.com/reports/global-chemical-market-4043

[32] https://www.mckinsey.com/industries/chemicals/our-insights/from-challenges-to-possibilities-leading-indias-chemical-industry-through-global-headwinds#/

[33] https://www.snsinsider.com/reports/global-chemical-market-4043

[34] https://www.custommarketinsights.com/report/india-specialty-chemicals-market/

Company overview

IOL Chemicals and Pharmaceuticals Limited is one of India's leading manufacturers of Active Pharmaceutical Ingredients (APIs) and specialty chemicals, serving customers across domestic and international markets. The Company has built a diversified API portfolio spanning multiple therapeutic segments, including pain management, anti-diabetic, cardiovascular and gastrointestinal therapies, with products such as Ibuprofen, Metformin, Paracetamol, Clopidogrel and Pantoprazole. In addition, its specialty chemicals business caters to a wide range of industries, including pharmaceuticals, food processing, textiles, inks, paints and agrochemicals.

The Company's integrated manufacturing model, supported by extensive backward integration and in-house production of key intermediates, provides significant advantages in terms of cost competitiveness, supply chain reliability, operational flexibility and consistent product quality. These capabilities have enabled IOL to establish a strong presence across regulated and emerging markets while responding efficiently to evolving customer requirements.

During FY 2025–26, the Company continued to strengthen and diversify its API portfolio, with an increasing contribution from non-Ibuprofen products. This strategic shift enhanced the share of value-added APIs in the overall product mix, reduced product concentration risk and further reinforced the Company's long-term strategy of building a broader, more balanced and sustainable pharmaceutical business.

Continued investments in capacity expansion, product development, regulatory capabilities and research & development are strengthening the Company's foundation for sustainable long-term growth. Supported by integrated manufacturing facilities, extensive backward integration, a diversified portfolio of commercialised APIs, and a strong presence across more than 80 countries, IOL continues to enhance its competitiveness in global pharmaceutical and specialty chemical markets. The proposed greenfield project is expected to support the Company's long-term growth aspirations by providing additional manufacturing capacity and operational flexibility as the business continues to expand.

Pharmaceuticals Segment Overview

During the year, IOL expanded its pharmaceutical business through product diversification, capacity enhancements and regulatory progress.

The Company increased Pantoprazole Sodium to 276 MTPA and Clopidogrel Bisulphate capacity to 240 MTPA. The newly commissioned Paracetamol Unit-11, with a capacity of 10,800 MTPA, continued its operational ramp-up during the year. The Company observed healthy demand across key products, including Paracetamol, Metformin, Clopidogrel and Pantoprazole. Capacity utilisation remained strong across major API facilities.

As a part of its portfolio expansion strategy, the Company introduced Minoxidil and increased the contribution of non-Ibuprofen APIs. Regulatory capabilities also strengthened during the year, with 14 USDMFs and 21 CEPs supporting access to regulated markets.

Approval from ANVISA across all API manufacturing units further expanded the Company's regulatory footprint. Supported by a diversified therapeutic portfolio and broad international presence.

Chemicals Segment Overview

IOL Chemicals and Pharmaceuticals Limited expanded its speciality chemicals business through capacity additions and stronger integration across key product lines.

The Company increased Ethyl Acetate capacity to 1,20,000 MTPA and Acetic Anhydride capacity to 32,000 MTPA. These expansions support captive requirements and external sales.

During the year, IOL commissioned a Triacetin facility with a capacity of 6,000 MTPA, broadening its speciality chemicals portfolio.

The Company remains among the leading global producers of Iso Butyl Benzene (IBB), a key intermediate used in Ibuprofen production. Its integrated operations also include Acetic Anhydride, Acetyl Chloride and Mono Chloro Acetic Acid. The chemicals business serves pharmaceuticals, agrochemicals, flexible packaging, food processing, paints, inks, textiles and pesticides.

The Company reported high utilisation levels across major chemical products during FY26. Stable demand and improved operating efficiencies supported business performance. REACH-certified products also support exports to regulated international markets, specially European market.

Research & Development

R&D remains central to the Company's long-term strategy of expanding into higher-value therapeutic segments, improving manufacturing efficiencies and strengthening its presence in regulated markets.

The Company's DSIR-approved R&D centre is supported by a 120-member team, including more than 50 scientists. Research activities focus on process development, generic molecules and complex multi-step manufacturing processes.

Research efforts remain focused on higher-value APIs, manufacturing efficiency improvements and new product introductions. The Company also holds three patents and continues developing generic molecules through advanced process technologies.

Its integrated capabilities across product development, process optimisation and regulatory filings support pipeline growth and long-term value creation.

SCOT Analysis

Strengths

- World's largest manufacturer of Ibuprofen with an annual capacity of 12,000 MTPA
- Fully backward-integrated manufacturing ecosystem across key APIs and intermediates.
- Diversified portfolio of pharmaceutical APIs and speciality chemicals
- Presence across 80+ countries with strong regulatory approvals
- Diversified regulatory approvals
- Low-leverage balance sheet with disciplined capital allocation, enabling growth through internal accruals.

Challenges

- Dependence on global API pricing and raw material cost movements
- High competition in Ibuprofen and non-Ibuprofen API markets
- Regulatory compliance costs across multiple geographies
- Demand fluctuations in export-orientated pharmaceutical markets

Opportunities

- Increasing contribution from non-Ibuprofen products such as Paracetamol, Clopidogrel and Pantoprazole
- Self Funded Investments to optimize product mix
- Expansion into regulated markets supported by ANVISA, USFDA and EDQM filings
- Development of the newly acquired 101-acre manufacturing site for future capacity additions

Threats

- Changes in environmental and pharmaceutical regulations
- Volatility in crude-linked chemical raw materials
- Global supply chain disruptions impacting sourcing and logistics
- Currency fluctuations
- Environmental regulations

Financial Performances

Standalone Profit and Loss Statement

(in Crore)

Particulars	FY26	FY25
Revenue from Operations	2,319.1	2,079.2
EBITDA	290.4	224.6
PAT	137.7	101.0
EPS ()	4.69	3.44

Key Financial Ratios

(in Crore)

Particulars	FY26	FY25
Return on Net Worth / Equity (%)	7.90	6.12
Debtors Turnover (x)	4.14	4.21
Inventory Turnover (x)	5.11	4.33
Current Ratio (x)	1.78	1.89
Operating Profit Margin (%)	12.42	10.69
Net Profit Margin (%)	5.94	4.86

Standalone Balance sheet

(in Crore)

Equity and liabilities	FY26	FY25
Share capital	58.7	58.7
Reserves and surplus	1739.7	1628.7
Net worth	1798.4	1687.4
Borrowings (Long term)	0	0
Borrowings (Short term)	132	117
Assets		
Non-current assets	1359.2	1230.7
Current assets	1227.5	1151.1
Current liabilities	690.1	609.9

Risk Management

The Board plays an integral role in overseeing the Company's risk management framework and internal control systems. Its responsibilities include defining risk appetite, evaluating key business risks and reviewing internal audit findings to ensure the effectiveness of mitigation measures and governance practices.

Operating in the pharmaceutical and specialty chemicals sectors, the Company faces a range of risks that may impact its business performance. Dependence on key products such as Ibuprofen exposes it to market dynamics, pricing pressures and regulatory developments. The nature of its operations also necessitates stringent adherence to safety, health and environmental standards. In addition, supply chain disruptions can affect raw material availability and cost structures, while evolving domestic and global regulatory policies may influence operations across key markets, including the United States and Europe.

To strengthen resilience against these challenges, IOL has adopted a structured and proactive risk management approach. The Company continues to diversify its portfolio by expanding its presence across non-Ibuprofen APIs and specialty chemicals, thereby reducing concentration risk. It maintains compliance with global regulatory requirements, invests in advanced technologies and infrastructure to enhance operational safety and efficiency, and undertakes periodic risk assessments to identify and address emerging risks. These measures support business continuity and enable the Company to respond effectively to changing market and operating conditions.

For a detailed discussion on the Company's risk management framework, please refer to page number's 30-33.

People and Culture

At IOL Chemicals and Pharmaceuticals Limited, employees play an important role in supporting operational growth, product expansion and business development. During FY26, the Company focused on building workforce capability through training programmes, skill enhancement initiatives and leadership development across functions. These efforts were aimed at improving professional competencies, operational effectiveness and long-term career growth opportunities.

The Company promotes employee engagement through structured communication channels, collaborative work practices and participation-led initiatives across manufacturing units and corporate functions. Employee well-being remains a key priority, with programmes focused on physical health, workplace safety and overall wellness. These initiatives contribute to a safe, inclusive and supportive work environment.

As of FY26, IOL had a workforce of more than 3,000 employees across its pharmaceutical and speciality chemicals operations. The Company's expanding manufacturing footprint, including new capacity additions and planned growth projects, continues to create opportunities across technical, operational and managerial roles. Through its people-focused approach, IOL continues to strengthen organisational capabilities and support its long-term growth strategy.

Internal Control System and Their Adequacy

The Company has aligned its current systems of internal controls including financial controls, in accordance with the requirement of Companies Act 2013. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company uses the best IT system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. The Audit Committee reviews reports submitted by internal auditors regularly and suggests the improvements from time to time which are being implemented by the Company.

Cautionary Statement

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

DIRECTORS'REPORT

Dear Members

The Board of Directors presents the 39th Annual Report of the Company on the business operations and performance of the Company along with the audited financial statements for the year ended 31st March 2026.

1 Financial performance:

The summary of the financial performance of the Company for the Financial Year ended 31st March 2026, along with the comparative figures for the previous year is provided herein below:

(Rs in Crore)

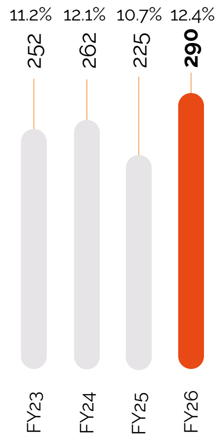
Particulars	Standalone		Consolidated	
	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
Total income	2340.34	2101.61	2340.44	2101.62
Profit before interest & depreciation	290.37	224.57	290.35	224.71
Interest	14.55	14.76	14.55	14.76
Profit before depreciation	275.82	209.81	275.80	209.95
Depreciation	80.17	71.92	80.23	71.99
Profit before exceptional items	195.65	137.89	195.57	137.96
Exceptional items	11.21	0	11.21	0
Profit before tax	184.44	137.89	184.36	137.96
Provision for tax (including deferred tax)	46.72	36.89	46.72	36.89
Profit after tax	137.72	101.00	137.64	101.07

During the year under review, your Company reported a standalone operating revenue of ₹ 2319.06 as against ₹ 2,079.21 crore in the previous year. The EBITDA for FY 2025–26 stood at **₹ 290.37 crore**, representing an increase of **29.31%** compared to **₹ 224.57 crore** in the previous year..

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

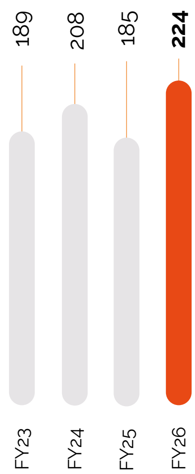
During the year under review, there was no change in the nature of the Company's business.

EBITDA & EBITDA%

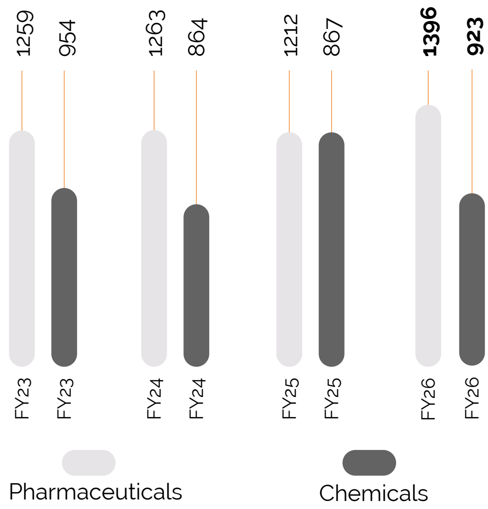


Revenues

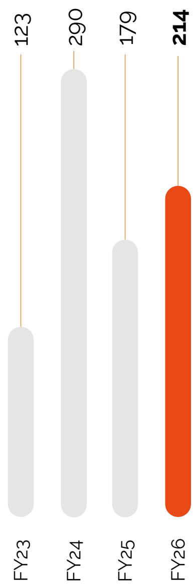
Cash Profit After Tax



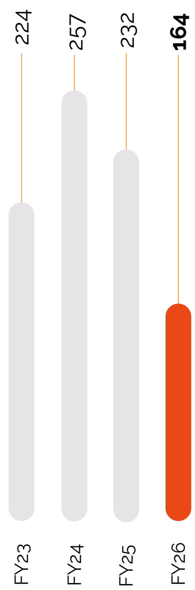
Segmental Revenue from operation



Cash flow from Operation



Capex Spent



2. Dividend

For the financial year 2025-26, the Board of Directors declared an interim dividend of ₹ 1 per equity share, resulting in a total cash outflow of ₹ 29.35 crore during the year. The Board has considered this interim dividend as the final dividend for the year. The dividend has been recommended in accordance with the parameters laid down in the Company's Dividend Distribution Policy.

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

3. Transfer to reserves

In view of the Company's growth plans, capital expenditure requirements and strengthening the financial position of the Company, the Board considers it prudent to retain the entire profits of the financial year 2025-26 in the Statement of Profit and Loss. Accordingly, no amount is proposed to be transferred to the General Reserve for the financial year ended 31st March 2026.

4. Fixed Deposits

The Company has not accepted any deposits from the public or its members within the meaning of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, neither the principal nor interest thereon was outstanding as on 31st March 2026.

5. Share Capital

The paid-up equity share capital of the Company remained unchanged during the year. The capital structure of the Company as on 31st March 2026 was as follows:

- Authorised Share Capital: ₹ 80,00,00,000/- comprising 40,00,00,000 equity shares of face value ₹ 2/- each, fully paid-up.
- Issued, Subscribed and Paid-up Share Capital: ₹ 58,70,55,020/- comprising 29,35,27,510 equity shares of face value ₹ 2/- each, fully paid-up.

6. Investor Education and Protection Fund (IEPF)

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

During the year under review, no amount of unpaid/unclaimed dividend was due for transfer to IEPF.

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

7. Subsidiary Companies

Details of subsidiaries / associates of your Company are provided in notes to financial statements. As on 31st March 2026 the Company had 3 subsidiaries. One of these subsidiaries, IOL Foundations, is a Section 8 Company engaged in carrying out the Corporate Social Responsibility (CSR) activities of the Company.

During the year under review, the name of IOL Life Sciences Limited, a subsidiary of the Company, was struck off from the Register of Companies pursuant to a voluntary application made under Section 248(2) of the Companies Act, 2013. Further, the Company incorporated a new overseas wholly owned subsidiary, IOL Pharmaxis UK Limited, in the United Kingdom.

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

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

The company has neither a holding company nor an associate company

8. Re-affirmation of External Credit Rating

During the year under review, the CARE Ratings Limited reaffirmed the Company's credit rating for Long term Bank Facilities as **'CARE A+' (Single A plus; Outlook: Stable)** and for Short Term Bank Facilities as **'CARE A1+'(A One plus).**

9. Expansion

During the financial year 2025–26, the Company enhanced the manufacturing capacity of Ethyl Acetate from 1,00,000 MT per annum to 1,20,000 MT per annum with a capital expenditure of approximately ₹ 4 crore, funded through internal accruals. Further, the Company increased the manufacturing capacity of Acetic Anhydride from 25,000 MT per annum to 32,000 MT per annum with a capital expenditure of approximately ₹ 5.71 crore, also funded through internal accruals.

During the year, the National Institute of Pharmacy and Nutrition, Hungary, issued a "Certificate of GMP Compliance of Manufacturer" for the Company's products, reaffirming the Company's commitment to maintaining international quality standards.

Further, the European Directorate for the Quality of Medicines & Health Care (EDQM) granted Certificates of Suitability (CEP) for the following products: "Pantoprazole Sodium Sesquihydrate Process-III", "Metformin Hydrochloride Process-II", "Sitagliptin Phosphate Monohydrate", "Minoxidil" and "Clopidogrel Besilate".

10. Directors and Key Managerial Personnel

As on 31st March 2026, the Company's Board comprises of eight directors, out of which four are Independent Director (including one woman Independent Director) and four are executive directors.

During the year under review, Mr. Vikas Gupta was re-appointed as Joint Managing Director of the Company for a period of five years with effect from 29th May 2025, based on the recommendation of the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors. The re-appointment of Mr Vikas Gupta was subsequently approved by the Members at the 38th Annual General Meeting (AGM) held on 22nd August 2025.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Kushal Kumar Rana, Director(Works), is liable to retire by rotation at the forthcoming AGM and, being eligible, offers himself for re-appointment.

The brief details of all the directors seeking appointment/ re-appointment at the ensuing Annual General Meeting are provided in the explanatory statement to the notice calling the 39th Annual General Meeting.

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

11. Board Evaluation

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

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

12 Number of Meetings of the Board

During the year the Board met 4 times. The gap between any 2 two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Listing Regulations. The details of meetings of the Board of Directors and its Committees are provided in the Corporate Governance Report forming part of this report.

13. Meeting of Independent Directors

Pursuant to the requirements of Schedule IV of the Companies Act, 2013 and in terms of Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on 18th March 2026 to review the matters as laid down in the aforesaid Schedule and Regulations.

14. Directors' Responsibility Statement

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

a. that in the preparation of the annual financial statements for the year ended 31 March 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

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

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

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

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

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

15. Declaration by Independent Directors

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

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

The Board has taken on record the declarations and confirmations received from the Independent Directors and is satisfied that they fulfil the conditions of independence prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

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

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

16. Nomination and Remuneration Policy

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

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

17. Procedure for Nomination and Appointment of Directors

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

To ensure the Board remains well-equipped to meet evolving challenges, the NRC conducts periodic gap analyses. These reviews are particularly emphasized during the appointment or re-appointment of Directors. As part of this process, the NRC assesses potential candidates against a clearly defined set of required competencies, undertakes thorough due diligence, and engages with shortlisted individuals prior to making formal recommendations to the Board.

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

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

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

18. Corporate Governance

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

20. Management Discussion and Analysis

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

21. Internal financial control systems and their adequacy

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

The effectiveness of internal financial control system is monitored through management reviews, control self-assessment and independent audits.

The Statutory Auditors have audited the Company's Internal Financial Controls over Financial Reporting (IFCoFR) and have expressed an unmodified opinion on the adequacy and operating effectiveness of such controls as at 31st March, 2026.

21. Risk Management

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

The RMC periodically reviews the Enterprise Risk Management Framework, evaluates existing and emerging risks and oversees implementation of appropriate mitigation measures.

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

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

22. Related Party Transactions

There was no material transaction entered with any related party during the year under review. Further, no transaction with related party fell within the ambit of Section 188(1) of the Companies Act, 2013. Accordingly, the disclosures of related party transactions as required under Section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules,2014 in Form No. AOC-2 is not applicable to the Company for the financial year 2025-26 and hence does not form part of this report.

All related party transactions were approved by the Audit Committee and periodically reported to the Audit Committee. The details of the related party transaction during financial year 2025-26 are provided in the accompanying financial statements.

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

23. Corporate Social Responsibility (CSR)

The Board has constituted a Corporate Social Responsibility Committee ('CSR Committee'). The Company has in place a Corporate Social Responsibility Committee ('CSR Committee') in terms of the requirements of section 135 of the Companies Act, 2013 read with the rules made thereunder.

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

24. Research and Development

R&D remains the cornerstone of IOL's vision to elevate global health. Our focus has evolved beyond standard innovation to the delivery of specialized, high-impact products. By navigating complex global regulations with precision, we ensure that every IOL breakthrough is not only market-ready but remains a trusted standard for safety and clinical excellence. Our commitment to R&D is more than a strategy—it is our promise to the world. We are dedicated to pioneering differentiated products that solve today's most pressing innovation challenges.

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

- **New regulatory filings, comprising:**
  - 2 new CEP submissions for Pantoprazole Sodium (Process-III) & Metformin Hydrochloride (Process-II)
  - Ibuprofen Sodium filing with the Korean regulatory authority, MFDS- Korea.
  - Dex-ibuprofen filing with the China regulatory authority, NMPA- China.
- **Approval of 5 Certificates of Suitability (CEPs)** for Sitagliptin Phosphate Monohydrate, Minoxidil, Clopidogrel Besilate, Pantoprazole Sodium (Process-III) & Metformin HCl (Process-II).

- **CADIFA approvals:** Ibuprofen Ph.Eur. associated CADIFA granted by ANVISA, Brazil

- **MFDS, Korea approvals granted for:**

  1. Metformin Hydrochloride (Code 4251) DMF Registration Certificate received from MFDS, Korea

  2. Ibuprofen (Process-II) DMF Registration Certificate received from MFDS, Korea

At IOL, our R&D engine is the heartbeat of our global mission. This year, we continue to accelerate our pursuit of breakthrough solutions that safeguard and enrich lives across borders. By merging strategic foresight with scientific rigor, we are transforming market needs into high-performance, end to end solutions that set new benchmarks for safety and efficacy.

R&D has dedicatedly initiated a separate wing for development of speciality chemicals used for flavour & fragrance industry. During this year two molecules has been developed & scale up successfully.

This year R&D has initiated a new line of development as a CDMO in Chemicals as well as finish dosage, provided end to end solutions.

In chemical segment R&D has undergone an agreement for development & scale up of chemical molecule for a European customer & project was successfully completed within given timeline.

Same for finish dosage, of different strengths were developed & scaled up for API's like Ibuprofen, metformin & Paracetamol for different European customers.

These efforts aim to expand our presence into the finished dosage space and create new growth avenues beyond APIs.

Apart from this R&D is working regularly for achieving business sustainability by focussing on conversion of waste to wealth. For this, team is dedicatedly working on conversion of effluents stream to sellable byproducts, leading to lower effluent loads.

During this year we have strengthened our analytical infrastructure for better control on elemental impurities with the installation of advanced equipment: ICP-MS – for elemental analysis of API / Chemicals & Finish dosage.

25. Audit Committee

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

26 Statutory Auditors and Auditors' Report

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

The report of the Statutory Auditor forms part of this Report and Annual Financial Statements for FY 2025-26. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca)of the Act.

27. Secretarial Auditors and Audit Report

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

In accordance with the Regulation 24A(1)(b) of the SEBI Listing Regulations 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, M/s B. K. Gupta & Associates, Ludhiana were appointed as the Secretarial Auditors of the Company for a term of five consecutive years from FY 2025-26 to FY 2029-30.

The Secretarial Audit Report for the FY 2025-26, issued by the Secretarial Auditor M/s B. K. Gupta & Associates, practicing Company Secretary is annexed herewith as Annexure - 3 and forms an integral part of this Report.

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

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

28. Secretarial Standards

The Company has adequate systems and processes to ensure compliance with the applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

29. Cost Records & Cost Auditors

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained the prescribed cost records in respect of its applicable products and activities.

The Board of Directors, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Ramanath Iyer & Co., Cost Accountants, New Delhi, as the Cost Auditors of the Company for the financial year 2026-27 at a remuneration of ₹ 2,00,000/- plus applicable taxes and out-of-pocket expenses in connection with the cost audit.

Further, pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is included in the Notice convening the ensuing Annual General Meeting for ratification by the shareholders.

30. Particulars of managerial remuneration and related disclosures

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure-4.

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

31. CEO & CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the Financial Year 2025-26, which forms part of this Report.

32. Annual Return

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

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

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

34. Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which occurred between the end of the Financial Year of the Company as on 31st March 2026 and the date of this report.

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

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

36. Reporting of Frauds

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

37. Industrial Relations

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

38. Safety, Health and Environment

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

39. Prevention of Sexual Harassment Policy

As per the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal)Act, 2013 ("POSH"), the Company has a policy which is available on its website at https://www.iolcp.com/about-us/policies and robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee is comprised of internal members and an external member who has extensive experience in the field. No complaints were received during the financial year 2025-26.

40. Vigil Mechanism

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

41. Business Responsibility and Sustainability Report

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

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

Energy conservation continues to be an area of major emphasis in the Company. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure – 5** and forms part of the Report.

43. Integrated Reporting

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

44. General

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

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

45. Acknowledgement

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

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

The Board also places on record its sincere gratitude to the shareholders for their continued trust, confidence and unwavering support to the Company.

For and on behalf of the Board

	Sd/-	Sd/-
	Varinder Gupta	**Rajender Mohan Malla**
Place: Ludhiana	Managing Director	Chairman
Dated :20th May 2026	DIN-00044068	DIN-00136657

ANNEXURE – 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details		
1.	Name of the subsidiary	IOL-Foundation	*IOL Life Sciences Limited	IOL Speciality Chemical Limited
2.	The date since when subsidiary was acquired	15th March 2022	20th June 2022	23rd June 2022
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 01st April 2025 to 31st March 2026	From 01st April 2025 to 24th January 2026	From 01st April 2025 to 31st March 2026
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
5.	Share capital	10	0	10
6.	Reserves & surplus	22.45	0	(4.66)
7.	Total assets	36.58	0	6.29
8.	Total Liabilities	4.13	0	0.95
9.	Investments	0	0	0
10.	Turnover	94.12	0	0
11.	Profit before taxation	(9.72)	(6.38)	(1.03)
12.	Provision for taxation	0	0	0
13.	Profit after taxation	(9.72)	(6.38)	(1.03)
14.	Proposed Dividend	0	0	0
15.	% of shareholding	100	0	100

*"IOL Life Sciences Limited" had voluntarily filed application for striking off under Section 248 of the Companies Act, 2013 on January 24, 2026 and its name was subsequently struck off from the Register of Companies w.e.f. April 1, 2026.

Note: Part B of the Annexure relating to Associate Companies and Joint Ventures is not applicable as the Company has no associate companies or joint ventures as on 31st March 2026

ANNEXURE – 2

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2025-26

(Pursuant to Section135 of the Companies Act, 2013)

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

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

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

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

CSR Activates:

The identified focus areas for the Company are:

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

2. Composition of the CSR Committee:

The Board of Directors have re-constituted a CSR Committee comprising of five directors, two being executive directors and three independent directors on 16th May 2025. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors.

Sl. No	Name of Directors	Designation / nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Mr. Varinder Gupta[1]	Managing Director, Chairman of CSR	1	1
2	Mr Rajender Mohan Malla	Independent Director, Chairman of CSR	3	3
3	Mr Harpal Singh	Independent Director, member of CSR	4	4
4	Mr Vikas Gupta	Joint Managing Director, member of CSR	4	4
5	Mr Sharad Tyagi	Independent Director, member of CSR	3	3
6	Mr Abhiraj Gupta	Executive Director, member of CSR	3	3

[1] Mr Varinder Gupta, Managing Director was Chairman of the Committee upto 16th May 2025

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

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

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

5. (a) **Average net profit of the company as per section 135(5) :** ₹ 170.00 Crore

   (b) **Two percent of average net profit of the company as per section 135(5) :** ₹ 3.40 Crore

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

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

   (e) **Total CSR obligation for the financial year (b+c-d):** ₹ 3.40 Crore

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 3.44 crore

   (b) **Amount spent in Administrative Overheads** : 0.07

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

   (d) **Total amount spent for the Financial Year (a+b+c)**: ₹ 3.51 Crore

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

Total Amount Spent for the Financial Year. (in crore)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in crore)	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
3.51	0.00	-	-	-	-

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

Sl. No.	Particular	Amount (in Crore)
(i)	Two percent of average net profit of the company as per section 135(5)	3.40
(ii)	Total amount spent for the Financial Year	3.51
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.11
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ crore)	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135 in ₹ Crore	Amount spent in the reporting Financial Year (in ₹ crore).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficie ncy, if any
					Amount (in Rs).	Date of transfer.		
1.	2024-25	0.56	0.56	0.66	-	-	-	
2.	2022-23	5.04	0.67	0.67	-	-	-	
3.	2021-22	6.12	-	-	-	-	-	

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

Yes ◯ No (√)

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

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

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

9 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Sub section 5 of section 135: Not applicable

for and on behalf of the Board

Sd/
Rajender Mohan Malla
Chairman
Chairman of the CSR committee
DIN-00136657

Place: Ludhiana
Dated :20th May 2026

ANNEXURE –3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IOL Chemicals and Pharmaceuticals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by IOL Chemicals and Pharmaceuticals Limited ("the Company") for the financial year ended on 31st March 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

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

b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable during the audit period)

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations,2021; (Not applicable during the audit period)

f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable during the audit period)

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018; (Not applicable during the audit period) and

i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable during the audit period)

(vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

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

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

- For the Quarter Ended 31.12.2025, the due date for filing of the Shareholding Pattern with the Stock Exchanges was 21.01.2026, as per Regulation 31 of SEBI (LODR) Regulations, 2015, and the same was filed with National Stock Exchange of India Limited (NSE) on 09.01.2026, whereas it was filed with a delay of 1 (one) day with BSE Limited on 22.01.2026, and a penalty of ₹ 2,000/- plus GST was imposed on the Company.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

During the year under review, IOL Pharmaxis UK Limited (a wholly owned subsidiary of

Company) was incorporated on 16.10.2025 under The Registrar of Companies for England and Wales.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(CS Bhupesh Gupta)
Peer Review No: - 1220/2021
FCS No.:4590
CP No.:5708
UDIN: -F004590H000408059

Place: Ludhiana
Date: 20.05.2026

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

Laws applicable to the company as identified and confirmed by the management and confirmed that the company has complied with these laws:

Food Safety & Standards Act, 2006 and regulations made thereunder

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act, 1948

Employee's Provident Fund and Miscellaneous Provisions Act, 1952

The Payment of Bonus Act, 1965

The Payment of Gratuity Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Maternity Benefit Act, 1961

The Child Labour (Prohibition and Regulation) Act, 1986

The Industrial Employment (Standing Orders) Act, 1946

The Employees' Compensation Act, 1923

The Apprentices Act, 1961

The Equal Remuneration Act, 1976

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

List of Environmental Laws

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

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

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

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

Annexure:-A

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B.K. Gupta & Associates

Company Secretaries
Sd/-
(CS Bhupesh Gupta)
FCS No.:4590
CP No.:5708

Date: -20.05.2026
Place: Ludhiana

Annexure-4

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

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2025-26 (FY 26) and the percentage increase in remuneration of each Director, Chief Financial Officer & Company Secretary during the FY26 are as under:

Name of Director/ Key Managerial Personnel	Designation	% Increase in remuneration	Ratio of remuneration to median remuneration of employee
Mr Varinder Gupta	Managing Director	10.00	283.82
Mr Vikas Gupta	Joint Managing Director	10.00	86.76
Mr Abhiraj Gupta	Executive Director	15.00	41.42
Mr Pardeep Kumar Khanna	Chief Financial Officer	9.00	45.83
Mr Kushal Kumar Rana	Director Works	9.00	49.02
Mr Abhay Raj Singh	Senior Vice President and Company Secretary	10.00	24.02

(ii) The median remuneration of employees increased by 3.03% and the median salary of employees for the FY 2025-26 was ₹ 4.08 Lakh.

(iii) The number of permanent employees on the rolls of the Company was 3095 as on 31 March 2026.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year was 10.4% and average increase in salary of managerial personnel (Managing Director and Whole-time directors) was 10.2%.

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

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

(i) Statement containing the particulars of top ten employees in term of remuneration drawn and the name of every employee, who employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

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

Mr Varinder Gupta, Managing Director, 11.58, Higher Secondary, 40, 29/09/1986, 63, First Employment, 2%;Mr Vikas Gupta, Joint Managing Director, 3.54, BSc. (Hons.) in Business Management from Kings College London, 13, 20/07/2013, 34, First Employment, 0;Mr Kushal Kumar Rana, Director (Works), 2.00, M.SC., 37, 11/04/2005, 57, Morepen Laboratories, 0;Mr Pardeep Kumar Khanna, Chief Financial Officer, 1.87, M.COM., 37, 23/12/1995, 57, First Employment, 0;Mr Gopal Singla, President, 1.64, B.E. (Instrumentation), 28, 01/04/2007, 50, Indian Acrylics Ltd, 0;Mr. Abhiraj Gupta, Executive Director, 1.69, Engineering in Business Mgt. (The University of Warwick, UK), 9, 25/09/2017, 31, First Employment, 0;Dr Damandeep Singh, President, 1.48, PHD, 28, 23/10/1997, 52, First Employment, 0;Mr Lokesh Dhawan , Senior Vice President, 1.17, B.E. (Electronics & Comm.), 29, 27/10/2014, 52, Shri Lakshmi Cotfin Ltd, 0;Mr. Deepak Goyal, Vice President, 1.14, B.E. (Chemical) , 20, 17/11/2005, 42, First Employment, 0;Shiv Kumar Jagota, Senior Vice President, 1.07, M.Sc. And PGD. (Business Administration), 31, 24/06/2022, 55, Solara Active Pharma Sciences Ltd, 0;

(ii) There was no other employee, except mentioned in (a) above who employed throughout financial year 2025-26 was receipt of remuneration not less than one crore and two lakh

(iii) None of the above employee is a relative of any director, except Mr Vikas Gupta and Mr. Abhiraj Gupta (Son of Mr Varinder Gupta, Managing Director)

(iv) There was no employee who had received remuneration in excess of that drawn by the managing director or whole director and hold 2 % of the equity shares of the company.

(v) There was no employee during the year, who was employed for a part of the financial year and was in receipt of remuneration not less than eight lakh and fifty thousand rupees per month

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

ANNEXURE – 5

Information as per Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March 2026.

A. CONSERVATION OF ENERGY

1. Step taken or impact on conservation of energy:

a) **Steam Norm Improvement for Chilling System**: In Chilled water system, machines were identified which have higher design steam norms. In order to improve the steam norms of the overall system, one new 350 TR chilled water machine has been installed in conjunction with existing two 175 TR machines. The design steam norm of new machine is 3.8 kg/TR while the design steam norm of old machines is 4.2 kg/TR. This benefit extends to annual savings of more than 800 MT steam in Chilled Water Section.

b) **Air/Nitrogen Leakage Testing**: Air / Nitrogen Generation Systems are one of the most energy intensive systems installed at our site. An external testing has been conducted, where an acoustic camera is used to identify the leakage of air and nitrogen distribution network. As a result of this activity, total leakage identified is 74 CFM, which after addressing, has resulted in savings of more than 100,000 kWh Power Units annually.

c) **Boiler Power Consumption Optimization**

- By replacing Newly designed ARC valve of boiler feed pumps we are getting desired pressure and flow with lesser power. By this initiative we have saved Approx 88800 kwh power throughout the year.
- By optimizing combustion air and fine-tuning boiler parameters within their ideal operating window, the power consumption of the 80 TPH Boiler was significantly reduced. This process optimization yielded an annual energy savings of approximately 277,200 kWh.

d) **Raw water & Power saving initiatives:**

- **RO System Capacity Enhancement** - In response to increased Steam requirement demand from process plants, we have upgraded the existing RO system by modifying the pipeline stage process from a double-stage configuration to a single-stage configuration. This upgrade has increased the RO permeate capacity from 14 m^3/hr to 16 m^3/hr, thereby ensuring adequate DM water production to meet the higher requirement.
- We had initiated the process of collecting drain water of conductivity meters and reject water of DM plant by installing collection tank and used this water as RO permeate instead of using raw water.
- We have rectified faulty Gland Vent condenser of 13MW Turbine by replacing the condenser's tubes, with this initiative we had saved pure water which was earlier evaporated in atmosphere.

By taking above initiatives, total power saving 10950 KWh per year and total raw water saving 21780 KL per year.

e) **66kV Switchyard for reliable power:** We have commissioned a new 66kV Switchyard in FY 2025-26 & it leads to minimize the changeover or tripping's which reduces our dependency on DG Sets for emergency power thereby reducing our diesel consumption for the upcoming year.

f) **Load Management System:** We have installed a new Woodward based Load Management System on both our turbines 4MW and 13MW along with some critical breakers.

- Through this system, we are able to run continuously in synchronization with Grid Power thereby minimizing the blackouts and plant breakdown and energy losses. Since 01.02.2026, there is zero plant blackout till date.
- Secondly, we are able to run both the turbines in synchronization with each other with proper load management thereby increasing the generation on both the turbines.

g) Introduction of permanent magnetic motor (high Torque with low RPM directly coupled with fan) in place of induction motor at cooling tower CT fans helps in saving of approx 144000 units per year

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

We have initiated the use of alternative fuels such as paddy straw pellets and ETP sludge (a byproduct of Effluent Treatment Plant) in our boilers. The use of sludge as boiler fuel has significantly reduced the transportation cost of waste disposal.

During the year 250,000 kg of Dry sludge was used as fuel in low pressure boiler with proper monitoring of the parameters & hence it saves Approx 200 MT of rice husk as fuel throughout the year. (approx. cost 12.5 Lakhs)

The use of sludge as boiler fuel has significantly reduced the transportation cost of waste disposal approx. 22.5 Lakhs.

3. **Capital investment on energy conservation equipment:**

Following capital investments have been made for energy savings:

A) **VFD Based Air Compressors:** Three New VFD based Air Compressors have been installed in place of old inefficient air compressors. These new air compressors have better specific power norms and have variable speed drive, which alters the speed of rotation of compressor, thereby altering the energy as per the actual requirement at the user end. As a result, annually, 720,000 kWh Power Units have been saved in compressed air system.

B) **Sensorless Pump:** New sensorless pump has been installed at Chilled Water distribution circuit of IBAP plant. This pump alters the speed of the pump as per the actual requirement of the user end. Thus, through this activity, 84000 kWh Power Units have been saved in Chilled Water Pumping network.

C) **Permanent Magnet Motor Based CT Fan:** Cooling tower fans are the major power consuming component of Cooling Water network. New PM Motor based CT Fan has been installed, and trial has been successfully executed on one cooling tower fan. Through this new technology, the CT Fan power reduce by 44%. Resultant savings on one cooling tower fan is more than 66000 kWh Power Units annually. As number of CT Fans are more than 50 at our site, horizontal deployment of this activity is planned to grasp the potential savings in future.

D) To enhance renewable energy usage and reduce our carbon footprint, we have installed three solar power plants over the last two financial years.

a. In FY 2023–24, a 62-kW solar plant was commissioned, generating approximately 80,000 kWh annually.

b. Building on this, in FY 2024–25, we commissioned a 510 kWp solar power plant with a generating approx. 6,90,000KWH from April 2025 till March 2026.

c. In FY 2025-26, we commissioned a 615 kWp Solar Power Plant with guaranteed generation of 8,50,000KWH. It was taken into line in December 2025.

d. For the upcoming year 2026-27, we have planned a new 833KW Solar Power plant.

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

We have Enacted the following directives to align with our sustainability roadmap.

- Modification of fuel feeding system in 80 TPH boiler for reduction of coal consumption from 18% to 9% and subsequently increase in consumption of Rice Husk (a "green" biomass fuel).
- Power generation system enhancement by taking in line standby 4MW turbine to reduce overall power import from PSPCL Accordingly 2200- 2500 KWh power is generated more from inhouse sources.

By scaling up sustainable biomass utilization within our 80 TPH boiler, we dramatically decreased our direct Scope 1 carbon footprints.

Transitioning from fossil fuels to eco-friendly Rice Husk Biomass fuel allowed us to successfully reduce our coal dependency. This strategic biomass substitution paired with our enhanced 4MW captive turbine synchronization creates a high-impact decarbonisation pathway that concurrently minimizes both Scope 1 (direct fuel) and Scope 2 (imported grid) emissions towards our sustainability roadmap.

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

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

The Company has undertaken multiple initiatives at its R&D centre, including work on key intermediates, to support the development of next-generation products and strengthen integrated manufacturing capabilities.

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

Sustainability is central to IOL's development approach, with a strong emphasis on reducing environmental impact through process optimization and efficient use of resources. During the year, several key initiatives were undertaken under the 5R Sustainability Framework (Recover, Re-use, Recycle, Replace, Reduce) for the manufacturing process of Minoxidil.

- **Triethyl amine recovery (Recover, Re-use & Recycle):**

  A robust process has been developed for the recovery, reuse, and recycling of triethylamine used in the manufacturing of Minoxidil intermediates. The process has been successfully scaled up to commercial level and is currently under implementation. This eco-friendly change significantly reduces waste generation and cost of production.

- **Replacement of Triethylamine (Replace & Reduce):**

  Triethylamine was previously used in stoichiometric quantities, resulting in the generation of equivalent organic effluent. The process has now been optimized by replacing triethylamine with an inorganic base in catalytic amounts. This modification has also enabled a reduction in the loading of the high-value catalyst (sodium tungstate) from 5% to 2%. This modification results in reduced effluent load and lower manufacturing costs, delivering both environmental and economic benefits. Scale-up activities are being undertaken for commercialization.

These initiatives demonstrate IOL's commitment to integrating sustainability with innovation, ensuring environmentally responsible operations while enhancing process efficiency and cost competitiveness.

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

4. Expenditure incurred on Research and Development during the financial year ended 31 March 2026:

(₹ in crore)

Capital	1.69
Revenue	24.32
Total	**26.01**

C Foreign Exchange Earnings & Outgo during the financial year ended 31 March 2026:

(₹ in crore)

Used	779.91
Earned	470.36

Corporate Governance Report FY 2025-26

The Company confirms compliance with the corporate governance requirements prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). The details of compliance with the corporate governance requirements are provided below.

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

Our corporate governance framework forms the foundation of our value system and encompasses our culture, policies, processes and relationships with stakeholders. Integrity, transparency, accountability and ethical business conduct are the cornerstones of our governance practices and enable us to build and sustain stakeholder trust while creating long-term value.

The Company's philosophy on Corporate Governance is based on the following principles:

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

At IOL, we are committed to delivering sustainable growth through responsible business practices, operational excellence and prudent risk management while creating long-term value for shareholders and other stakeholders.

2. Board of Directors:

The Board provides strategic direction and oversight to the management while ensuring that stakeholder interests remain appropriately balanced. The Board's responsibilities include reviewing corporate strategy, capital allocation decisions, business performance, succession planning, risk management, regulatory compliance and sustainability initiatives.

During the year, the Board continued to focus on business growth opportunities, operational excellence, risk management, capital efficiency, regulatory compliance and long-term value creation.

a) Composition of the Board:

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

Name of the Director and DIN	Category	No. of Directorship held(1)	No. of Committees(2)		Shareholding in Company
			Chairmanship	Memberships	
Mr Rajender Mohan Malla DIN: 00136657	Chairman & Independent Director	11	5	6	-
Mr Varinder Gupta DIN: 00044068	Managing Director	5	-	-	59,84,825 Equity Shares
Mr Vikas Gupta DIN: 07198109	Joint Managing Director	5	-	1	-
Mr Abhiraj Gupta DIN: 08204917	Executive Director	4	-	-	
Mr Kushal Kumar Rana DIN: 09189020	Director (Works)	1	-	1	-
Mr Harpal Singh DIN: 06658043	Independent Director	2	1	1	-
Mr Sharad Tyagi DIN: 00371842	Independent Director	2	2	4	-
Mr Rajni Jha DIN: 10818947	Independent Director	1	-	1	-

Executive Director | Joint Managing Director | Independent Director | Chairman & Independent Director | Managing Director | Director (Works)

(1) Including the Company.

(2) The details of positions held as Member/Chairperson of Committees are disclosed as per Regulation 26 of the SEBI Listing Regulations and covers only Stakeholders' Relationship Committee and Audit Committee of Public Companies. Further, the membership includes a position as chairperson of the committee.

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

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

Name of the Director	Names of the listed entities	Category
Mr Rajender Mohan Malla (Chairman)	1. IOL Chemicals and Pharmaceuticals Limited	Independent Director
	2. Religare Enterprises Limited	Independent Director
	3. Waaree Energies Limited	Independent Director
	4. NCC Limited	Independent Director
	5. Filatex India Limited	Independent Director
Mr Varinder Gupta	IOL Chemicals and Pharmaceuticals Limited	Managing Director
Mr Vikas Gupta	IOL Chemicals and Pharmaceuticals Limited	Joint Managing Director
Mr Abhiraj Gupta	IOL Chemicals and Pharmaceuticals Limited	Executive Director
Mr Kushal Kumar Rana	IOL Chemicals and Pharmaceuticals Limited	Director (Works)
Mr Harpal Singh	IOL Chemicals and Pharmaceuticals Limited	Independent Director
Mr Sharad Tyagi	1. IOL Chemicals and Pharmaceuticals Limited	Independent Director
	2. Procter & Gamble Health Limited	Independent Director
Mr Rajni Jha	IOL Chemicals and Pharmaceuticals Limited	Independent Director

Executive Director | Joint Managing Director | Independent Director | Managing Director | Director (Works)

b) Board Meetings and last Annual General Meeting:

Meetings of the Board are generally held at the Corporate Office of the Company. The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held as per business requirements. During the financial year 2025-26, the Board met 4 (four) times on 16th May 2025, 7th August 2025, 11th November 2025, and 11th February 2026. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

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

Name of the Director	Board Meetings Attended	Attendance at Last AGM held on 22nd August 2025
Mr Rajender Mohan Malla, Chairman	4	✓
Mr Varinder Gupta	4	✓
Mr Vikas Gupta	4	✓
Mr Abhiraj Gupta	3	✗
Mr Kushal Kumar Rana	4	✓
Mr Harpal Singh	4	✓
Mr Sharad Tyagi	4	✓
Ms Rajni Jha	4	✓

3. Audit Committee

Audit Committee consists of four directors, three being independent directors viz. Mr Harpal Singh (Chairman), Mr Sharad Tyagi, Ms Rajni Jha and one executive director viz. Mr Kushal Kumar Rana as on 31st March 2026. Statutory Auditors, Internal Auditors and Finance head are invited on the meetings of the Committee. Company Secretary acts as Secretary to the Committee.

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

During the year 2025-2026, Audit Committee met 4 (Four) times on 16th May 2025, 7th August 2025, 11th November 2025 and 11th February 2026. There was no gap of more than 120 days between any two consecutive meetings.

Attendance record of Audit Committee members is given below

Name of the Director	Meetings during FY 2025	
	Held	Attended
Mr Harpal Singh, Chairman	4	
Mr Sharad Tyagi	4	
Ms Rajni Jha[1]	3	
Mr Kushal Kumar Rana[1]	3	
Mr Vikas Gupta[2]	1	

Attended

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

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

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) consists of three directors, all being Independent Directors viz. Mr Harpal Singh (Chairman), Mr Rajender Mohan Malla and Mr Sharad Tyagi as on 31st March 2026.Terms of reference of Committee is in accordance with the provisions of SEBI Listing Regulations and as specified under Section 178 of the Companies Act, 2013. Main terms of reference of the Committee includes determination of remuneration packages of the executive directors including remuneration policy. The Committee formulated the criteria and framework for the performance evaluation of each director on the Board, including the executive and independent directors.

During the year, 1 (One) meetings were held on 16th May 2025.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	1	
Mr Rajender Mohan Malla	1	
Mr Sharad Tyagi	1	

Attended

5. Remuneration Policy and details of Remuneration of Directors:

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

Details of remuneration paid to the Executive Directors during the financial year 2025-2026 is given below:)

(₹ in Lakhs)

Name	Position	Salary	Commission	Contribution to Provident Funds	Other perquisites & allowances	Variable	Total
Mr Varinder Gupta	Managing Director	410.4		49.25	569.75	111.97	1141.37
Mr Vikas Gupta	Joint Managing Director	125.52		15.06	174.26	34.21	349.05
Mr Abhiraj Gupta	Executive Director	60		7.2	83.29	15.55	166.04
Mr Kushal Kumar Rana	Director (Works)	75.6		9.07	90.28	20.99	195.94

b) Independent Directors: Independent Directors have not been paid any remuneration except sitting fees for attending each Board Meeting /Committee Meeting. Detail of sitting fees paid during the year 2025-26 is given below:

(₹ in Lakhs)

Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings	Total Fee Paid
Mr Rajender Mohan Malla	2.00	2.50	4.50
Mr Harpal Singh	2.00	6.50	8.50
Mr Sharad Tyagi	2.00	9.50	11.50
Ms Rajni Jha	2.00	4.50	6.50
TOTAL	**8.00**	**23.00**	**31.00**

During the year 2025-26, the Company did not advance any loan to any of its directors except advance for travel or other purposes to discharge official duties in the normal course of business.

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

The Company remunerates its Executive and Non-Executive Directors in accordance with the Nomination and Remuneration Policy approved by the Board of Directors. The Policy lays down the principles governing remuneration of Directors, Key Managerial Personnel and Senior Management Personnel and is available on the Company's website at www.iolcp.com

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

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

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

Changes during the FY26

There was no change in the Senior Management Personnel of the Company during the financial year 2025-26.

Succession Planning: The Board recognizes succession planning as a critical element of effective corporate governance and long-term value creation. The Nomination and Remuneration Committee periodically reviews succession plans for Directors, Key Managerial Personnel and Senior Management Personnel to ensure continuity of leadership and orderly transition for key roles.

The Company follows a structured succession planning framework focused on identifying and developing talent through periodic assessment of competencies, performance and leadership potential.

The framework aims to ensure leadership continuity, strengthen organizational capabilities and maintain a robust leadership and talent pipeline aligned with the Company's long-term strategic objectives.

6. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of three Directors and chaired by the Independent director viz., Mr Sharad Tyagi (Chairman), Ms Rajni Jha, Independent Director and Mr Vikas Gupta, Joint Managing Directors as on 31st March 2026. Terms of reference of Committee is in accordance with the provisions of SEBI Listing Regulations and as specified under Section 178 of the Companies Act, 2013. During the year, 4 (Four) meetings were held on 15th May 2025, 7th August 2025, 11th November 2025 and 11th February 2026.

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

Name of the Members	No. of Meetings	
	Held	Attended
Mr Sharad Tyagi, Chairman [(1)]	4	
Mr Vikas Gupta	4	
Ms Rajni Jha[(2)]	3	
Mr Harpal Singh, Chairman [(3)]	1	
Mr Varinder Gupta[(4)]	1	

Attended

(1) Appointed as Chairman of the Committee effective 16th May 2025

(2) Appointed as Member of the Committee effective 16th May 2025

(3) Ceased to be member and chairman of the Committee effective 16th May 2025

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

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

Shareholders' complaints received, resolved and pending:

Detail of investors' complaints/queries received and resolved during the year 2025-26 are as under:

Sr. No.	Nature of complaints / queries	No. of Complaints / queries during the year		
		Received	Attended	Pending
1	Transmission of shares	17	17	NIL
2	Mandate	10	10	NIL
3	Loss of shares	16	16	NIL
4	SEBI/Stock Exchange	0	0	NIL
5	Change of Company Name	7	7	NIL
6	Change of Address	10	10	NIL
7	Split/ Consolidation	0	0	NIL
8	Others	16	16	NIL

7. Corporate Social Responsibility (CSR) Committee

CSR Committee consists of five directors, three being Independent Directors viz. Mr Rajender Mohan Malla, Mr Harpal Singh, Mr Sharad Tyagi and two Executive Directors viz. Mr Vikas Gupta and Mr Abhiraj Gupta as its members as on 31^{st} March 2026. Mr Rajender Mohan Malla, Independent Director is the Chairman of the Committee. The CSR Committee oversees the Company's CSR initiatives under the overall supervision and guidance of the Board of Directors.

During the financial year 2025-26, four meetings of the Corporate Social Responsibility Committee were held on 15^{th} May 2025, 7^{th} August 2025, 11^{th} November 2025 and 11^{th} February 2026. The attendance of the members at these meetings is provided below.

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

Attended

(1) Ceased to be member and chairman of the Committee effective 16^{th} May 2025

(2) Appointed as member of the Committee effective 16^{th} May 2025.

(3) Appointed as member and chairman of the Committee effective 16^{th} May 2025

8. Risk Management Committee

The Company follows an enterprise-wide risk management framework designed to identify, assess, monitor and mitigate key risks that could impact business objectives. The Risk Management Committee periodically reviews strategic, operational, financial, regulatory, cyber-security, foreign exchange and supply chain related risks along with mitigation measures. The Board receives periodic updates on key risks and emerging risk areas and provides guidance on risk mitigation strategies.

Risk Management Committee consists of five members, four directors, two being independent directors viz. Mr Harpal Singh (Chairman),Mr Sharad Tyagi, two being executive directors viz. Mr Abhiraj Gupta, Mr Kushal Kumar Rana and one Mr Pardeep Kumar Khanna, Chief Financial Officer as its members. Terms of reference of Committee are in accordance with the provisions of SEBI Listing Regulations.

During the financial year 2025-26, two meetings of the Risk Management Committee were held on 6^{th} August 2025 and 26^{th} February 2026. The attendance of the members at these meetings is provided below.

Name of the Members	No. of Meetings	
	Held	Attended
Mr Harpal Singh, Chairman	2	
Mr Sharad Tyagi	2	
Mr Abhiraj Gupta	2	
Mr Kushal Kumar Rana	2	

Attended

9. Other Committees

Banking & Finance Committee comprising of four members, being executive directors viz Mr Varinder Gupta (Chairman), Mr Vikas Gupta, Mr Abhiraj Gupta and Mr Kushal Kumar Rana

Strategy & Growth Committee, the committee comprising of four members, two being executive directors viz Mr Vikas Gupta, Mr Kushal Kumar Rana and two being independent director Mr Sharad Tyagi (Chairman) and Ms Rajni Jha as its members. During the year, four meetings of the Committee were held during the FY 2025-26.

During the year one meeting of Independent Directors was held on 18^{th} March 2026. All the four Independent Directors attended the meeting.

10. General body Meetings:

a) Annual General Meetings

The details of last three Annual General Meetings are given below:

Meeting	Date	Day	Time/ Location	Details of Special Resolutions passed
38^{th} AGM	22^{nd} August 2025	Friday	11:30 AM (Through video conferencing from Corporate Office Ludhiana)	1. To re-appoint Mr. Vikas Gupta as Joint Managing Director of the Company.

Meeting	Date	Day	Time/ Location	Details of Special Resolutions passed
37th AGM	23rd August 2024	Friday	11:30 AM (Through video conferencing from Corporate Office Ludhiana)	1. To re-appoint Mr Kushal Kumar Rana as Director (Works) of the Company. 2. To approve increase in overall borrowing limits of the Company 3. To approve creation of charges on the immovable/ movable assets of the Company
36th AGM	10TH August 2023	Thursday	11:30 AM (Through video conferencing from Corporate Office Ludhiana)	1. To re-appoint Mr. Varinder Gupta as Managing Director of the Company.

Postal Ballot:

During the financial year 2025-26, no resolution was passed through postal ballot. Further, no special resolution requiring approval through postal ballot is proposed as on the date of this Report.

11. Means of Communication:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the following information is disclosed to investors:

a) **Quarterly/Half Yearly/Annual Results:** Quarterly, half yearly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board of Directors.

b) **Publication of Quarterly/Half Yearly/Annual Results:** Quarterly, half yearly and annual results of the Company are published in the prescribed format within 48 hours of the conclusion of the meeting of the Board of Directors at least in one English newspaper (Business Standard, Economic Times, Financial Express) circulating in the whole or substantially the whole of India and in one vernacular newspaper (Punjabi Jagran etc.) of the State of Punjab where the Registered Office of the Company is situated.

These results, presentations made to institutional investors or to the analysts and other press releases are sent to the Stock Exchanges as well as displayed on Company's website www.iolcp.com at the time of its release to the media.

c) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web-based application designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on NEAPS.

d) **BSE Listing Centre** (http://listing.bseindia.com/): BSE Listing Centre is a web-based application designed by BSE for corporate. The Shareholding pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on BSE Listing Centre.

e) **E-mail:** Quarterly/half yearly /annual results/ annual reports are also sent to the members & investors on their e-mail Ids registered with the Company.

f) **Investor Relations:** The Company is committed to maintaining transparent, timely and consistent communication with shareholders, institutional investors, analysts and other stakeholders. The Company engages with the investment community through investor meetings, earnings calls, presentations and regulatory disclosures. Investor presentations and transcripts, wherever applicable, are disseminated to the Stock Exchanges and hosted on the Company's website. Feedback received through such interactions is periodically reviewed by the management to strengthen stakeholder engagement and support informed decision-making.

12. General Shareholders Information

Following information would be useful to the members:

a) **Annual General Meeting** of the Company will be held on Wednesday, 2nd September 2026 at 11:30 AM through Video Conferencing / Other Audio Visual Means ("VC/OAVM"). The Registered Office of the Company at Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District - Barnala-148107 Punjab shall be deemed to be the venue of the Meeting.

b) **Financial Calendar:** Last financial year of the Company was of twelve months from 1st April 2025 to 31st March 2026. Tentative financial calendar of the Company for the year 2026-27 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30th June 2026	During August 2026
Financial Results for the quarter/half year ending 30th September 2026	During November 2026
Financial Results for the quarter ending 31st December 2026	During February 2027
Financial Results for the quarter ending 31st March 2027	During May 2027

c) Date of Book Closure

The Register of Members and Share Transfer Books will remain closed from 27 August 2026 to 02 September 2026 for the purpose of the Annual General Meeting.

d) Dividend payment date

During the year under review, an Interim Dividend @ 50% i.e. ₹ 1/- per equity share of face value of ₹ 2/- each, for financial year 2025-26 was declared and paid to the Shareholders of the Company. The Board of Directors considers the same as final dividend and therefore have not recommended any final dividend to the shareholders.

e) Unclaimed/Unpaid amount of dividend transferred to IEPF

During the year Company there was no amount of unpaid / unclaimed dividend was required to be transferred to Investor Education and Protection Fund. Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the dividend, pertaining to the following years, if not encashed / claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF") on the respective dates as mentioned herein below:

Financial Year	Date of Declaration of Dividend	Dividend %	Last Date for Claiming Unpaid Dividend from Company / RTA	Due Date of transfer of unpaid dividend to IEPF Account
2019-20	11th March 2020	30%	16th April 2020	17th April 2027
2020-21	6th November 2020	40%	13th December 2020	14th December 2027
2021-22	18th September 2021 Final Dividend	20%	21st October 2021	22nd October 2028
2021-22	4th February 2022	40%	9th March 2022	10th March 2029
2022-23	7th February 2023	40%	9th March 2023	10th March 2030
2023-24	6th February 2024	50%	10th March 2024	11th March 2031
2024-25	12th February 2025	40%	14th March 2025	15th March 2032
2025-26	11th February 2026	50%	13th March 2026	14th March 2033

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

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

Name and Address of the Stock Exchange	Stock Code
1. **National Stock Exchange of India Limited (NSE)** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	IOLCP
2. **BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	524164

The Company has complied with all applicable requirements of the Stock Exchanges and has paid the annual listing fees for the financial year 2025-26 to both BSE Limited and National Stock Exchange of India Limited

The securities of the Company were not suspended from trading anytime during fiscal 2025

g) Registrar and Share Transfer Agents

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

h) Share Transfer System

All share transfers, physical as well as electronic, are handled by M/s Alankit Assignments Limited, Registrar and Share Transfer Agent of the Company at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110 055.

i) Distribution of Shareholding

The Distribution Schedule of the Company as on 31st March 2026 is as follow:

Shareholding of Nominal value in `	Shareholders		Shares	
	Number	%age of total holders	Number	%age of total capital
1-500	105788	80.42	16036636	5.46
501-1000	11501	8.74	9139418	3.11
1001-2000	6640	5.05	9840855	3.35
2001-3000	2907	2.21	7370841	2.51
3001-4000	1082	0.82	3897065	1.33
4001-5000	1081	0.82	5154333	1.76
5001-10000	1408	1.07	10397060	3.54
10001-and above	1143	0.87	231691302	78.93
Total	**1,31,550**	**100**	**29,35,27,510**	**100.00**

j) Shareholding Pattern:

The shareholding pattern of the Company as on 31st March 2026 is as follow:

Category	As on 31st March 2026			As on 31st March 2025		
	Shareholders	Shares	%age	Shareholders	Shares	%age
Promoter						
Indians	5	16,87,16,805	57.48	5	15,44,63,080	52.62
Foreign	-	-	-	-	-	-
Sub – total	**5**	**16,87,16,805**	**57.48**	**5**	**15,44,63,080**	**52.62**
Non-Promoters						
Financial Institutions / Mutual Funds	6	56,808	0.02	7	205,159	0.07
Foreign Portfolio Investors	53	50,47,919	1.72	47	43,16,379	1.47
NBFCs registered with RBI	2	10,555	0.00	1	5,555	0.00
Bodies Corporate	388	1,87,37,556	6.38	374	3,18,97,709	10.87
Individuals	1,26,717	9,10,95,414	31.04	1,25,262	9,22,65,168	31.44
HUF	2,258	41,07,573	1.40	2,197	40,63,652	1.38
NRI	1,880	48,28,032	1.64	1,922	51,32,899	1.75
Clearing Members	23	2,35,756	0.08	22	3,10,327	0.11
Employees	161	1,03,954	0.04	117	94,697	0.03
Foreign Nationals	-	-	-	-	-	-
Trust	2	4,920	0.00	4	31,135	0.01
Limited Liability Partnership	55	582218	0.20	44	7,41,750	0.25
Sub –total	**1,31,545**	**12,48,10,705**	**42.52**	**1,29,997**	**13,90,64,430**	**47.38**
Total	**1,31,550**	**29,35,27,510**	**100**	**1,30,003**	**29,35,27,510**	**100**

k) Dematerialisation of Shares and Transfer of Shares:

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

Shares held in demat and physical mode as on 31st March 2026 are as follow:

Particulars of shares	Equity shares of ₹ 2/- each		Members	
	Number	% of Total	Number	% of Total
Demat mode	29,13,35,885	99.25 %	1,28,410	97.61 %
Physical mode	21,91,625	0.75 %	3,140	2.39 %
Total	**29,35,27,510**	**100 %**	**1,31,550**	**100 %**

The Company has appointed Alankit Assignment Limited as Registrar and Share Transfer Agents. No case is pending for transfer as well as dematerialization of shares as on 31st March 2026. The ISIN No. of the Company is **INE485C01029**

l) Outstanding GDR/ADR/Warrants/Convertible Instrument

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

m) Foreign exchange risk and hedging activities:

(i) Risk management policy of the listed entity with respect to commodities including through hedging:

The Company is exposed to foreign currency risks arising primarily from exports, imports and other foreign currency transactions. The Company manages such risks through a combination of natural hedges and appropriate hedging strategies in accordance with its risk management framework. The effectiveness of such risk mitigation measures is periodically reviewed by management.

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

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

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

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

n) Credit rating

CARE Ratings Limited vide its letter dated 01st July 2025 has reaffirmed the Credit Rating for the banking facilities availed by the Company, which are as under:

Facilities	Amount (₹ Crore)	Rating	Rating Action
Long Term Bank Facilities (Fund Based Working Capital)	200	CARE A+; Stable (Single A Plus ; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities (Non-fund-based Working Capital)	500	CARE A1 + (A One Plus)	Reaffirmed
Total	**700**		

o) Plant Location

Village & Post Office - Handiaya, Fatehgarh Chhanna Road, Tehsil & District - Barnala- 148107 Punjab.

Phone : +91-1679-285285-86

Fax : +91-1679-285292

p) Address for Correspondence

For general correspondence:
Mr Abhay Raj Singh
Sr Vice President and Company Secretary
IOL Chemicals and Pharmaceuticals Limited
85, Industrial Area 'A', Ludhiana - 141 003.
Phone : +91-161-2225531-35
Fax : +91-161-2608784
E-mail : investor@iolcp.com.

For share transfer/ dematerialisation/ change of address etc:

Alankit Assignments Limited,
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit House",
4E/2, Jhandewalan Extension, New Delhi - 110055
Phone : +91-11-23541234, 42541234
Fax : +91-11-42541967
E mail : rta@alankit.com

13. Disclosures:

a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors or promoters of the Company at large except details of transactions annexed to the Balance Sheet. Transactions entered into with related parties during the financial year 2025-26 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. There is no related party transaction that may have potential conflict with the interests of the Company. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board of Directors and interested directors neither participate in the discussion nor do they vote on such matters.

The Company has policy on dealing with material related party transactions which is available on the website of the Company at www.iolcp.com.

b) Compliance made by the Company

The Company has complied with the applicable provisions of the SEBI Listing Regulations and other regulations and guidelines issued by SEBI and Stock Exchanges. During the year , the Shareholding Pattern for the quarter ended December 31, 2025 was filed with BSE Limited on 22nd January 2026 with a delay of one day. However, the same was already submitted with National Stock Exchange of India Limited on 9th January 2026, well within the prescribed timeline, evidencing timely completion of the compliance by the Company. The delay in filing with BSE Limited occurred due to an inadvertent interpretational oversight regarding the operational requirements of the single-window filing mechanism introduced by the Stock Exchanges. Except for this, no penalties or strictures were imposed on the Company by the SEBI, Stock Exchanges, or any statutory authority on any matter related to capital market during the last three years.

c) Capital Allocation and Shareholder Value Creation

The Board remains focused on prudent capital allocation and long-term shareholder value creation through disciplined investment decisions, operational excellence, financial prudence and sustainable growth initiatives. The Company seeks to maintain an appropriate balance between business expansion, financial flexibility and shareholder returns while pursuing opportunities that strengthen its competitive position and support long-term value creation.

d) Vigil Mechanism

The Company is committed to maintaining the highest standards of ethical conduct, integrity and corporate governance. The Company has established a Vigil Mechanism through its Whistle Blower Policy, which provides a structured framework for Directors, employees and other stakeholders to report genuine concerns relating to unethical behaviour, actual or suspected fraud, misconduct, violation of the Company's Code of Conduct, or breach of applicable laws, regulations and policies.

The mechanism provides adequate safeguards against victimization of whistleblowers and ensures confidentiality, protection and fair treatment to individuals who raise concerns in good faith. The Policy also provides direct access to the Chairperson of the Audit Committee in appropriate cases. The Company affirms that no person has been denied access to the Audit Committee during the financial year 2025-26. The Whistle Blower Policy is available on the Company's website at www.iolcp.com.

14. Compliance with mandatory requirements

The Company has complied with all the applicable mandatory requirements and other applicable regulations of SEBI Listing Regulations.

a) Code of Conduct for Directors and Senior Management

The "**Code of Conduct for Directors and Senior Management**" has been adopted by the Company for its Board members and senior management of the Company. Code of Conduct is available on the website of the Company www.iolcp.com. All board members and senior management personnel affirmed the compliance with the said code. A certificate signed by Managing Director as required under Regulation 34 (3) of SEBI Listing Regulations affirming compliance of said code is given in this Annual Report.

b) Management Discussion and Analysis Report

Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the matters specified in the Regulation 34 (3) of SEBI Listing Regulations.

c) Selection of Independent Directors

The Nomination and Remuneration Committee, inter alia, considers qualification, positive attributes, area of expertise and number of directorships and memberships held in various committees of other companies by such persons in accordance with the company's Policy for selection of directors and determining directors' independence. The Board of Directors considers the Committee's recommendation, and takes appropriate decision.

None of the Directors of the Company serves as an alternate director to an Independent Director.

The terms and conditions of appointment of independent directors is available on the company's website www.iolcp.com.

Every independent director, at the first meeting of the Board of Directors in which he participates as a director and thereafter at the first meeting of the Board of Directors in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

Further, in the opinion of the Board of Directors, the Independent Directors of the Company fulfill all the conditions specified in the SEBI Listing Regulations and are independent of the management.

d) Familiarisation Programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the company's procedures and practices. Periodic presentations are made at the meeting of the Board of Directors or its Committee on business and performance updates of the company, global business environment, business strategy and risks involved. Detailed presentations on the company's business segments were made at the separate meetings of the independent directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to various plant locations are organized for the directors to enable them to understand the operations of the company. The details of such familiarization programs for independent directors are posted on the website of the company at www.iolcp.com.

e) Sustainability and Responsible Business Practices

The Company recognizes the importance of sustainable business practices and continues to integrate environmental, social and governance considerations into its business operations and decision-making processes.

f) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business

The Board of Directors has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board of Directors:

Skill Area	Description
Strategy and planning	Ability to think strategically, identify and critically assess strategic opportunities and threats.
Governance, Risk and Compliance	Experience in the application of corporate governance principles in a commercial enterprise, ability to identify key risks to the company in a wide range of areas of operation.
Financial Performance	Qualifications and experience in accounting and/or finance and the ability to assess financial viability and performance, contribute to financial planning and efficient use of resources.
Investor Relations & Capital Markets	Experience in investor engagement, capital allocation, fundraising, regulatory disclosures and stakeholder communication.
Commercial Experience	A broad range of commercial/ business experience including marketing and business systems and improvement.
International	Knowledge and international commercial experience.
Product skills	Knowledge and experience in Chemical and Pharmaceutical Industry

The skills/expertise/knowledge areas of the Directors are given below:

Skill/ expertise / knowledge Area	Rajender Mohan Malla	Varinder Gupta	Vikas Gupta	Abhiraj Gupta	Sharad Tyagi	Kushal Kumar Rana	Harpal Singh	Rajni Jha
Strategy and planning	✓	✓	✓	✓	✓	✓	✓	✓
Governance, Risk and Compliance	✓	✓	✓	✓	✓	✓	✓	✓
Financial Performance	✓	✓	✓	✓	✓		✓	
Commercial Experience		✓	✓	✓		✓		✓
International		✓	✓	✓			✓	✓
Product skills		✓	✓	✓		✓		✓

The Nomination & Remuneration Committee / Board identify the eligible persons to be appointed as a Director of the Company based on above referred skill sets. The Directors of the Company are from diverse backgrounds and possess special skills with regard to the industries / fields they come from and are helpful for the business of the Company.

g) Board Evaluation

The evaluation of all the Directors was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Directors' Report.

Further, the evaluation process was based on affirmations received from the Independent Directors confirming that they met the independence criteria prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

In a separate meeting held during the year, the Independent Directors reviewed the performance of the Board as a whole, its Committees and Non-Independent Directors. The Independent Directors also assessed the quality, quantity and timeliness of the information and flow of information between the management and the Board that is necessary for the Board to effectively discharge its duties.

h) Holding and Subsidiary Companies

The Company has following three subsidiary companies as on 31.03.2026:

1. IOL- Foundation.
2. IOL Speciality Chemicals Limited
3. IOL Pharmaxis UK Limited

The minutes of the meetings of the Board of Directors of the subsidiary companies are placed before the Board of Directors of the Company. The financial statements of the subsidiary companies are periodically reviewed by the Audit Committee. During the financial year 2025-26, there were no material transactions of the subsidiary companies requiring specific review under the applicable provisions of the SEBI Listing Regulations. As on the date of this Report, the Company does not have any material subsidiary as defined under the SEBI Listing Regulations.

i) Loans and Advances

Neither the Company nor any of its subsidiaries have given any loan and advance to firms/companies in which directors are interested.

j) Equity shares in the suspense account

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April 2024	0	0
Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0

Particulars	Number of shareholders	Number of equity shares
Shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March 2026	0	0

The voting rights on the shares outstanding in the suspense account as on 31st March 2026, shall remain frozen till the rightful owner of such shares claims the shares.

k) Detail of utilization of fund raised through preferential allotment

During the year Company has not raised fund through preferential allotment

l) Total fees paid to statutory auditor

The Company has paid ₹ 0.30 crore to the statutory auditors for all services including the fee paid for audit of subsidiary company. The detail of the same in given in Note no. 45 of Notes forming part of financial statements.

m) Sexual Harassment of women at workplace

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year 2025-26 are as under:

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

15. Compliance with discretionary requirements:

The Company continues to comply with various discretionary requirements specified under Schedule II of the SEBI Listing Regulations. The Company's financial results are disseminated through Stock Exchanges and hosted on its website. The Statutory Auditors have issued an unmodified opinion on the financial statements. The positions of Chairman and Managing Director are held by separate individuals. The Internal Auditors function independently and report directly to the Audit Committee.

16. CEO and CFO Certificate

Certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) under Regulation 17 (8) of SEBI Listing Regulations is given in this Annual Report.

17. Auditor's Certificate on Compliance

Certificate from the Statutory Auditors under Regulation 34 (3) of SEBI Listing Regulations confirming compliance of conditions of corporate governance is given in this Annual Report.

18. Certificate from Company Secretary in practice

A certificate from a Company Secretary in Practice, as required under Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as a director of any company by the Securities and Exchange Board of India, the Ministry of Corporate Affairs or any other statutory authority, is annexed to this Annual Report.

Governance Commitment

The Company remains committed to upholding the highest standards of corporate governance and ethical business conduct. The Board believes that a strong governance framework promotes transparency, accountability and responsible decision-making, thereby enhancing stakeholder confidence and supporting sustainable long-term value creation.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I, Varinder Gupta, Managing Director of the Company, pursuant to Regulation 34(3) read with Schedule V (Part D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby declare that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board of Directors and Senior Management for the financial year ended 31st March 2026.

Sd/-
Varinder Gupta
Managing Director
DIN:00044068

Place: Ludhiana
Date:20th May 2026

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

We, Varinder Gupta, Managing Director (CEO) and Pardeep Kumar Khanna, Chief Financial Officer (CFO)of IOL Chemicals and Pharmaceuticals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2026 and that to the best of our knowledge and belief:

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

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

4. We have indicated to the Auditors and the Audit Committee

   a) significant changes in internal control over financial reporting during the year;

   b) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

   c) instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees who have a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: Ludhiana	**Pardeep Kumar Khanna**	**Varinder Gupta**
Date: 20th May 2026	Chief Financial Officer	Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
IOL Chemicals and Pharmaceuticals Limited,

1. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2026, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March 2026.

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

For **Ashwani and Associates**
Chartered Accountants
Firm's Registration No.000497N

Sd/-
(Aditya Kumar)
Partner
M. No. 097549
UDIN: 26506955PHDOOU7444

Place : Ludhiana
Date : 20th May 2026

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

In terms of the provisions of Sub Clause (i) of Clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2026, we B.K. Gupta & Associates, Company Secretaries in practice confirm that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

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

Sd/-
(Bhupesh Gupta)
FCS No.: 4590
C P No.: 5708
UDIN:F004590H000408125

Place : Ludhiana
Date : 20th May 2026

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24116PB1986PLC007030
2	Name of the Listed Entity	IOL Chemicals and Pharmaceuticals Limited
3	Year of incorporation	1986
4	Registered office address	Village Fatehgarh Channa, Mansa Road, District Barnala-148101, Punjab, India
5	Corporate address	85, Industrial Area 'A' Ludhiana - 141003, Punjab, India.
6	E-mail	investor@iolcp.com
7	Telephone	+(91)-(0161)-4560500
8	Website	www.iolcp.com
9	Financial year for which reporting is being done	2025-26
10	Name of the Stock Exchange(s) where shares are listed	1. The National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11	Paid-up Capital	Rs 58,70,55,020
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr Abhay Raj Singh +(91)-(0161)-4560500 abhayrajsingh@iolcp.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	Intertek India Private Limited
15	Type of assurance obtained	Reasonable Assurance

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Pharma Segment	60%
2.	Manufacturing	Chemical Segment	40%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Active Pharma Ingredients and Intermediates	21001	59.66%
2	Specialty Chemicals	20119	39.43%
3	Other	20119 / 21001	0.91%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	3	4
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	23
International (No. of Countries)	70

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

24%

c. **A brief on types of customers**

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

IV. Employees

20. Details as at the end of Financial Year:

a. **Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male No. (B)	Male % (B / A)	Female No. (C)	Female % (C / A)
			EMPLOYEES			
1	Permanent (D)	3095	2995	96.77%	100	3.23%
2	Other than Permanent (E)	497	467	93.96%	30	6.04%
3	**Total employees (D + E)**	**3592**	**3462**	**96.38% %**	**130**	**3.62%**
			WORKERS			
4	Permanent (F)			NIL		
5	Other than Permanent (G)					
6	**Total workers (F + G)**					

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

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

21. Participation/Inclusion/Representation of women

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

22. Turnover rate for permanent employees and workers

	FY 2025-2026 (Turnover rate in current FY)			FY 2024-2025 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	16.00%	19.10%	16.10%	14.90%	15.80%	14.90%	19.00%	33.80%	19..4%
Permanent Workers	0	0	0	0	0	0	0	0	0

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

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	IOL- Foundation	Wholly owned Subsidiary	100%	No
2	IOL Specialty Chemicals Limited	Wholly owned Subsidiary	100%	No
3	IOL Pharmaxis UK Limited	Wholly owned Subsidiary	100%	No

VI. CSR Details

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

(ii) Turnover (in ₹) **2319.06 Crore**

(iii) Net worth (in ₹) **1798.38 Crore**

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	https://www.iolcp.com/investors/services	Nil	Nil		Nil	Nil	
Shareholders	Yes https://www.iolcp.com/investors/services	2	Nil		5	Nil	
Employees and workers		Nil	Nil		Nil	Nil	
Customers	Yes	Nil	Nil		Nil	Nil	
Value Chain Partners	https://www.iolcp.com/about-us/policies	Nil	Nil		Nil	Nil	
Other (please specify)		Nil	Nil		Nil	Nil	

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

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

As a pharmaceuticals and Specialty chemical firm, we have identified, evaluated and reported on certain key issues. In FY 2025-26, we completed a materiality evaluation based on peer review across environmental, social and governance dimensions as per GRI Requirement. The evaluation process has provided us with great insights into topics that are important to us our operations, as well as how they might impact our future.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Manufacturing of API and specialty chemicals- Effluent generation from process having potential of water pollution and soil pollution	O	Zero liquid Discharge process is implemented to treat, recycle and reuse the good quality water in cooling towers hence conserve fresh water	NA	Positive
2	Reduction in Carbon Footprint	O	Mitigation of impacts of Climate change and ensure long term sustainable business	NA	Positive
3	Health & Safety	R	In chemical and API industry, Health & Safety can directly impact people and community and disrupt the operations	Environment, Health & Safety Management Plan, Onsite/Off site Emergency Management Plan, Risk Assessment and Mitigation	Negative
4	Employee Development	O	Learning and development opportunities for various level of employees	NA	Positive
5	Diversity, equity, and inclusion	O	IOL believe that driving equity, diversity, and inclusion strengthens our business. A diverse and inclusive workforce can boost performance, reputation, innovation,and motivation. This will help build a fairer world and strengthen the business.	We continue to progress on our Diversity, Equity and Inclusion journey. Diversity, Equity and Inclusion have been core elements of our culture and values.	Positive
6	Energy Efficiency	O	Minimize the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc.	NA	Positive
7	Sustainable Supply Chain	R	Minimize thegreenhouse gas (GHG) emissions of RM product carbon footprint	Prayas initiative implemented for supplier competency building for carbon foot print reduction of RM procured	Positive
8	Regulatory compliance and strong governance	O	Strong governance policies and regulatory compliance help to increase productivity and reduce incident rate	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions Policy and management processes	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.iolcp.com/investors/corporate-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	SA 8000:2014, ISO 14001:2015, ISO 50001:2018 ISO 45001:2018, ISO 9001:2015, ISO 20400:2017 ISO 14064-1 ,ISCC ,GMP Certificate EUGMP Certificate by OGYÉI, EP Certificates from EDQM, DUNS Number Certificate, Kosher Certificate, Drug Manufacturing License 1689-OSP, EcoVadis Gold Medal, Free Sale Certificate and, Responsible care logo certified Company								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Provided in the Integrated Annual Report 2025-26								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We reaffirm our commitment to integrating Environmental, Social and Governance (ESG) principles into our business strategy and operations. Sustainability remains central to our approach to creating long-term value for stakeholders while driving responsible and resilient growth. During the year, we continued to strengthen our focus on environmental stewardship, resource efficiency, workplace safety, employee well-being, ethical business conduct and sound corporate governance. Our initiatives in renewable energy, water conservation, waste management and responsible manufacturing have contributed to improved sustainability performance and operational excellence. Climate action remains a key priority for the Company. We have established a clear decarbonization roadmap and remain committed to achieving carbon neutrality by 2050. As part of this journey, the Company has set medium-term targets for FY 2032-33, including significant reduction in Scope 1 and Scope 3 emissions, achievement of carbon-neutral Scope 2 emissions, and an overall reduction in absolute greenhouse gas emissions from the baseline year. During the year, we made encouraging progress towards these goals through reduction in Scope 1 and Scope 2 greenhouse gas emission intensity, increased use of renewable energy and continued implementation of energy efficiency initiatives across our operations. We also achieved 100% water neutrality, reflecting our commitment to responsible resource management and environmental conservation								

Disclosure Questions Policy and management processes	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	As we move forward, we will continue to advance our sustainability agenda through innovation, stakeholder engagement and responsible business practices. We remain committed to enhancing our ESG performance, strengthening resilience and creating sustainable value for all stakeholders while contributing to a low-carbon and sustainable future.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Varinder Gupta, Managing Director DIN: 00044068								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Corporate Social Responsibility Committee (CSR Committee). The composition of the CSR Committee is as follows: Mr Rajender Mohan Malla (DIN 00136657), Chairman Mr Vikas Gupta (DIN 07198109), Member Mr Abhiraj Gupta (DIN 08204917), Member Mr Harpal Singh (DIN 06658043), Member Mr Sharad Tyagi (DIN 00371842), Member								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually (A)/ Half yearly HF/ Quarterly Q/ Any other AO– please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	Q	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	A	A	A	A	A	A	A	Q	A

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

* Intertek India Private Limited

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

   There are regular training sessions for new inductees.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	11*	Awareness sessions conducted as part of Board/Committee meetings covering corporate governance, regulatory updates, business strategy, risk management, financial performance and ESG matters, Training on AI for Business Leaders	96%
Key Managerial Personnel	2	Leadership and managerial development, functional and technical skills, regulatory compliance, operational excellence, productivity and workplace effectiveness, AI for Business Impact and Compliance Tool Training	100%
Employees other than BoD and KMPs	1229	Training programmes focused on health, safety and environment (HSE), process safety, emergency preparedness and first aid, quality systems and Good Manufacturing Practices (GMP), regulatory compliance, ethics, anti-bribery and anti-corruption, information security and data privacy, risk management and business continuity, responsible business conduct, sustainability and environmental stewardship, human rights, prevention of sexual harassment (POSH), labour law awareness, technical and functional competency enhancement, leadership and supervisory development, communication and behavioural skills, digital and analytical capabilities, productivity improvement, and continuous learning to strengthen operational excellence and a culture of safety, integrity and compliance.	100%

*The programmes comprise awareness and familiarisation sessions conducted during Board/Committee meetings on regulatory updates, corporate governance, business strategy, financial and operational performance, risk management, ESG and other key business matters.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (in ₹)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/fine	1	BSE Limited	2360	Fine imposed by BSE for 1 day delay in submission of Shareholding Pattern under Regulation 31 of the SEBI Listing Regulations.	No
Settlement	Nil				
Compounding fee					

Non-Monetary					
	NGRBC principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (in ₹)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N/A	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes, Organization has implemented anti-corruption and anti-bribery policy, for policy detail refer. https://www.iolcp.com/investors/corporate-policies

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

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	N/A	N/A

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

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	N/A	Nil	N/A
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	N/A	Nil	N/A

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:**

Not applicable

8. **Number of days of accounts payables [(Accounts payable *365) / Cost of goods/services procured] in the following format:**

	FY 2025-26	FY 2024-25
Number of days of accounts payable	91	96

Trade payable excluding accrued expenses

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (%)	FY 2024-25 (%)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	60.04%	56.80%
	b. Number of trading houses where purchases are made from	127	99
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	72.43%	85.99%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	28.79%	29.87%
	b. Number of dealers / distributors to whom sales are made	301	269
	c. Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	37.48%	37.30%
Share of RPTs in	a. Purchases (Purchases with related parties as % with Total Purchases)	6.83%	5.54%
	b. Sales (Sales to related parties as % of Total Sales)	0	0
	c. Loans & advances (Loans & advances given to related parties as % of Total loans & advances)	0	0
	d. Investments (Investments in related parties as % of Total Investments made)	0.95%	1.43%

Leadership Indicators

a. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
48	• ISO 20400 sustainable procurement • IOLCP ESG Policies • Certification & endorsements • Social • Anti Bribery Management • Information Security	11%

b. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes. The Company has established processes and policies to identify, prevent, and manage potential conflicts of interest involving members of the Board. Every Director is required to disclose, on an annual basis and whenever there is any change therein, their interests and concerns in the Company, its subsidiaries, associate entities, firms, bodies corporate, or other organizations. Such disclosures are maintained by the Company and reviewed for monitoring related party transactions and ensuring compliance with applicable laws and governance requirements.

Further, Directors annually affirm compliance with the Company's Code of Conduct and confirm that they act in the best interests of the Company and that no business or personal association gives rise to any conflict with their duties as Directors. Senior Management personnel are also required to provide annual declarations confirming that they have not entered into any material financial or commercial transactions that may result in an actual or potential conflict with the interests of the Company.

The Company reviews related party transactions in accordance with its Related Party Transactions Policy and applicable statutory requirements, thereby promoting transparency, accountability, and sound corporate governance.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Financial Year 2025-26 (%) In Cr	Financial Year 2024-25 (%) In Cr	Details of improvements in environmental and social impacts
Total R&D Expenditure	100%	100%	All R&D Investments are focused on improving the environmental and social impacts of our products and processes, sustainable technologies, Backward Integration, enhancing process efficiency and product quality
Total Capex	28.25%	17.11%	Includes projects relating to improving environment, conserving energy, reducing effluent load, treatment of wastewater, increasing the use of renewable energy and conversion of byproducts into sellable products.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

   Yes, Organization follows the guidelines of ISO 20400 sustainable procurement standard and Well established sustainable procurement manual is implemented.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   100% for Key Raw Material Suppliers which are contributing to 80% Spend.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

IOL Chemicals and Pharmaceuticals Limited has established comprehensive processes to safely reclaim and manage its products at the end of life across various waste categories. For plastics, including packaging, the company disposes of plastic waste through authorized recyclers in compliance with Plastic Waste Management Rules 2016. E-waste generated is handed over to authorized vendors approved by Pollution Control Boards, ensuring environmentally sound disposal in line with E-waste Rules. Hazardous waste is stored in a designated hazardous waste room within the facility and managed through agreements with certified agencies such as GGEPIL, Nimbua Ramky, and Re Sustainability for safe disposal and treatment.

Authorization Number of IOLCP : HWM/Auth/PBIP/BAR/2025/2502328227

Categories of Hazardous Waste of IOL Chemicals and Pharmaceuticals Limited:

1. (5.1) Mobile Oil
2. (5.2) Waste Residue containing oil
3. (20.3) Distillation Residue
4. (28.1) Process Residue and wastes
5. (28.2) Spent Catalyst
6. (28.3) Spent Carbon
7. (28.4) Off Specification Products
8. (28.5) Date expired Products
9. (28.6) Spent Solvents
10. (33.1) Empty Barrels
11. (33.2) Contaminated cotton Rags
12. (35.3) ETP Sludge

13. (36.2 Spent Carbon
14. (37.1) sludge from Wet Scrubber
15. (37.2) Ash from incinerator
16. (37.3) Concentration & evaporation Residue

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).**

   Yes

   If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

   Yes

   If not, provide steps taken to address the same.

   N.A.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
21001	Ibuprofen	34.43%	Cradle to gate emissions	Yes	Yes, GHG Report_IOLCP FY 2025_2026.pdf
21001	Metformin	6.12%	Cradle to gate emissions	Yes	Yes, GHG Report_IOLCP FY 2025_2026.pdf
20119	Ethyl Acetate	33.66%	Cradle to gate emissions	Yes	Yes, GHG Report_IOLCP FY 2025_2026.pdf
20119	Acetic Anhydride	5.38%	Cradle to gate emissions	Yes	Yes, GHG Report_IOLCP FY 2025_2026.pdf

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Manufacturing of API and specialty chemicals	Environmental risks include effluent generation with potential for water and soil pollution; social risks involve health and safety impacts on employees and local communities.	Implemented Zero Liquid Discharge (ZLD) process to treat, recycle, and reuse water, minimizing pollution and conserving resources. Health & Safety Management Plan and Onsite/Offsite Emergency Management Plans are in place, along with continuous risk assessment and mitigation. Use of biofuels in captive power plant and installation of Continuous Air Quality Monitoring System (CAQMS) further reduce environmental footprint. Regular training ensures safe working conditions. Additionally, the company actively engages in plantation drives and community upliftment programs to address social concerns. Waste management complies with environmental regulations through authorized disposal and recycling channels. Engagement with suppliers to reduce scope 3 emissions. These measures collectively mitigate environmental and social risks while promoting sustainability.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Pharma Products	0.03%	10%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2025-26			FY 2024-25		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	85.68	-	-	53.22	-
E-waste	-	-	0.746	-	-	0.38
Hazardous waste	-	-	6403.12	-	-	2484.83
Other waste	-	-	-	-	-	-

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

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2995	2995	100%	2995	100%	0	0	2995	100%	0	0
Female	100	100	100%	100	100%	100	100%	0	0	100	100%
Total	**3095**	**3095**	**100%**	**3095**	**100%**	**100**	**3.23%**	**2995**	**96.77%**	**100**	**3.23%**
Other than Permanent employees											
Male	467	467	100%	467	100%	0	0	467	100%	0	0
Female	30	30	100%	30	100%	30	100%	0	0	30	100%
Total	**497**	**497**	**100%**	**497**	**100%**	**30**	**6.04%**	**467**	**93.96%**	**30**	**6.04%**

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

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

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

	FY 2025-26	FY 2024-25
Cost incurred on well- being measures as a % of total revenue of the Company	0.26%	0.30%

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

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0%	Y	100%	0%	Y
Gratuity	100%	0%	Y	100%	0%	Y
ESI	100%	0%	Y	100%	0%	Y
Others – please specify Pension, Leave incashment Due Bonus, Other benefits as per policy	100%	0%	Y	100%	0%	Y
Momento, Cash reward as per policy, 10-15 year service 1 month fix CTC, 15 above 2 month fixed CTC, farewell Party	100%	0%	Y	100%	0%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises are assessable to all as per their roles and responsibilities

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	98.23%
Female	100%	100 %
Total	**100%**	**98.23%**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	**Yes** - The Company has a structured Grievance Redressal Mechanism applicable to all employees and workers across its offices and manufacturing locations. Grievances may be raised through the immediate supervisor/reporting manager, or other designated authorities and are addressed through a defined escalation process. Where required, matters are reviewed by the Grievance Handling Committee to ensure fair, impartial and timely resolution. The mechanism provides for acknowledgement, investigation, resolution within prescribed timelines and communication of the outcome while maintaining confidentiality and protecting employees against retaliation.

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

Category	FY 2025-26			FY 2024-25		
	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	3095	0	0	2891	0	2891
- Male	2995	0	0	2801	0	2801
- Female	100	0	0	90	0	90
Total Permanent Workers	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

8. **Details of training given to employees and workers:**

Category	FY 2025-26					FY 2024-25				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	2995	2813	93.94%	2925	97.66%	2801	2637	94.14%	2725	97.29%
Female	100	93	93.00%	91	91.00%	90	78	86.66%	90	100%
Total	3095	2906	93.89%	3016	97.44%	2891	2715	93.91%	2815	97.37%
Workers										
Male	N/A									
Female										
Total										

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2995	2995	100%	2801	2801	100%
Female	100	100	100%	90	90	100%
Total	3095	3095	100%	2891	2891	100%
Workers						
Male	N/A					
Female						
Total						

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, IOL Chemicals and Pharmaceuticals Limited (IOLCP) has implemented an occupational health and safety management system. The company is certified under ISO 45001:2018, reflecting a well-established and comprehensive safety management system covering 100% of its product wise plants and offices. The system includes well-defined processes for identifying work-related hazards and assessing risks through methodologies such as HIRA, AIA, HAZOP, JSA, and PSSR. Employees are encouraged to proactively report hazards via an online IPO incident prevention opportunity system. Extensive training and awareness sessions on EHS policies, ergonomics, industrial hygiene, fire safety, electrical safety, and emergency response are conducted regularly. Regular internal audits, management reviews, and performance monitoring ensure continual improvement, while clear KPIs and corrective action mechanisms drive accountability across all levels of the organization. The company also promotes a safety-first culture through recognition programs and visible leadership engagement in safety initiatives.

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

IOL Chemicals and Pharmaceuticals Limited (IOLCP) employs a systematic approach to identify work-related hazards and assess risks on both routine and non-routine bases. The company uses established methodologies such as Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), Hazard and Operability Study (HAZOP), and Activity Impact Assessment (AIA) to analyze operational processes and detect potential hazards. For routine activities, regular workplace inspections, risk assessments, and employee hazard reporting through an online system are conducted to ensure continuous monitoring. For non-routine activities like startups, shutdowns, and maintenance, IOLCP applies integrated risk assessment methods combining JSA and HAZOP to break down processes into steps, analyze deviations, and evaluate risks systematically.

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

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has implemented an innovative Incident Prevention Opportunity (IPO) online portal as part of its occupational health and safety management system. This digital platform enables employees and stakeholders to proactively report potential hazards, near misses, and unsafe conditions in real-time, facilitating early identification and mitigation of risks before incidents occur. The IPO portal supports a culture of safety by encouraging transparent communication and prompt corrective actions, thereby reducing workplace accidents and enhancing operational safety.

Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.46	0
	Workers	0	0
Total recordable work-related injuries	Employees	1	0
	Workers	0	0
No. of fatalities	Employees	1	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) ensures a safe and healthy workplace through a robust Occupational Health and Safety Management System certified to ISO 45001:2018, covering 100% of its plants and offices. The company has established and enforces detailed standard operating procedures and work instructions for all operational tasks and uses systematic hazard identification and risk assessment techniques HIRA, AIA, HAZOP, JSA, and PSSR to evaluate routine, non-routine, and process-change activities. Employees are empowered to report hazards, near-misses, and improvement ideas through an online Incident Prevention Opportunity (IPO) portal, which triggers timely investigation, root-cause analysis, and corrective/preventive actions. IOLCP conducts regular EHS training and competency development on topics such as safe work permits, PPE use, ergonomics, industrial hygiene, firefighting, electrical safety, confined-space entry, and emergency response; refresher sessions and mock drills are scheduled periodically to maintain readiness. The company carries out frequent workplace inspections, risk-based medical surveillance, exposure monitoring, and occupational health programs to detect and control hazards early. Performance is tracked using defined KPIs, internal audits, and management reviews that drive continual improvement; corrective actions are monitored to closure and effectiveness is verified. Leadership visibly supports safety through safety walk-arounds, toolbox talks, recognition programs for safe behavior and integration of safety objectives into business planning and contractor management, fostering a proactive safety culture across all levels of the organization.

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

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

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

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

N.A.

Leadership Indicators

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

(A) Employees (Y/N) Yes

(B) Workers (Y/N) Yes

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

The company periodically audits and inspects the records of the value chain partners at their site as well as online periodically, to ensure that the statutory Compliance are duly complied. In case of any non-compliance or delayed compliance, the Company ensures that the statutory compliances are compiled at the earliest by the value chain partner and releases the payments upon submission of documentary evidence.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	2	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100 %
Working Conditions	100 %

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No pending action arising from assessments of health and safety practices and working conditions of value chain partners.

All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits/ internal audits Loss control tours.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

The Company has identified Shareholders, Value Chain partners, Employees and workers, Government and Communities as its key stakeholders on internal and external basis.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others–please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meetings, other shareholder meetings, email communications, Stock Exchange (SE) intimations, investor /analysts meet /conference calls, Annual Reports, quarterly results, media releases, Company's website	Ongoing	Financial results, dividends, financial stability, induction of board members, changes in shareholdings, growth prospects
Employees and workers	No	Regular Emails , Website, Tool Box Talk, Notice Boards , Town Hall,	Ongoing	Performance analysis and career path setting, Training and awareness, health, safety and engagement initiatives
Value Chain Partners	No	Vendor Meet	Ongoing	Quality, timely delivery fair and competitive pricings. Product quality and availability, responsiveness to needs,
Government	No	Meetings with local administration/ state government authorities through seminars on need basis	Ongoing	Statutory compliance, transparency in disclosures, tax revenues, sound corporate governance mechanisms
Communities	Yes	Community visits and projects, partnership with local charities, CSR initiatives	Ongoing	Assess local community's needs, strengthen livelihood opportunities, education, health care and humanitarian relief.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company's management regularly interacts with its key stakeholders i.e. investors, customers, suppliers, employees, etc. The Company also has Corporate Social Responsibility Committee and Audit Committee which updates the progress on the actions taken to the Board and takes inputs and guidance from the Board on a quarterly basis.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, the Company engages with its stakeholders in terms of identifying and prioritising the issues pertaining to economic, environmental and social topics.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   NA - no instances of engagement.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	3095	2646	85.50%	2891	1975	68.31%
Other than permanent	497	497	100%	476	263	55.25%
Total Employees	3592	3143	87.50%	3367	2238	66.47%
Workers						
Permanent	N/A					
Other than permanent						
Total Workers						

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

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	3095	0	0	3095	100%	2891	0	0	2891	100%
Male	2995	0	0	2995	100%	2801	0	0	2801	100%
Female	100	0	0	100	100%	90	0	0	90	100%
Other than Permanent	497	0	0	497	100%					
Male	467	0	0	467	100%					
Female	30	0	0	30	100%					
Workers										
Permanent	N/A									
Male										
Female										
Other than Permanent	N/A									
Male										
Female										

3. a) Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	4	2,76,99,936	0	-
Key Managerial Personnel (excluding MD and ED)	2	1,75,78,477	0	-
Employees other than BoD and KMP	2989	9,76,800	100	7,63,200

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

	FY 2025-26 (%)	FY 2024-25 (%)
Gross wages paid to female as % of total wages	2.74%	2.7%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

IOLCP is SA 8000:2014 certified establishment and has various committees to address issues; Grievance Redressal Committee, POSH Policy Implementation and works committee.

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

	FY 2025- 26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Grievance Redressal Committee, Works committee acts as per defined Mechanism, Certified Standing Orders

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

Yes

10. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100 %
Forced/involuntary labour	100 %
Sexual harassment	100 %
Discrimination at workplace	100 %
Wages	100 %
Others - HSE, other working conditions and Human Rights Compliance	100 %

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

No such instance.IOLCP is SA 8000:2014 Social Accountability Standard compliant and its requirements are implemented in latter and spirits.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

No such grievances/complaints on Human Rights violations.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

N/A

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100 %
Discrimination at workplace	100 %
Child Labour	100 %
Forced Labour/Involuntary Labour	100 %
Wages	100 %
Others – please specify	100 %

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No Significant Risk. All requirements of SA 8000:2014 being complied.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Whether total energy consumption and energy intensity is applicable to Company: Yes

Revenue from operations (in ₹): 2319.06 crore

Parameter	Units	FY 2025-26	FY 2024-25
From renewable sources			
Total electricity consumption (A)	Tera Joules	2218.1	1974.5
Total fuel consumption (B)	Tera Joules		-
Energy consumption through other sources (C)	Tera Joules	3.49	0.37
Total energy consumption from renewable sources (A+B+C)	Tera Joules	2221.6	1974.9
From non-renewable sources			
Total electricity consumption (D)	Tera Joules	672.9	495.7
Total fuel consumption (E)	Tera Joules	-	-
Energy consumption through other sources (F)	Tera Joules	3.5	2.58
Total energy consumption from non-renewable sources (D+E+F)	Tera Joules	676.4	498.2
Total energy consumption (A+B+C+D+E+F)	Tera Joules	2898	2473.1
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Tera Joules	0.000000125	0.000000118
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)		2.79	2.45
Energy intensity in terms of physical output		0.014	0.016
Energy intensity per permanent employee		0.93	0.85

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

Yes, ISO 50001 :2018 Energy management system implemented and site was audited by BSI

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	324641	213273
(ii) Groundwater	31155	49750
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	355796	263023
Total volume of water consumption (in kilolitres)	355796	263023
Water intensity per rupee of turnover (Water consumed / turnover)	0.0000153	0.0000126
Water intensity Per Rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption (KL) / Revenue from operations adjusted for PPP)	343.66	254.056
Water intensity in terms of physical output (Water Consumed in KL/Production)	1.72	1.67
Water intensity per permanent employee	114.95	90.97

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

Yes, British Standard Institution (BSI)

4. **Provide the following details related to water discharged**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment [in kilolitres (KL)]	0	0
(i) To Surface Water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(iv) Sent to third parties	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – Please specify level of treatment	0	0
Total water discharged (in kilolitres)	0	**0**

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

Yes, British Standard Institution (BSI)

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

Yes, Waste Effluent from all the plants comes to the ZLD facility established within the industry and the treated water is reused in Cooling towers. 2) ZLD SOP is in place to avoid any deviations in the process for smooth functioning. 3) Separate Lab is established for regular testing of the incoming streams.

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

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	mg/NM3	88.35	104
SOx	mg/NM3	7.9	8.8
Particulate matter (PM)	mg/NM3	49.5	61.5
Persistent organic pollutants (POP)	NA	0	0
Volatile organic compounds (VOC)	PPM	348	345
Hazardous air pollutants (HAP)	mg/NM3	16.56	0
Others– please specify	NA	NA	NA

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

YES, Precitech Laboratories, State Pollution Control Board, Envirotech Laboratories

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF6, NF_3, if available)	Metric tonnes of CO_2 Equivalent	60731.8	45920
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 Equivalent	16681.2	6019.88
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO_2 Equivalent/₹	**0.0000033**	**0.00000249**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Metric tonnes of CO_2 Equivalent/₹	74.77	51.61
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO_2 Equivalent/₹	0.37	0.33
Total Scope 1 and Scope 2 emission intensity per permanent employee	Metric tonnes of CO_2 equivalent per permanent employee	25.01	17.96

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

- Yes, GHG Emissions are verified by External Third party and are as per GRI guidelines and ISO 14064-1.Total GHG emissions (Scope 1,2 & 3) accounted for FY 24-25 were 144982.6 tCO2e. In FY 2025-26, Net Scope 1+ 2 Emissions intensity/ton of production has reduced by 8.8 % (excluding new plants) against FY 2024-25. Total Scope (1, 2 & 3) emissions reduced by 14.4% including new expansions. API Production Volumes in FY 2025-26 have increased by 43% over last year, similarly chemicals production has also increased by 9.17% leading to higher Scope 1 &2 GHG emissions. However, steam consumption has increased only by 15% which reflects effective implementation and monitoring of GHG emission reduction initiatives.

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

IOL Chemicals and Pharmaceuticals Limited (IOLCP) has undertaken several projects aimed at reducing Greenhouse Gas (GHG) emissions, including :

- Hazardous waste reduction, recycling, and reuse work processes under waste to wealth initiative
- Steps to reuse byproducts of the process (Pharma & API)
- Various GHG emission reduction initiatives effective implemented at site i.e. Solar panel Installation, Waste to wealth initiatives (By product recovery from waste and converted to saleable product), Green Hydrogen inhouse introduction elimination of transportation emissions, Emission Reduction in Downstream Product sold category by vehicle clubbing initiative.

- Carbon footprint reduction of key starting material by capacity building of supplier under "PRAYAS" initiative. However, due to expansion in business model we are planning ahead to revalidate our SBTi targets and convert them into intensity-based targets.
- Optimization in one of the pharma product - Ammonium Sulphate formation (By Product) Recovery and convert to saleable product resulting in carbon offset of 126.07tCO2e.

Local Sources Development for RM Vehicle Multimodal Concept implemented resulting in saving of 103.09tCO_2e.

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

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	85.68	53.22
E-waste (B)	0.746	0.38
Bio-medical waste (C)	0.0106	0.0107
Construction and demolition waste (D)		0
Battery waste (E)	4.67	2.03
Radioactive waste (F)		0
Other Hazardous waste. Please specify, if any. (G)	6670.12	2705.21
Other Non-hazardous waste generated (H). Please specify, if any.	1932	1634.13
(Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G+ H)	**8693.23**	**4394.98**
Waste intensity per rupee of turnover (Total waste generated (MT) / Revenue from operations)	0.00000037	0.00000021
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated (MT) / Revenue from operations adjusted for PPP)	8.39	4.36
Waste intensity in terms of physical output	42.23	35.66
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	267	226.88
(ii) Re-used		NA
(iii) Other recovery operations		NA
Total	**267**	**226.88**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	634.61	417.59
(ii) Landfilling	5768.508	2067.24
(iii) Other disposal operations		NA
Total	**6403.121**	**2484.83**

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

Yes, ISO 14001 :2015 Environment management system implementation and was audited by BSI

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

IOL Chemicals and Pharmaceuticals Limited (IOLCP) adopts a comprehensive and environmentally responsible approach to waste management and the reduction of hazardous and toxic chemicals in its products and processes. The company ensures hazardous waste is stored separately in dedicated facilities and disposed of through authorized recyclers or incineration, complying with all regulatory requirements and holding valid authorizations.

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

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: No

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		No	

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Expansion of Chemicals and APIs production unit at Village & Post Fatehgarh Channa, Mansa Road, District Barnala	Notified under EIA Notification	NA	Yes	Yes	Environmental clearance document available on Ministry of Environment, Forest and Climate Change portal

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non- compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		No		

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**0**	**0**
Total volume of water consumption (in kilolitres)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity	0	0
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0

Parameter	FY 2025-26	FY 2024-25
(ii) Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**0**	**0**

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

Yes , Intertek

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	85528.6	93042
Total Scope 3 emissions per rupee of turnover		0.0000036	0.0000044

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

Yes GHG emissions are verified by external third party BSI . Limited Assurance statement was also issued by BSI

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

In our operations areas, conservation of biodiversity is our top priority. We follow rules, carry out in-depth environmental impact evaluations for projects, and make sure there are no adjacent endangered species or environmentally sensitive areas. Sustainability and the preservation of the environment are guaranteed by our dedication to ethical environmental practices.

We ensure the preservation of ecological diversity with our strong, effective, and environmentally conscious management system. Given our geographic location, there are no eco-sensitive areas or endangered animals in the immediate neighborhood.

Company has developed and maintained two no. of Biodiversity parks at Barnala City.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
1	Solar Panel Installation	Under Scope 2 neutral initiative Phase-1 62.5 KW + 510KW+615KW Solar panel Installed	691tCO2e	Monthly Monitoring & Inspection
2	Optimization in one of the pharma product	Ammonium Sulphate formation (By Product) Recovery and convert to saleable product	126.07tCO2e	Monthly Monitoring & Inspection
3	Carbon Sink	Tree Plantation carbon sequestration verification	370.28tCO2e	Monthly Monitoring & Inspection
4	Upstream Transportation	Local Sources Development for RM Vehicle Multimodal Concept implemented	103.09tCO2e	Monthly Monitoring & Inspection

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
5	Upstream Packaging Emissions	Replacement of HDPE drums/HDPE lid with PP bagsIn FY 2025-26, 164905 Nos. of HDPE drums (120 Ltr / 105 Ltr) have been replaced with 313129 Nos. of PP bags	38	Monthly Monitoring & Inspection

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

IOL Chemicals and Pharmaceuticals Limited has established a documented Business Continuity and Disaster Management Plan (BCP) to ensure the resilience of its operations and minimize the impact of unforeseen disruptions. The Plan identifies critical business processes, assesses potential risks, and provides mitigation measures and recovery strategies for incidents such as fire, natural disasters, flooding, data loss, cyber incidents, utility failures and supply chain disruptions. It also provides documented procedures and response protocols to support timely recovery and continuity of operations. Business continuity is further strengthened through alternate sourcing of critical raw materials, backup arrangements for key services and utilities, IT backup and recovery systems, periodic risk assessments, mock drills and continuous monitoring to ensure uninterrupted operations and supply to customers.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NA

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100% of key Tier-1 raw material suppliers, contributing approximately 80% of the total raw material procurement have been assessed internally on ESG parameters.

8. How many Green Credits have been generated or procured:

(i) By the listed entity: Nil

(ii) By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not available

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.

Thirteen

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Phd chamber of commerce and industry	National – India
2	Apex chamber of commerce and Industry	National – India
3	Indian Chemical Council	National – India
4	Confederation of Indian Industry	National – India
5	Pharmexcil	National – India
6	Chemexcil	National – India
7	Chamber of industrial & commercial undertakings	National – India
8	Entrepreneures' organisation	International US &National (Personal Mr. Abhiraj Gupta)
9	Ludhiana Management Association	National – India
10	Young Presidents' Organization	International US &National (Personal Mr. Vikas Gupta)
11	National Safety Council (NSC)	National - India
12	Naukri.com	National - India
13	LinkedIn	National - India

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NIL		

Leadership Indicators

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NO					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

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

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

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

The Company is committed to maintaining transparent and constructive engagement with the communities in the areas where it operates. Community concerns, suggestions and grievances may be communicated through the Company's designated officials, plant administration, CSR representatives, stakeholder interactions, statutory public consultation processes and other established communication channels. The Company reviews and addresses such concerns through the appropriate functional departments in accordance with its governance framework, applicable policies and procedures. Where required, matters are escalated to the appropriate management level to ensure fair, timely and appropriate resolution. Regular stakeholder engagement and community outreach initiatives enable the Company to identify, address and monitor community concerns, thereby fostering trust and maintaining harmonious relationships with the local communities.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers for FY 2025-26:	15.80%	7.67%
Sourced directly from within the district and neighbouring districts for FY 2025-26:	20.10%	10%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Location	FY 2025-26 (%)	FY 2024-25 (%)
Rural	78.31%	77.97%
Semi-Urban	-	-
Urban	21.63%	22.80%
Metropolitan	0.06%	0.08%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

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

S. No.	State	Aspirational District	Amount spent (In ₹)
NA			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. However, We have as a standard policy in general terms of condition of PO that the Company promotes diversification of vendors and does not discriminate the vendor on the basis of their name, religion, a small, minority own, women owned, disadvantage/disabled, veteran owned and LGBTQA business enterprises.

(b) From which marginalized /vulnerable groups do you procure?

NA

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

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
NA				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective action taken
N/A		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Preventive health care & sanitation, Eradicating hunger	The Company's CSR initiatives are implemented in the communities surrounding its manufacturing facilities and Corporate Office to support the socio-economic development and well-being of the local population. A significant proportion of the beneficiaries comprise vulnerable and marginalized sections of society.	
2	Community Development		
3	Environmental sustainability and Disaster Relief		
4	Promoting education among children		
5	Animal welfare	Animals in and around the activity area	

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

Essential Indicators

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

   Yes, the SOP for the complaint handling and feedback is in place and integral part of quality management system. SOP no. is Number-BNL-API/CHEM-QA-SOP-000008 titled as "Handling of Product complaints"

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	**100 %**
Safe and responsible usage	**100 %**
Recycling and/or safe disposal	**100 %**

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

	2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	16	0	NA	42	1	NA

Note: The pending resolutions are now closed.

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

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

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

   No. However, we are adhering the best practices to overcome the cyber threats.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   There were no incidents or complaints during the financial year relating to advertising and delivery of essential services, cybersecurity, customer data privacy or product safety. Further, no action was initiated or taken by any regulatory authority in respect of these matters. The Company continuously reviews and strengthens its cybersecurity framework and data privacy controls through periodic assessments, monitoring and implementation of appropriate safeguards in line with evolving risks and industry best practices.

   a. **Number of instances of data breaches**

      0

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

      0%

c. **Impact, if any, of the data breaches**

NA

Leadership Indicators

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

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

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

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

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

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

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

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

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

   Yes

Financial Statements

Independent Auditor's Report

TO THE MEMBERS OF
IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **IOL Chemicals and Pharmaceuticals Limited** ("the Company") (CIN:L24116PB1986PLC007030), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. no.	Key Audit Matter	Auditors' Response
1.	**Revenue recognition:** Refer note 2(i)(v) and note 25 of the Standalone Financial Statements. The Company's sales revenue mainly arose from sale of Bulk Drugs and Chemical products. The Company recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the Company to the customer occurs before the balance sheet date or otherwise. Considering that there is significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognised in the incorrect period, a key audit matter.	**Principal Audit Procedures:** • We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the Company's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. • We tested the relevant information technology systems used in recording revenue including Company's system generated reports, based on which selection of samples was undertaken. • On sample basis, we performed test of details of sales recorded close to the year-end through following procedures: i. Analysed the terms and conditions of the underlying contract with the customer, and

S. no.	Key Audit Matter	Auditors' Response
		ii. Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period. iii. Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/ shipping documents; **Our Conclusion:** Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the standalone financial statements taken as a whole.
2.	**Valuation of Inventories:** Refer note 2(x) and note 9 of the Standalone Financial Statements. As at March 31, 2026, the Company held inventories amounting to ₹371.07 crores, comprising stores and spares, raw materials, work-in-progress and finished goods. Inventories are measured at the lower of cost and net realisable value in accordance with Ind AS 2, "Inventories". The assessment of net realisable value and determination of provisions for slow-moving, obsolete or non-moving inventories involve significant management judgment and estimation. Management considers factors such as inventory ageing, historical consumption patterns, current market conditions, expected future demand and planned utilisation or sale of inventory while assessing the adequacy of inventory provisions. Considering the materiality of the inventory valuation and the significant judgments involved in determining the recoverability and valuation of inventories, we identified this matter as a Key Audit Matter.	**Principal Audit Procedures:** We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by: • Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. Reviewing the document and other record related to physical verification of inventories done by the management during the year. • Verifying for a sample of individual products that costs have been correctly recorded. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. **Our Conclusion :** Based on the audit procedures performed, we did not identify any material exceptions in the Inventory valuation.

Information Other than Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 35

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note no. 15(b) to the Standalone Financial Statements

(a) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trial has been preserved by the company as per the statutory requirements for the record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Sd/-
Aditya Kumar
Partner
Membership No.:506955
UDIN: 26506955AXTTJC2317

Place: Ludhiana
Dated: May 20th, 2026

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IOL Chemicals and Pharmaceuticals Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of IOL Chemicals and Pharmaceuticals Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sd/-
Aditya Kumar
Partner
Membership No.:506955
UDIN: 26506955AXTTJC2317

Place: Ludhiana
Dated: May 20th, 2026

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IOL Chemicals and Pharmaceuticals Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of Company's Property, Plant and Equipment, Right-of-Use Assets and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-Use Assets.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

b) The Company has a program of physical verification of the Property, Plant and Equipment and Right-of-Use Assets at reasonable intervals. Pursuant to this program, certain Property, Plant and Equipment were physically verified by the management during the year, and, no material discrepancies were noticed on such verification.

c) Based on our examination of the, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the Financial Statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible Assets during the year,

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable, and, the coverage and procedure of such verification is appropriate having regard to the size of the Company and the nature of its operation. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed between the physical stock of inventory and the books of accounts.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion and as per the information provided to us, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. The Company has made investments in companies and has granted unsecured loans to other parties, during the year, in respect of which:

(a) Aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or securities to any other entity are given below: -

Particulars	Guarantees	Security	Loan
Aggregate amount granted/ provided during the year			
- Subsidiaries	NIL	NIL	NIL
- Associates	NIL	NIL	NIL
- Others*	NIL	NIL	1.08
Total	NIL	NIL	1.08
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	NIL	NIL	NIL
- Associates	NIL	NIL	NIL
- Others*	NIL	NIL	0.73
Total	NIL	NIL	0.73

*Others include the Loan to employees given by the company during the year.

(b) In our opinion, in respect of the investments made and the aforesaid loans, the terms and conditions, prima facie, are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, as per the terms and conditions of the loans, these loans are repayable on demand and accordingly, no schedule of repayment of principal & payment of interest was required to be stipulated by the company.

(d) In respect of the aforesaid loans, as informed by management, since, no demand for repayment of principal and payment of interest has been raised by the company, no amounts are overdue.

(e) The Company has not renewed or extended or granted fresh loans to settle the over dues of existing loans given to the same parties and hence reporting under clause 3(iii)(e) of the order is not applicable.

(f) During the year, company has granted loans and advances in the nature of loans repayable on demand, the percentage and amount of loan granted to promoters and related parties are given below: -

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/Advances in nature of loans granted during the year			
- Repayable on demand (A)			
- Aggregate does not specify any terms or period of repayment (B)	1.08	0.00	0.00
Total (A+B)	**1.08**	**0.00**	**0.00**
Percentage of loans/ advances in nature of loans to the total loans	100.00%	0.00%	0.00%

iv. The Company has not granted any loans specified in Section 185 of the Companies Act, 2013.

The Company has complied with section 186 of the Companies Act, 2013 in respect of investments made. The Company has not provided any guarantee or securities to any person.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Hence, reporting under Clause 3(v) of the order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they become payable.

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

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

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

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

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

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

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

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

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

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

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

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

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

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

xiii. The Company is in compliance with the provisions of sections 177 and 188 the Companies Act,2013 with respect to applicable transactions with related parties and the details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under the Act. (Refer note no. 40)

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

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

xv. In our opinion, during the year the Company has not entered into any non-cash transaction with its directors or persons connected with its directors and hence the reporting under clause 3(xv) is not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

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

xviii. There has been no resignation of the statutory Auditors during the year and accordingly reporting under clause 3(xviii) of the order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from balance sheet date, will get discharged by the Company as and when they fall due.

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

(b) There is no amount remaining unspent under section (5) of section 135 of Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

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

Sd/-
Aditya Kumar
Partner
Membership No.:506955
UDIN: 26506955AXTTJC2317

Place: Ludhiana
Dated: May 20th, 2026

Standalone Balance Sheet

as at 31-March-2026

in ₹ Crore

Particulars	Note No.	As at 31-Mar-2026	As at 31-Mar-2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,165.07	1,158.00
(b) Right of use assets	4	3.41	-
(c) Capital work-in-progress	3.2	93.61	20.81
(d) Other Intangible assets	3.3	12.78	12.34
(e) Intangible assets under development	3.4	1.93	1.12
(f) Financial assets			
(i) Investments	5	17.61	17.71
(ii) Other financial assets	7	45.08	7.88
(g) Other non-current assets	8	19.72	12.80
Total non-current assets		**1,359.21**	**1,230.66**
2 Current assets			
(a) Inventories	9	371.07	360.62
(b) Financial assets			
(i) Investments	6	3.51	3.30
(ii) Trade receivables	10	603.13	513.69
(iii) Cash and cash equivalents	11	65.29	78.02
(iv) Bank balances other than (iii) above	12	132.96	129.92
(v) Other financial assets	13	7.45	5.63
(c) Current tax assets (net)	24	-	0.34
(d) Other current assets	14	44.10	59.60
Total current assets		**1,227.51**	**1,151.12**
TOTAL ASSETS		**2,586.72**	**2,381.78**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	58.71	58.71
(b) Other equity	16	1,739.67	1,628.70
Total equity		**1,798.38**	**1,687.41**
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ia) Lease liabilities	17	2.40	-
(b) Provisions	18	10.96	6.69
(c) Deferred tax liabilities (net)	32	84.86	77.81
Total non-current liabilities		**98.22**	**84.50**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	132.00	117.04
(ia) Lease liabilities	17	1.02	-
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		7.29	6.74
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		475.27	420.82
(iii) Other financial liabilities	21	50.68	46.22
(b) Other current liabilities	22	18.09	17.08
(c) Provisions	23	3.42	1.97
(d) Current tax liabilities (net)	24	2.35	-
Total current liabilities		**690.12**	**609.87**
TOTAL EQUITY AND LIABILITIES		**2,586.72**	**2,381.78**
Corporate information	1		
Material accounting policies	2		

See accompanying notes forming part of standalone financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31-march-2026

in ₹ Crore

	Particulars	Note No.	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
	Income:			
I	Revenue from operations	25	2,319.06	2,079.21
II	Other income	26	21.28	22.40
III	Total income (I+II)		2,340.34	2,101.61
IV	Expenses:			
	Cost of materials consumed	27	1,501.61	1,358.34
	Purchase of stock-in-trade		4.02	-
	Changes in inventories of finished goods, work in progress and stock in trade	28	(18.53)	33.51
	Employee benefits expense	29	248.26	216.57
	Finance cost	30	14.55	14.76
	Depreciation and amortization expense	3	80.17	71.92
	Other expenses	31	314.61	268.62
	Total expenses (IV)		2,144.69	1,963.72
V	Profit before exceptional items and tax (III-IV)		195.65	137.89
VI	Exceptional items	50	11.21	-
VII	Profit before tax (V-VI)		184.44	137.89
VIII	Tax expense:			
	Current tax		40.55	24.74
	Deferred tax		6.17	12.15
	Total tax expense (VIII)	32	46.72	36.89
IX	Profit for the year (VII-VIII)		137.72	101.00
X	Other Comprehensive Income / (loss)			
A	i) Items that will not be reclassified to profit or loss		2.57	(0.97)
	ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.65)	0.24
B	i) Items that will be reclassified to profit or loss		0.91	(0.95)
	ii) Income tax relating to items that will be reclassified to profit or loss	32	(0.23)	0.24
	Total other comprehensive income/(loss) for the year, net of tax (X)		2.60	(1.44)
XI	Total Comprehensive Income for the year (IX+X)		140.32	99.56
XII	Earnings per equity share of ₹ 2/- each	33		
	- Basic & Diluted (in ₹/share)		4.69	3.44
	Weighted average number of equity shares used in computing earnings per equity share			
	- Basic & Diluted		29,35,27,510	29,35,27,510
	Corporate information	1		
	Material accounting policies	2		

See accompanying notes forming part of standalone financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended 31-march-2026

A. Equity Share capital

(1) Current reporting year from 01-Apr-2025 to 31-Mar-2026

in ₹ Crore

Balance as at beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current reporting year	Balance as at the end of the current reporting year
58.71	-	58.71	-	58.71

(2) Previousreportingyearfrom01-Apr-2024to31-Mar-2025

in ₹ Crore

Balance as at beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current reporting year	Balance as at the end of the current reporting year
58.71	-	58.71	-	58.71

B. Other Equity

(1) Current reporting year from 01-Apr-2025 to 31-Mar-2026

Standalone Statement of changes in Other Equity

in ₹ Crore

Particulars	Other equity					Total
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the current year	10.76	225.72	1,401.82	(8.86)	(0.74)	1,628.70
Profit for the year transferred from statement of profit and loss	-	-	137.72	-	-	137.72
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	1.92	-	1.92
Net movement in effective portion of cash flow hedge reserve (net of income tax)	-	-	-	-	0.68	0.68
Total Comprehensive Income for the year	**-**	**-**	**137.72**	**1.92**	**0.68**	**140.32**
Dividend paid on equity shares	-	-	(29.35)	-	-	(29.35)
Balance as at the end of the current year	**10.76**	**225.72**	**1,510.19**	**(6.94)**	**(0.06)**	**1,739.67**

Standalone Statement of Changes in Equity

for the year ended 31-march-2026

(2) Previous reporting year from 01-Apr-2024 to 31-Mar-2025

Standalone Statement of changes in Other Equity

in ₹ Crore

Particulars	Other equity					Total
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the previous year	**10.76**	**225.72**	**1,324.30**	**(8.13)**	**(0.03)**	**1,552.62**
Profit for the year transferred from statement of profit and loss	-	-	101.00	-	-	101.00
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	(0.73)		(0.73)
Net movement in effective portion of cash flow hedge reserve (net of income tax)	-	-	-	-	(0.71)	(0.71)
Total Comprehensive Income for the year	**-**	**-**	**101.00**	**(0.73)**	**(0.71)**	**99.56**
Dividend paid on equity shares	-	-	(23.48)	-	-	(23.48)
Balance as at the end of the previous year	**10.76**	**225.72**	**1,401.82**	**(8.86)**	**(0.74)**	**1,628.70**

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended 31-March-2026

Particulars	For the year ended 31-Mar-2026		For the year ended 31-Mar-2025	
Cash flow from operating activities				
Profit before tax		**184.44**		**137.89**
Adjustments for:				
Depreciation and amortisation expense	80.17		71.92	
Net (Gain)/Loss on current investment (net of expenses)	(0.14)		(0.41)	
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	3.01		3.88	
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	0.01		(0.02)	
Subsidy Income amortized	-		(0.03)	
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.01)		-	
Sundry balances written off	0.15		0.08	
Liabilities no longer required written back	(0.12)		-	
Net (Gain)/Loss on Property, plant and equipment sold	0.30		0.10	
Loss on Property, plant and equipment discarded	0.32		0.08	
Loss on other asset discarded	0.14			
Interest expense	14.55		14.76	
Interest income	(13.30)		(10.58)	
		85.08		**79.78**
Operating profit before working capital changes		**269.52**		**217.67**
Changes in working capital:				
Increase/(Decrease) in trade payables and other liabilities	66.55		(45.85)	
Decrease/(Increase) in trade and other receivables	(73.34)		(39.04)	
Decrease/(Increase) in inventories	(10.45)		64.22	
		(17.24)		(20.67)
Cash generated from operations		**252.28**		**197.00**
Income tax paid (net)		(37.86)		(18.32)
Net cash flow from/(used in) operating activities (A)		**214.42**		**178.68**
Cash flow from investing activities				
Purchase of property, plant and equipment including intangible assets and Capital work in progress		(172.99)		(213.55)
Proceeds from sale of property, plant and equipment		2.09		0.98
Interest received		11.63		12.33
Bank balances not considered as cash and cash equivalents:				
(Increase)/Decrease in deposit with banks, having original maturity more than three months		(39.32)		45.91
(Increase)/Decrease in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments		0.47		0.10
Net cash flow from/(used in) investing activities (B)		**(198.12)**		**(154.23)**

Standalone Cash Flow Statement

for the year ended 31-March-2026

Particulars	For the year ended 31-Mar-2026		For the year ended 31-Mar-2025	
Cash flow from financing activities				
Proceeds/(Repayment) of current borrowings		14.96		84.28
Interest paid		(14.53)		(14.76)
Lease rent payments		(0.11)		-
Dividend paid on Equity shares		(29.35)		(23.48)
Net cash flow from/(used in) financing activities (C)		**(29.03)**		**46.04**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(12.73)**		**70.49**
Cash and cash equivalents at the beginning of the year		78.02		7.53
Cash and cash equivalents at the end of the year*		65.29		78.02
* Comprises				
Balances with banks in current account		34.69		77.24
Balances with bank in deposit accounts with original maturity of three months or less		30.00		-
Cash on hand		0.60		0.78
		65.29		**78.02**

See accompanying notes to the standalone financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

Note 1 : Corporate information

IOL Chemicals and Pharmaceuticals Limited ("the Company") (CIN: L24116PB1986PLC007030) is a public company domiciled in India and incorporated on 29th September, 1986 under the provisions of the Companies Act, 1956. The shares of the company are listed on two stock exchanges in India i.e. at National Stock Exchange of India Limited (NSE) and at BSE Limited (BSE). The company is engaged in the manufacturing and selling of Pharmaceutical and Chemical products. The company caters to both domestic and international market.

The registered office of the company is situated at Village & Post Office Handiaya, Fatehgarh Chhanna Road, Barnala-148107, Punjab.

The standalone financial statements are approved for issuance by the Company's Board of Directors on 20th May, 2026.

Note 2 (i): Material accounting policies / critical accounting estimates and judgements

I. Statement of compliance

The standalone financial statements of the company have been prepared in accordance with the Indian Accounting Standards (IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The standalone financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of standalone financial statements

The standalone financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the company is Indian rupee (INR). The standalone financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of standalone financial statements, in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these standalone financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the standalone financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act 2013, duties levies like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the company has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations, and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

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

ii) Export incentives

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

VI. Other income

i) Dividend

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

ii) Interest

Interest from customer

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

Other interest

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

iii) Insurance and other claims

Insurance and other claims are recognized when there exists no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

VII. Employee benefits

- **Short term Employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits, such as salaries, wages, bonus etc.

- **Defined contribution plans**

(i) Provident fund:

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

- **Defined benefit plans**

(i) Gratuity:

The Company provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the company.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each Balance sheet date using the project unit credit method.

The company fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law

The Company recognises the net obligation of a defined benefit plan in its standalone Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

(ii) Compensated absences

The employees of the company are entitled to compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

VIII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

a) Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.

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

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

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

	As per management estimate
General plant & equipment on triple shift basis	15 Years
General plant & equipment on continuous process	15 Years
Co-Generation plant & equipment	4-15 Years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

IX. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method estimated useful lives are reviewed periodically and at end of each reporting period.

The estimated useful life of intangible assets is as follows:

Intangible assets	Estimated useful life
Software	6 years
Technical know	5 years
Patents	20 years

X. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

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

XI. Dividend to equity holders of the Company

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

XII. Government grants

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

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

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

XIII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

XIV. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the standalone financial statements of the enterprise as a whole.

XV. Leases

- **The Company as a lessee**

  The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

  At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

  ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

  The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

  Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

  Lease liability and ROU assets have been separately presented in the standalone Balance Sheet and lease payments have been classified as financing cash flows.

- **The company as a lessor**

  Leases for which the Company is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

  For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

XVI. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous standalone financial statements as recognised in the standalone statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the standalone statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the standalone statement of profit and loss on net basis.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVII. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Current tax expense for the period is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax is recognised using the balance sheet approach on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Deferred tax assets and deferred tax liabilities are off-set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relates to the same taxable entity and the same taxation authority.

XVIII. Earnings per share

Basic earnings per share are computed by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

XIX. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition. However, the trade receivables that doesn't contain a significant financing component are measured at transaction price.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

- **Non-derivative financial instruments**

1. Financial assets carried at amortised cost

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

2. Financial assets at fair value through other comprehensive income

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

The company has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

4. Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- **Financial assets or financial liability at fair value through profit or loss**

This category has financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

- **Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the standalone financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

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

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

- **Equity share capital**

Equity shares

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De-recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three-level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

XX. Impairment of assets

i) Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

XXI. Cash flow statement

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

XXII. Cash and cash equivalent

Cash and cash equivalent for the purpose of statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

XXIII. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the company has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past events, when no reliable estimate is possible.
- A possible obligation arising from past events unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXIV. Current and non-current classification

The company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities include current portion of non-current financial assets and non-current financial liabilities respectively.

Note 2 (ii): Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

Note 3.1 : Property, Plant and Equipment

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Total
Gross carrying value as at 01-Apr-2024	**141.24**	**148.65**	**899.35**	**3.93**	**23.97**	**4.78**	**1,221.92**
Additions	18.85	62.64	218.35	2.42	5.25	1.04	308.55
Disposals / adjustment	-	-	(0.82)	-	(0.97)	(0.72)	(2.51)
Gross carrying value as at 31-Mar-2025	**160.09**	**211.29**	**1,116.88**	**6.35**	**28.25**	**5.10**	**1,527.96**
Additions	0.54	11.22	65.69	0.48	9.00	1.37	88.30
Disposals / adjustment	-	(0.39)	(0.44)	-	(4.37)	(0.82)	(6.02)
Gross carrying value as at 31-Mar-2026	**160.63**	**222.12**	**1,182.13**	**6.83**	**32.88**	**5.65**	**1,610.24**
Accumulated depreciation as at 01-Apr-2024	**-**	**25.96**	**265.66**	**1.58**	**5.94**	**1.66**	**300.80**
Depreciation expense for the year	-	6.52	59.42	0.50	3.08	0.98	70.50
Elimination on Disposals / adjustment	-	-	(0.47)	-	(0.40)	(0.47)	(1.34)
Accumulated depreciation as at 31-Mar-2025	**-**	**32.48**	**324.61**	**2.08**	**8.62**	**2.17**	**369.96**
Depreciation expense for the year	-	8.41	64.96	0.57	3.46	1.13	78.53
Elimination on Disposals / adjustment	-	(0.08)	(0.29)	-	(2.34)	(0.61)	(3.32)
Accumulated depreciation as at 31-Mar-2026	**-**	**40.81**	**389.28**	**2.65**	**9.74**	**2.69**	**445.17**
Net carrying value as at 01-Apr-2024	**141.24**	**122.69**	**633.69**	**2.35**	**18.03**	**3.12**	**921.12**
Net carrying value as at 31-Mar-2025	**160.09**	**178.81**	**792.27**	**4.27**	**19.63**	**2.93**	**1,158.00**
Net carrying value as at 31-Mar-2026	**160.63**	**181.31**	**792.85**	**4.18**	**23.14**	**2.96**	**1,165.07**

Note 3.2 : Capital work in progress

in ₹ Crore

Particulars	Opening	Additions	Capitalized	Closing Balance
Current year	**20.81**	**147.09**	**74.29**	**93.61**
Previous year	99.83	202.86	281.88	20.81

Note 3.3 : Intangible assets

in ₹ Crore

Particulars	Opening	Additions	Capitalized	Closing Balance
Gross carrying value as at 01-Apr-2024	**12.87**	**0.55**	**0.10**	**13.52**
Additions	2.26	-	-	2.26
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2025	**15.13**	**0.55**	**0.10**	**15.78**
Additions	2.02	-	-	2.02
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2026	**17.15**	**0.55**	**0.10**	**17.80**
Accumulated amount of amortization as at 01-Apr-2024	1.40	0.55	-	1.95
Amortization expense for the year	1.48	-	0.01	1.49
Disposals/adjustments	-	-	-	-

in ₹ Crore

Particulars	Opening	Additions	Capitalized	Closing Balance
Accumulated amount of amortization as at 31-Mar-2025	**2.88**	**0.55**	**0.01**	**3.44**
Amortization expense for the year	1.57	-	0.01	1.58
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2026	**4.45**	**0.55**	**0.02**	**5.02**
Net carrying value as at 01-Apr-2024	**11.47**	**-**	**0.10**	**11.57**
Net carrying value as at 31-Mar-2025	**12.25**	**-**	**0.09**	**12.34**
Net carrying value as at 31-Mar-2026	**12.70**	**-**	**0.08**	**12.78**

Note 3.4 : Intangible assets under development

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	**1.12**	**2.75**	**1.94**	**1.93**
Previous year	1.04	2.15	2.07	1.12

Reconciliation of depreciation	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
* Depreciation/Amortization for the year	80.11	71.99
Amount transferred from deferred revenue	(0.04)	(0.07)
Depreciation on Right of use Assets (Refer note no. 37)	0.10	-
Depreciation/Amortization charged to statement of profit or loss	80.17	71.92

Notes:

No borrowing cost was required to be capitalized during the current and previous period.

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

The amount of expenditure recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 3.18 crores (Previous year ₹ 1.95 crores)

3.3aCapital work in progress (CWIP) ageing schedule as on 31-Mar-2026

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	91.68	1.93	-	-	93.61
Projects temporarily suspended	-	-	-	-	-
Total	**91.68**	**1.93**	**-**	**-**	**93.61**

Capital work in progress (CWIP) completion schedule as on 31-Mar-2026

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

Capital work in progress (CWIP) ageing schedule as on 31-Mar-2025

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	14.08	6.73	-	-	20.81
Projects temporarily suspended	-		-	-	-
Total	14.08	6.73	-	-	20.81

Capital work in progress (CWIP) completion schedule as on 31-Mar-2025

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

3.4a Intangible assets under development ageing schedule as on 31-Mar-2026

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.93	-	-	-	1.93
Projects temporarily suspended	-	-	-	-	
Total	1.93	-	-	-	1.93

Intangible assets under development completion schedule as on 31-Mar-2026

in ₹ Crore

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

Intangible assets under development ageing schedule as on 31-Mar-2025

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.12	-	-	-	1.12
Projects temporarily suspended	-	-	-	-	-
Total	1.12	-	-	-	1.12

Notes

Intangible assets under development completion schedule as on 31-Mar-2025

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

4 Right of use assets

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Right of use assets (Refer note no. 37)	-	-
Creation of right of use assets	3.51	-
Less: Depreciation on right of use asset	(0.10)	-
	3.41	-

5 Investments (non-current)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Unquoted (fully paid up)		
Investments carried at cost		
Equity instruments in subsidiary company		
Face value of ₹ 10/- each		
IOL-Foundation		
100000 equity shares (previous year 100000 Equity shares)	0.10	0.10
IOL Life Sciences Limited		
100000 equity shares (previous year 100000 Equity shares)	-	0.10
IOL Speciality Chemicals Limited		
100000 equity shares (previous year 100000 Equity shares)	0.10	0.10
Investment carried at fair value through OCI (FVTOCI)		
Investment in Equity Instruments		
Face value of $ 1/- each		
US pharma Limited		
420 Equity shares (previous year 420 Equity shares)	17.41	17.41
	17.61	17.71
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.61	17.71
Aggregate amount of impairment in value of investment	-	-

6 Investments (current)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds (unquoted)		
228117.384 (228117.384 as at 31-Mar-2025) units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth	0.30	0.31
Other investments (unquoted)		
Investment in Master Portfolio Services Limited MPSL Irage Absolute Return Strategy	3.21	2.99
Total	3.51	3.30
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	3.51	3.30
Aggregate amount of impairment in value of investment	-	-

7 Other financial assets - Non Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Security deposit (to related party)	0.70	-
Interest receivable	0.67	0.24
Fixed deposits account with remaining maturity of more than twelve months		
i) Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	9.42	0.70
ii) Others	34.29	6.94
	45.08	7.88

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

8 Other Non current asset

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
Capital advances	10.40	3.52
Advances other than capital advances		
- Security deposit	3.86	3.85
- Lease hold land prepayments	-	0.14
- Prepaid expenses	0.68	0.51
Balance and deposits with government department or others *	4.78	4.78
	19.72	12.80

* This includes an amount of ₹ 1 crore deposited by the company towards custom duty under protest to Custom Authorities.

No advances are due by directors or other officers of the company or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

9 Inventories *

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Raw materials and components	158.95	168.36
Work-in-progress	47.21	38.62
Finished Goods	146.36	137.67
Stores and Spares	17.30	15.97
Stock in trade	1.25	-
	371.07	360.62
Included above (Goods in transit and at port):		
Raw materials and components	72.76	76.99
Finished Goods	33.29	37.21
	106.05	114.20

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

Inventories includes ₹ 22.39 crore as at 31-Mar-2026 and ₹ 18.84 crore as at 31-Mar-2025 valued at net realisable value.

Value of Inventories above is stated after provisions of ₹ 2.23 crore as at 31-Mar-2026 and ₹ 5.34 crore as at 31-Mar-2025 for write-downs to net realisable value

Cost of inventory recognised as expense during the current year ₹ 1663.63 crore (Previous year ₹ 1484.57 crore)

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

10 Trade receivables

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
From related parties (Refer note no. 40)	-	-
Trade receivables considered good - Unsecured *	601.34	510.02
Trade receivables which have significant increase in Credit Risk	5.85	5.64
Trade receivables- credit impaired	0.53	0.66
Less: Allowances for expected credit loss and doubtful receivables	(4.59)	(2.63)
	603.13	513.69

* Net of bill discounted from banks amounting to ₹ Nil (Previous year ₹ Nil)

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix.

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

Trade receivables ageing schedule as on 31-Mar-2026

in ₹ Crore

Particulars	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	482.92	114.32	3.88	0.22	-	-	601.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-

in ₹ Crore

Particulars	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk		-	-	1.34	4.36	0.15	5.85
(vi) Disputed Trade receivables - credit impaired		-	-	-	-	0.53	0.53
Total	**482.92**	**114.32**	**3.88**	**1.56**	**4.36**	**0.68**	**607.72**
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(4.59)
Total Trade receivables							**603.13**

Trade receivables ageing schedule as on 31-Mar-2025

in ₹ Crore

Particulars	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	377.46	130.57	1.19	0.61	0.18	0.01	510.02
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk		-	1.29	4.35	-	-	5.64
(vi) Disputed Trade receivables - credit impaired		-	-	-	-	0.66	0.66
Total	**377.46**	**130.57**	**2.48**	**4.96**	**0.18**	**0.67**	**516.32**
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(2.63)
Total Trade receivables							**513.69**

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the year	2.63	1.65
- Impairment loss recognized	-	-
- Expected credit loss recognised	1.96	0.98
- Balance at the end of the year	4.59	2.63

11 Cash and cash equivalents

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Balances with banks		
- In current accounts	34.69	77.24
- In deposit accounts (having original maturity of three months or less)	30.00	-
Cash on hand	0.60	0.78
	65.29	**78.02**

12 Other Bank Balances

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	76.48	75.73

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Fixed deposits with original maturity of more than three months but less than twelve months	16.22	5.00
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	-	15.40
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	38.74	31.69
Balances with banks in earmarked accounts for CSR Expenditure	-	0.84
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.52	1.26
	132.96	129.92

13 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
Security deposit (to related party)	-	0.90
Interest receivable	2.90	1.65
Other recoverable	0.13	0.44
Export incentives/ other receivables from Government Authorities	1.50	1.42
Advances to employees	0.90	1.22
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	2.02	-
	7.45	5.63

14 Other Current Assets

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good unless otherwise stated)		
Advances against supply of goods and services		
- to related party (Refer note no. 40)	-	-
- to others	6.00	7.40
Prepaid expenses	9.26	7.87
Balance and deposits with government department or others	13.77	28.31
Security deposit	0.78	0.49
Lease hold land prepayments	-	0.01
Other Receivables	14.29	15.52
	44.10	59.60

No advances are due by directors or other officers of the company or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

15 Equity share capital

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 2/- each (par value)	40,00,00,000	80.00	40,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 2/- each (par value)	29,35,27,510	58.71	29,35,27,510	58.71

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2026		31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the year	29,35,27,510	58.71	5,87,05,502	58.71

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2026		31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Number of Equity shares arising on shares split from ₹ 10/- to ₹ 2 per share *	-	-	23,48,22,008	-
Shares and share capital outstanding at the end of the year	29,35,27,510	58.71	29,35,27,510	58.71

* The equity shares of the company, during the previous year, have been sub-divided from face value of ₹10/- per equity share to face value of ₹2/- per equity share based on approval by the shareholders through Postal Ballot on 31- Jan- 2025. The record date of effecting sub-division of equity share was 11-Mar-2025.

b. Rights, preferences and restrictions attached to equity shares

The company presently has one class of equity shares having a par value of ₹2/- each (previous year ₹2/- each). Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has paid 50% (₹ 1.00 per equity share of ₹ 2/- each) interim dividend during the year ended 31-Mar-2026 and 40% (₹ 0.80 per equity share of ₹ 2/- each) during the year ended 31-Mar-2025.

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

in ₹

Particulars	Year ended 31-Mar-2026	Year ended 31-Mar-2025
Interim dividend	1.00	0.80
Final Dividend	-	-

The Company has incurred a net cash outflow of ₹29.35 Crore during the year ended 31-Mar-2026 (Previous year ₹23.48 Crore) on account of the interim dividend.

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

in ₹ Crore

Particulars	Equity share capital			
	As at 31-Mar-2026		As at 31-Mar-2025	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	6,39,45,330	21.79%	6,32,37,010	21.54%
NM Merchantiles Private Limited	5,01,31,650	17.08%	3,83,90,550	13.08%
Vasudeva Commercials Limited	-		2,33,19,295	7.94%
NCVI Enterprises Limited	4,86,55,000	16.58%	4,68,50,695	15.96%

d. There are no shares issued without payment being received in cash during the last five years.

e. There are no buy back of equity shares during the last five years.

f. There are no bonus shares issued during the last five years.

g. There is no holding / ultimate holding company of the company.

h. Shareholding of Promoter and Promoter Group

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2026		Shareholding of Promoter and Promoter Group as on 31-Mar-2025		% Change during the year
		Number of shares held	% of total shares	Number of shares held	% of total shares	
	Promoter					
1	Varinder Gupta	59,79,325	2.04%	59,79,325	2.04%	-
	Promoter Group					
1	Varinder Gupta HUF	5,500	0.002%	5,500	0.002%	-
2	Mayadevi Polycot Limited	6,39,45,330	21.79%	6,32,37,010	21.54%	0.25%

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2026		Shareholding of Promoter and Promoter Group as on 31-Mar-2025		% Change during the year
		Number of shares held	% of total shares	Number of shares held	% of total shares	
3	NM Merchantiles Private Limited	5,01,31,650	17.08%	3,83,90,550	13.08%	4.00%
4	NCVI Enterprises Limited	4,86,55,000	16.58%	4,68,50,695	15.96%	0.62%
		16,27,37,480	55.44%	14,84,83,755	50.59%	4.85%
	Total Shares held by promoter and Promoter Group at the end of the year	16,87,16,805	57.48%	15,44,63,080	52.63%	4.85%

16 Other Equity

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(i) Reserves and surplus		
a. Capital reserve (Balance at the beginning and end of the year)	10.76	10.76
b. Securities premium account(Balance at the beginning and end of the year)	225.72	225.72
c. Retained earnings		
Opening balance	1,401.82	1,324.30
Add: Profit for the year	137.72	101.00
Less: Interim/final Dividend	(29.35)	(23.48)
Closing balance	1,510.19	1,401.82
d. Remeasurements of defined benefit obligation (Refer note no 36)		
Opening balance	(8.86)	(8.13)
Add: Other comprehensive income/(expense) net of tax impact	1.92	(0.73)
Closing balance	(6.94)	(8.86)
(ii) Net movement in effective portion of cash flow hedge reserve {Refer note no 41(ia)}		
Opening balance	(0.74)	(0.03)
Add: Other comprehensive income/(expense) net of tax impact	0.68	(0.71)
Closing balance	(0.06)	(0.74)
Total	1,739.67	1,628.70

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings if any represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income:

Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

Remeasurements of defined benefit obligation

Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).

17 Lease liabilities

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Lease liabilities Created (Refer note no. 37)	3.50	-
Interest expense on lease liabilities	0.02	-
Payment of lease liabilities	(0.10)	-
	3.42	-
The break-up of current and non-current lease liabilities is as follows:		
Current Lease liabilities	1.02	-
Non Current Lease liabilities	2.40	-

18 Provisions - Non current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for employee benefits:		
- Gratuity (Refer note no. 36)	8.48	4.73
- Compensated absences	2.48	1.96
	10.96	**6.69**

19 Borrowings - Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Loan repayable on demand		
- From Banks (secured)	132.00	117.04
	132.00	**117.04**

Details of security for Loan repayable on demand

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future by way of hypothecation of finished goods, work-in-progress, raw materials, stores and spares, book debts, other current assets and pari-passu charge on fixed assets as collateral security and further secured by personal guarantee of the Managing Director of the company.

Terms:-

Working capital borrowings from banks are repayable on demand.

20 Trade Payable

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Outstanding dues of micro and small enterprises	7.29	6.74
Outstanding dues of creditors other than micro and small enterprises	458.44	409.00
Outstanding dues to related parties (Refer note no. 40)	16.83	11.82
	482.56	**427.56**

Trade payables ageing schedule as on 31-Mar-2026

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME (Refer note no. 46)	14.17	1.46	-	-	-	15.63
(ii) Others	430.33	19.38	0.09	0.22	0.08	450.10
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others						-
Related party (Refer note no. 40)	14.95	1.88				16.83
Total	**459.45**	**22.72**	**0.09**	**0.22**	**0.08**	**482.56**

Trade payables ageing schedule as on 31-Mar-2025

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME (Refer note no. 46)	14.14	2.81	-	-	-	16.95
(ii) Others	383.75	14.61	0.16	0.27	-	398.79
(iii) Disputed dues - MSME		-	-	-	-	-
(iv) Disputed dues - Others						-
Related party (Refer note no. 40)	10.42	1.40				11.82
Total	**408.31**	**18.82**	**0.16**	**0.27**	**-**	**427.56**

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

21 Other financial liabilities - Current

in ₹ Crore

Particulars		As at 31-Mar-2026	As at 31-Mar-2025
Unclaimed dividend		1.52	1.26
Payable to employees			
- to related parties (Refer note no. 40)		0.89	0.71
- to other employees		9.00	8.24
Other liabilities			
- to related parties (Refer note no. 40)		-	-
- to others - Liability for expenses		22.79	12.38
Derivative instruments at fair value through OCI (FVTOCI)			
Foreign exchange forward contracts			
- Cash flow hedges		-	4.96
	(a)	34.20	27.55
Payable on purchase of capital goods	(b)	16.48	18.67
Total	(a+b)	50.68	46.22

22 Other current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Advances from customers	10.70	8.33
Statutory remittances*	4.77	4.98
Deferred capital grants related to Property, plant and equipment	-	0.04
Other payable		
Corporate Social Responsibility (Refer note no. 47)	-	1.18
Security deposit	2.62	2.55
	18.09	17.08

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

23 Current provisions

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for employee benefits:		
- Gratuity (Refer note no 36)	3.01	1.68
- Compensated absences	0.41	0.29
	3.42	1.97

24 Current tax liabilities/(assets) (net)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for Current tax (net of advance tax)	2.35	(0.34)
	2.35	(0.34)

Gross movement in current tax liabilities/(assets)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Net current tax liabilities/(assets) at the beginning of the year	(0.34)	(6.76)
Tax adjustments related to earlier years	(2.55)	2.09
Income tax receipt/(payment) of earlier years	2.56	3.93
Provision for current tax	43.10	22.65
Advance tax paid	(40.42)	(22.25)
Current tax liabilities/(assets)	2.35	(0.34)

25 Revenue from operations

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Sale of products (refer note below)	2,304.51	2,068.19
Other operating revenue		
(i) Export incentives	6.87	6.89
(ii) Miscellaneous sales	4.38	4.13
	2,315.76	2,079.21
Sale of traded goods		
- Chemicals	3.30	-
	2,319.06	2,079.21

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31-Mar-2026 and 31-Mar-2025 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Details of sale of products		
- Chemicals	910.59	858.36
- Pharmaceuticals	1,350.00	1,171.79
- Others	43.92	38.04
	2,304.51	2,068.19

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

26 Other income

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest income (Gross)		
- From bank deposits	13.30	10.58
TDS ₹ 1.33 crore (Previous year ₹ 1.13 crore)		
- On financial assets carried at amortized cost	0.01	-
Other non operating income		
Liabilities no longer required written back	0.12	-
Rent received	-	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.19	0.46
- Gain on fair value changes of financial assets	-	0.02
Gain on foreign currency transaction and translation	4.51	8.34
Amortisation of capital subsidy	-	0.03
Miscellaneous income	3.15	2.95
	21.28	**22.40**

27 Cost of material consumed

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Raw materials including packaging materials consumed		
Opening Stocks	168.36	193.55
Add: Purchases	1,492.20	1,333.15
Total	**1,660.56**	**1,526.70**
Less: Closing stocks	158.95	168.36
Consumption (refer detail below)	**1,501.61**	**1,358.34**
Detail of material consumed		
Acetic Acid	403.86	379.45
Sodium Di Chromate	81.03	73.16
Specially Denatured Spirit	376.84	345.66
Dicyandiamide	49.97	61.40
Toluene	58.20	58.29
Propylene	43.85	39.46
Aluminium Chloride	53.17	45.37
PNCB	45.38	27.22
Others	389.31	328.33
	1,501.61	**1,358.34**

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Inventories at the beginning of the year		
Work-in-progress	38.62	44.85
Finished goods	137.67	164.95
Stock in trade	-	-
(A)	**176.29**	**209.80**
Inventories at the end of the year		
Work-in-progress	47.21	38.62
Finished goods	146.36	137.67
Stock in trade	1.25	-
(B)	**194.82**	**176.29**
(A-B)	**(18.53)**	**33.51**

29 Employee benefits expense

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Salaries and Wages (including Bonus)	222.08	193.64
Contribution to provident and other funds	16.29	14.73
Staff welfare expenses	9.89	8.20
	248.26	**216.57**

30 Finance Cost

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest expense on:		
- working capital	9.61	8.15
- other borrowings	0.36	1.75
Other borrowing costs	4.56	4.86
Interest expense on Lease Liability	0.02	-
	14.55	**14.76**

31 Other expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Power and Fuel	154.93	114.93
Consumption of stores and spares	29.15	22.10

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Repairs and maintenance		
- Plant and Machinery	18.71	15.87
- Building	4.84	5.48
- Others	6.15	3.94
Rent	1.63	1.76
Insurance charges	3.66	5.36
Auditor's Remuneration	0.30	0.27
Rates and Taxes	0.53	0.69
Loss on Property, plant and equipment sold (net)	0.30	0.10
Loss on Property, plant and equipment discarded	0.32	0.08
Loss of other assets discarded	0.14	-
Loss on fair value changes of financial assets measured at FVTPL	0.01	-
Allowance for expected credit loss and doubtful receivables	1.96	0.98
Sundry balances written off	0.15	0.08
Freight outward	46.23	50.96
Other Selling and distribution expenses	8.57	11.25
Expenditure on corporate social responsibility (Refer note no. 47)	3.55	3.05
Miscellaneous expenses	33.48	31.72
	314.61	268.62

32 Current tax and deferred tax

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Current tax		
In respect of current year	43.10	22.65
Tax adjustments related to earlier years	(2.55)	2.09
Total (A)	40.55	24.74
Deferred tax		
In respect of current year	6.17	12.15
Total (B)	6.17	12.15
Total Income tax expense (A+B)	46.72	36.89

(b) Income tax recognised in other Comprehensive income

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	0.65	(0.24)
Net movement in effective portion of cash flow hedge reserve	0.23	(0.24)
Total	0.88	(0.48)

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Profit before tax	184.43	137.89
Income tax expense calculated at 25.1680% (Previous year 25.1680%)	46.42	34.70
Income tax for earlier years recognised in statement of profit and loss	(2.55)	2.09
Income tax impact of expenses availed on payment basis	2.53	(0.11)
Income tax impact of allowances of permanent nature	1.22	0.99
Income tax impact of depreciation & amortisation	(0.13)	(0.06)
Income tax savings on deductions under section 80JJAA	(0.77)	(0.72)
Tax expense charged to statement of profit and loss	46.72	36.89
Effective rate of tax	25.32%	26.75%

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

(d) Movement in deferred tax balances

in ₹ Crore

Particulars	As at 01-Apr-2025	Recognised in statement of Profit and loss	Recognised in OCI	As at 31-Mar-2026
Deferred tax liabilities				
Property, Plant and Equipment	81.18	8.73		89.91
Intangible assets	1.58	0.32		1.90
Fair valuation gain on investments	0.02	(0.01)		0.01
Gross deferred tax liabilities (A)	**82.78**	**9.04**	**-**	**91.82**
Deferred tax assets				
Gratuity	(1.61)	(1.92)	0.65	(2.88)
Leave Encashment Liability (Net)	(0.28)	(0.24)		(0.52)
Lease Liability (net)	-	(0.01)		(0.01)
Expected credit loss	(0.66)	(0.49)		(1.15)
Cash flow hedge	(0.25)	-	0.23	(0.02)
Bonus	(2.17)	(0.21)		(2.38)
Gross deferred tax assets (B)	**(4.97)**	**(2.87)**	**0.88**	**(6.96)**
Net Deferred tax (Asset)/Liabilities (A+B)	**77.81**	**6.17**	**0.88**	**84.86**

in ₹ Crore

Particulars	As at 01-Apr-2024	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2025
Deferred tax liabilities				
Property, Plant and Equipment	67.82	13.36		81.18
Intangible assets	2.87	(1.29)		1.58
Fair valuation gain on investments	0.01	0.01		0.02
Gross deferred tax liabilities (A)	**70.70**	**12.08**	**-**	**82.78**
Deferred tax assets				
Gratuity	(1.88)	0.51	(0.24)	(1.61)
Leave encashment	(0.42)	0.14		(0.28)
Lease Liability (net)	-	-		-
Expected credit loss	(0.42)	(0.24)		(0.66)
Cash flow hedge	(0.01)	-	(0.24)	(0.25)
Bonus	(1.83)	(0.34)		(2.17)
Gross deferred tax assets (B)	**(4.56)**	**0.07**	**(0.48)**	**(4.97)**
Net Deferred tax (Asset)/Liabilities (A+B)	**66.14**	**12.15**	**(0.48)**	**77.81**

33 Earning per share

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

in ₹ Crore

Particulars		For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Total operations for the year			
Profit after tax attributable to equity shareholders (in ₹ crore)	A	137.72	101.00
Weighted average number of equity shares (number)	B	29,35,27,510	29,35,27,510
Weighted average number of equity shares in computing diluted earning per share (number)	C	29,35,27,510	29,35,27,510
Basic earnings per share (₹)	A/B	4.69	3.44
Diluted earnings per share (₹)	A/C	4.69	3.44
Face value per equity share (₹) *		2.00	2.00

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

34 Research and Development expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Research and Development: Revenue expenses		
Raw material consumption	1.56	0.74
Salaries & wages	15.92	12.84
Depreciation	2.19	2.41
Stores & spares and other expenses	3.45	2.25
Cost of utilities	1.20	0.92
	24.32	**19.16**
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	1.69	1.86

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

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
A Contingent liabilities		
i. Claims not acknowledged as debts	0.26	0.26
ii. Bank Guarantee issued in favour of others	3.34	5.26
iii. Others*	2.06	-
	5.66	**5.52**
B Commitments		
i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	69.35	25.42
ii. Export obligations under Advance Authorisation/ Duty Free Import Authorisation #	-	-
iii. Obligations against Import of Goods at concessional rates of duty for specified end use ##	2.83	4.69
	72.18	**30.11**

Export obligations relates to duty saved on import of raw materials under the Advance Authorization Scheme. Under the scheme, the Company is committed to export prescribed times of the value of import of raw materials over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the custom authorities. During the year, the company has executed bonds for an aggregate amount of ₹ 11.31 Crore (Previous Year ₹ 26.16 Crore) in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

Obligations relates to import of goods at concessional rates of duty (under IGCR rules) for manufacturing finished goods. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the custom authorities. The company has executed bonds for an aggregate amount of ₹ 27.65 Crore in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

* The Company has received an Order-In-Original (O-I-O) confirming demand of differential Customs duty of ₹ 0.28 crore, along with interest, penalty of ₹ 0.28 crore under Section 114A of the Customs Act, 1962, additional penalty of ₹ 1.00 crore under section 114AA of Customs Act, 1962 along with redemption fine of ₹ 0.50 crore, aggregating to ₹ 2.06 crore alleging incorrectly availed ASEAN-India FTA exemption by using Certificates of Origin not conforming to the prescribed format under Notification No. 46/2011-Customs read with ASEAN-India FTA Rules of Origin. The Company will be filing an appeal against this order with the appropriate Authority.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

The Company has other commitments for purchase/sale orders which are issued after considering requirements as per the operating cycle for purchase/sale of goods and services, and employee benefits. The Company does not have any long term commitment or material non cancellable contractual commitments/contracts which might have a material impact on the standalone Ind AS financial statements of the Company.

36 Employee benefits

A Defined benefit plan: Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the company's financial statement as at 31-March-2026 and 31-March-2025.

in ₹ Crore

Particulars		Gratuity (Funded)	
		As at 31-Mar-2026	As at 31-Mar-2025
i) Changes in the present value of the obligation			
Present value of obligation as at the beginning of the year		34.18	28.63
Interest cost		2.39	2.08
Current service cost		3.67	2.97
Past Service Cost including curtailment Gains/Losses		9.08	-
Benefits paid		(1.03)	(0.74)
Remeasurement - actuarial (gain) / loss		(2.22)	1.24
Present value of obligation as at the end of the year	A	**46.07**	**34.18**
ii) Changes in the fair value of plan assets			
Fair value of plan assets as at the beginning of the year		27.77	21.15
Actual return on plan assets		2.29	1.80
Contributions		5.55	5.56
Charges deducted		-	-
Benefits paid		(1.03)	(0.74)
Fair value of plan assets as at the end of the year	B	**34.58**	**27.77**
Unfunded Status	(A-B)	11.49	6.41
iii) Amount recognised in the Balance Sheet			
Present value of the defined benefit obligation as at the end of the year		46.07	34.18
Fair value of plan assets as at the end of the year		34.58	27.77
Net asset/(liability) recognised in the Balance Sheet		**(11.49)**	**(6.41)**

in ₹ Crore

Particulars	Gratuity (Funded)	
	As at 31-Mar-2026	As at 31-Mar-2025
iv) Expense recognised in the statement of profit and loss		
Current service cost	3.67	2.97
Net interest cost	0.45	0.54
Expense recognised in the statement of profit and loss	**4.12**	**3.51**
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/ loss for the year on projected benefit obligation (PBO)	(2.22)	1.24
Actuarial (gain)/loss for the year on plan assets	0.35	(0.27)
Total Actuarial (gain)/ loss at the end of the year	**(1.87)**	**0.97**
vi) Bifurcation of actuarial (gain) / loss		
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	(2.56)	0.76
Actuarial (Gain) / loss on arising from change in experience assumption	0.33	0.48
	(2.23)	**1.24**
vii) The major categories of plan assets as a percentage of the fair value of total plan assets		
Investment with the insurer	100%	100%

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

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

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

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
Discount rate (per annum)	7.25%	7.25%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	26.91
Method used	Projected unit credit	

The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

ix) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

x) Sensitivity analysis of the defined benefit obligation:

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
a) Impact of change in discount rate		
Present value of obligation at the end of the year	46.07	34.18
1. Impact due to increase of 0.50%	(1.80)	(1.45)
2. Impact due to decrease of 0.50%	1.96	1.59
b) Impact of change in salary increase		
Present value of obligation at the end of the year	46.07	34.18
1. Impact due to increase of 0.50%	2.00	1.61
2. Impact due to decrease of 0.50%	(1.85)	(1.48)

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

xi) Maturity profile of defined benefit obligation:

in ₹ Crore

Particulars		Gratuity (Funded) 31-Mar-2026
Year ending		
Apr-2026 to Mar-2027	0 to 1 Year	12.51
Apr-2027 to Mar-2028	1 to 2 Year	3.31
Apr-2028 to Mar-2029	2 to 3 Year	1.59
Apr-2029 to Mar-2030	3 to 4 Year	1.17
Apr-2030 to Mar-2031	4 to 5 Year	1.50
Apr-2031 to Mar-2032	5 to 6 Year	1.85
Apr-2032 onwards	6 Year onwards	24.14

xii) Actuarial risks exposures:

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

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

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

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

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

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

xiii) The company expects to contribute ₹ 4.85 crore to the gratuity trust during the year 2026-27.

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

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
Current liability (amount due within one year)	12.51	8.94
Non-current liability (amount due over one year)	33.56	25.24
Total PBO at the end of year	46.07	**34.18**

B Contribution to Provident Fund

The company has recognized an expense of ₹ 11.63 crore (Previous year ₹ 10.67 crore) in respect of contribution to Provident Fund.

37 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Leases

Company as a Lessee

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, etc.). These leasing arrangements, which are non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The changes in the carrying value of ROU assets for the year ended 31-Mar-2026 are as follows :

in ₹ Crore

Particulars	As at	
	31-Mar-2026	31-Mar-2025
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	-	-
Additions	3.51	-
Depreciation*	(0.10)	-
Balance at the end	3.41	-

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

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

in ₹ Crore

Particulars	As at	
	31-Mar-2026	31-Mar-2025
Balance at the beginning	-	-
Additions	3.50	-
Finance cost accrued during the year	0.02	-
Payment of lease liabilities	(0.10)	-
Balance at the end	3.42	-

Payment of Lease liabilities during the current year ₹ 0.10 crore (previous year NIL)

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

in ₹ Crore

Particulars	As at	
	31-Mar-2026	31-Mar-2025
Less than one year	1.35	1.42
One to five years	2.60	0.01
More than five years	-	0.16
Total	3.95	1.59

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

Rental expense recorded under other expenses :

in ₹ Crore

Particulars	Year ended	
	31-Mar-2026	31-Mar-2025
Rent	1.67	1.76

Company as a Lessor

The rental income on assets given on operating lease to the Managing Director of the company is Nil for the year ended 31-Mar-2026 (Previous year ₹ 0.02 Crore).

38. Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting year is pending at the end as follows:

As at 31-March-2026

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in subsidiary	0.20					0.20	0.20
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	45.08					45.08	45.08
Current Investments			3.51			3.51	3.51

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Trade receivables	603.13					603.13	603.13
Cash and cash equivalents	65.29					65.29	65.29
Other Bank Balances	132.96					132.96	132.96
Foreign exchange forward contracts					2.02	2.02	2.02
Other financial current assets	5.43					5.43	5.43
Total	**852.09**	**-**	**3.51**	**-**	**19.43**	**875.03**	**875.03**
Financial Liabilities:							
Short term borrowings	132.00					132.00	132.00
Trade Payables	482.56					482.56	482.56
Lease liabilities Current	1.02					1.02	1.02
Lease liabilities non current	2.40					2.40	2.40
Other financial current liabilities	50.68		-			50.68	50.68
Total	**668.66**	**-**	**-**	**-**	**-**	**668.66**	**668.66**

As at 31-March-2025

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in subsidiary	0.30					0.30	0.30
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	7.88					7.88	7.88
Current Investments			3.30			3.30	3.30
Trade receivables	513.69					513.69	513.69
Cash and cash equivalents	78.02					78.02	78.02
Other Bank Balances	129.92					129.92	129.92
Other financial current assets	5.63					5.63	5.63
Total	**735.44**	**-**	**3.30**	**-**	**17.41**	**756.15**	**756.15**
Financial Liabilities:							
Short term borrowings	117.04					117.04	117.04
Trade Payables	427.56					427.56	427.56
Foreign exchange forward contracts					4.96	4.96	4.96
Other financial current liabilities	41.26		-			41.26	41.26
Total	**585.86**	**-**	**-**	**-**	**4.96**	**590.82**	**590.82**

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-March-2026

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.30		0.30		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	3.21		3.21		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	Refer Note
Foreign exchange forward contracts at fair value through OCI	2.02		2.02		Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Total	22.94	-	5.53	17.41	

Note: The Company holds investment in the equity shares of an unlisted overseas entity. The investment has been classified as a level 3 financial asset under the fair value hierarchy prescribed by Ind AS 113 as the valuation involves significant unobservable inputs.

The fair value of the investment as at 31-Mar-2026 has been determined based on an independent valuation carried out by the Registered Valuer. In arriving at the fair value, the valuer considered appropriate valuation methodologies, including income, market and asset based approaches, and evaluated available financial and operational information relating to the investee entitiy together with relevant industry and market data.

Given the nature of the investment and the absence of directly observable market prices for the shares, the valuation involves the use of significant judgements and estimates, including assumptions relating to future business peformance, discount rates, growth expectations, marketability considerations and other relevant factors. The valuation was performed by considering a range of reasonably possible outcomes and the carrying amount represents managements's best estimate of fair value based on the independent valuer's assessment.

Based on the independent valuation report, in the opinion of management the historical cost of investment of ₹ 17.41 crore represents an appropriate estimate of fair value as at 31-Mar-2026.

As at 31-March-2025

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.31		0.31		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.99		2.99		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Total	20.71	-	3.30	17.41	

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

39 Segment information

I Segment Accounting Policies:

a. Products and services from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risk and returns and financial reporting results reviewed by Chief Operating Decision Maker (CODM), the company has identified the primary business segments which comprised:

The "Chemical" segment produces and sells Ethyl Acetate, Iso Butyl Benzene, Acetyl Chloride, Mono Chloro Acetic Acid, Acetic Anhydride, etc.

The "Pharmaceutical" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lamotrigine, Clopidogrel Bisulphate, Pantoprazole, Levetiracetam, Paracetamol, etc.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

b. Geographical segments - Secondary segments

The geographical segments considered for disclosure are based on markets, as under:

i. India

ii. Rest of the world

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. Segment revenue and expenses:

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales:

Inter segment sales are eliminated in consolidation.

iv. Segment results:

Segment results represents the profit before tax earned by each segment without allocation of other income and unallocable expenses as well as finance costs.

Detail of primary business segment

Products and services

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External Sales	922.81	866.87	1,396.25	1,212.32	-	0.02	-	-	2,319.06	2,079.21
Inter Segment transfer	237.72	212.52	-	-	-	-	(237.72)	212.52	-	-
Interest income					13.30	10.58			13.30	10.58
Other Income		-		-	7.98	11.82			7.98	11.82
Total Revenue	1,160.53	1,079.39	1,396.25	1,212.32	21.28	22.42	(237.72)	212.52	2,340.34	2,101.61

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Results	30.24	15.39	172.27	126.27					202.51	141.66
Unallocated Income (net of unallocated Expenses)					7.69	10.99			7.69	10.99
Profit before tax and interest									210.20	152.65
Finance cost					14.55	14.76			14.55	14.76
Profit before Tax & Extraordinary items									195.65	137.89
Exceptional items					11.21				11.21	-
Tax expense					46.72	36.89			46.72	36.89
Profit after Tax									137.72	101.00
Other Information										
Segment Assets	578.66	534.85	1,512.64	1,381.71		-			2,091.30	1,916.56
Unallocated assets		-		-	495.42	465.22			495.42	465.22
Total Assets	**578.66**	**534.85**	**1,512.64**	**1,381.71**	**495.42**	**465.22**			**2,586.72**	**2,381.78**
Segment Liabilities	297.72	300.16	196.60	194.88		-			494.32	495.04
Unallocated Liabilities	-	-	-	-	162.02	82.29			162.02	82.29
Short term borrowings					132.00	117.04			132.00	117.04
Total Liabilities	**297.72**	**300.16**	**196.60**	**194.88**	**294.02**	**199.33**			**788.34**	**694.37**
Capital Expenditure	21.67	1.69	64.38	165.28	77.88	64.90			163.93	231.87
Depreciation and Amortisation	19.64	21.19	53.76	44.94	6.77	5.79			80.17	71.92

Detail of secondary business segment

Geographical information

in ₹ Crore

Particulars	Year ended	Domestic sale	Export sale			Total
		India	Switzerland	Indonesia	Rest of the world	
Net revenue from sale of products	31-Mar-2026	1,754.79	52.54	47.13	464.60	2,319.06
	31-Mar-2025	1,523.12	51.23	32.07	472.79	2,079.21

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost and tax expense. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, excludes the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amount therefore, form part of the unallocated assets and liabilities.

(ii) There is no customer contributing more than 10% of the total revenue of the company.

(iii) The company does not have manufacturing facilities outside India therefore all non current assets are located in India.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

40 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported years, are:

A. Related party and their relationship:-

Key Management Persons:

i	Whole time directors	Mr. Varinder Gupta	Managing Director
		Mr. Vikas Gupta	Joint Managing Director
		Mr. Abhiraj Gupta	Executive Director
		Mr. Kushal Kumar Rana	Director Works
ii	Non executive directors	Mr. Rajender Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director (upto 22-Sep-2024)
		Mrs. Rajni Jha	Independent Director (w.e.f. 28-Oct-2024)
		Mr. Sharad Tyagi	Independent Director
iii	Chief Executive Officer	Mr. Vikas Vij	(upto 30-Sep-2024)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Senior Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

Nature of relationship	Name of related party
i. Subsidary	IOL- Foundation
	IOL Life Sciences Limited (refer note 48(ix))
	IOL Speciality Chemicals Limited
ii. Overseas Subsidary	IOL Pharmaxis UK Limited (w.e.f. 16-Oct-2025)
iii. Enterprises over which Key Management Persons (KMP) and relative of such persons is able to exercise significant influence or control:	NM Merchantiles Limited (Formerly NM Merchantiles Private Limited)
	Mayadevi Polycot Limited
	NCVI Enterprises Limited
	Varinder Gupta (HUF)
iv. Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

B Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.

in ₹ Crore

Sr. No.	Particulars	Subsidaries		Enterprises over which KMP is able to exercise significant influence or control		Key Management Persons (KMP)		Non executive directors		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
1	Purchase of goods and services:												
	NCVI Enterprises Limited	-	-	40.00	38.35	-	-	-	-	-	-	40.00	38.35
	Mayadevi Polycot Limited	-	-	69.42	54.96	-	-	-	-	-	-	69.42	54.96
	NM Merchantiles Limited	-	-	22.52	7.37	-	-	-	-	-	-	22.52	7.37
2	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	-	-
3	* Managerial remuneration (including incentives)	-	-	-	-	21.75	22.13	-	-	-	-	21.75	22.13
4	Sitting fees to non-executive directors of the company	-	-	-	-	-	-	0.31	0.34	-	-	0.31	0.34

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Sr. No.	Particulars	Subsidaries		Enterprises over which KMP is able to exercise significant influence or control		Key Management Persons (KMP)		Non executive directors		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
5	Rent received	-	-	-	-	-	0.02	-	-	-	-	-	0.02
6	Rent paid	-	-	0.34	0.33	1.21	1.20	-	-	-	-	1.55	1.53
7	Contribution towards CSR expenses	0.94	1.56	-	-	-	-	-	-	-	-	0.94	1.56
8	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	-	-	5.55	5.55	5.55	5.55

C Details of balances outstanding as at the end of the year

in ₹ Crore

Sr. No.	Particulars	Subsidaries		Enterprises over which KMP is able to exercise significant influence or control		Key Management Persons (KMP)		Non executive directors		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
	Amount receivable on the last day the year												
1	Security deposit receivable	-	-	-	-	0.90	0.90	-	-	-	-	0.90	0.90
2	Investment Balance												
	- IOL-Foundation	0.10	0.10									0.10	0.10
	- IOL Life Sciences Limited	-	0.10									-	0.10
	- IOL Speciality Chemicals Limited	0.10	0.10									0.10	0.10
	Amount payable on the last day of the year												
1	Trade payables against purcahse of goods:												
	NCVI Enterprises Limited	-	-	4.02	4.07	-	-	-	-	-	-	4.02	4.07
	Mayadevi Polycot Limited	-	-	11.12	6.26	-	-	-	-	-	-	11.12	6.26
	NM Merchantiles Limited	-	-	1.69	1.49	-	-	-	-	-	-	1.69	1.49
2	* Managerial remuneration	-	-	-	-	0.89	0.71	-	-	-	-	0.89	0.71

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(ii) * Long-term employee benefits for Key Managerial Persons:

The managerial personnel are covered by Company's gratuity policy and are eligible for compensated absences along with other employees of the Company. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

(iii) Related party M/s.NCVI Limited has given surety of ₹ 27.65 Crore on Bonds executed by the Group for import of raw materials at concessional rates of duty for producing finished goods for Export and Domestic sales. Pending remaining amount of commitment is ₹ 2.83 Crore as on 31-Mar-2026 and ₹ 4.69 Crore as on 31-Mar-2025 for production/sale of finished goods against import of raw materials received on these Bonds.

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

41 Financial Risk Management

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

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

(i) Market risk

(ii) Liquidity risk

(iii) Credit risk

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

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

(i) Market Risk

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

(a) Foreign currency risk

The company imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the company is exposed to foreign currency risk and the results of the company may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than company's functional currency.

The company measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The company manages its foreign currency risk through the process of adjusting inward remittances in foreign currency for its payment of outward remittances (i.e. considering it as natural hedge). The Company also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Company's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	97,34,309	89.79	88,11,706	75.56
- In EURO	4,70,374	5.13	15,790	0.15
Trade Payables				
- In USD	2,83,39,961	264.19	3,57,02,594	311.66
- In EURO	76,350	0.83	41,841	0.39
Net exposure				
- In USD	(1,86,05,652)	(174.40)	(2,68,90,888)	(236.10)
- In EURO	3,94,024	4.29	(26,051)	(0.24)

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

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	25,33,547	24.02	84,36,531	72.32
- In EURO	4,70,374	5.13	15,790	0.15
Trade Payables				
- In USD	1,57,02,811	148.91	3,435	0.03
In EURO	76,350	0.83	41,841	0.39
Net exposure				
- In USD	(1,31,69,263)	(124.89)	84,33,096	72.29
- In EURO	3,94,024	4.29	(26,051)	(0.24)

Foreign currency sensitivity analysis

Any changes in the exchange rate of USD and EURO against INR is not expected to have significant impact on the Company's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD and EURO would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variable remains constant:

in ₹ Crore

Particulars	31-Mar-2026		31-Mar-2025	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	(2.50)	2.50	1.45	(1.45)
2% Strengthening / weakening of EURO against INR	0.09	(0.09)	-	-

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
In USD	1,98,37,912	3,60,74,335
in ₹ Crore	181.05	314.87

Derivatives designated as hedging instruments

The Company enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Company. The Company has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

During the current year ended 31-Mar-2026 and previous year ended 31-Mar-2025, the Company has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Opening balance of cash flow hedge reserve	(0.74)	(0.03)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(2.16)	(2.57)
Amount reclassified to profit or loss	3.07	1.62
Tax effect	(0.23)	0.24
Closing balance of cash flow hedge reserve	**(0.06)**	**(0.74)**

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

The following table includes the maturity profile of the foreign exchange forward contracts:

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	USD	in ₹ Crore	USD	in ₹ Crore
Not later than one month	83,22,125	75.91	87,09,192	75.69
Later than one month and not later than three months	96,45,787	87.81	1,41,48,667	123.74
Later than three months and not later than one year	18,70,000	17.33	1,32,16,475	115.44
	1,98,37,912	181.05	3,60,74,335	314.87

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

in ₹ Crore

Variable rate instruments	Carrying amount	
	Financial Year	
	2025-26	2024-25
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	132.00	117.04

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Increase/ (decrease) in 100 basis point	1.32	1.17

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Company will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting year:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	Financial Year	
	2025-26	**2024-25**
Short term borrowings	132.00	117.04
Less than 1 year	132.00	117.04
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	**482.56**	**427.56**
Less than 1 year	482.56	427.56
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	**50.68**	**46.22**
Less than 1 year	50.68	46.22
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The company has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

The following is the detail of revenues generated from top five customers of the company:

in ₹ Crore

Particulars	Financial Year	
	2025-26	**2024-25**
(a) Revenue from top five customers		
- % of total sales of top 1 customer	2.98%	3.08%
- % of total sales of top 5 customers	12.46%	13.18%

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

42 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's gearing ratio was as follows:

in ₹ Crore

Particulars	Financial Year	
	2025-26	**2024-25**
Borrowings including current maturities and interest accrued but not due	132.00	117.04
Less: Cash & cash equivalent and other bank balances	240.44	213.48
Net debt (A)	(108.44)	(96.44)
Total equity (B)	1,798.38	1,687.41
Gearing ratio (A/B)	**N.A.**	**N.A.**

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31-Mar-2026 and 31-Mar-2025.

43 In accordance with the Ind AS-36 on Impairment of Assets, the Company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

44 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 " Statement of Cash Flows" for the period beginning on 1-April-2017

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2025 coming under the financing activities of Cash Flow Statement	**117.04**	**-**
Changes during the year		
a) Changes from financing cash flow	14.96	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates-(Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2026 coming under the financing activities of Cash Flow Statement	**132.00**	**-**

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2024 coming under the financing activities of Cash Flow Statement	**32.76**	**-**
Changes during the year		
a) Changes from financing cash flow	84.28	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates-(Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
"Closing balance of Financial liabilities as on 31-Mar-2025 coming under the financing activities of Cash Flow Statement"	117.04	-

45 Auditor's Remunerations

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Statutory Audit Fee	0.16	0.13
Tax audit fee	0.05	0.04
Taxation matters	0.08	0.08
Other services including certification	0.02	0.02
Reimbursement of expenses	0.00	0.00
	0.30	**0.27**

46 The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
i. Principal amount remaining unpaid to any supplier as at the end of the accounting year	21.69	26.66
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.15	0.12
iii. The amount of interest paid by the buyer in terms of section 16 of the MSME Act, along with the amount of payment made to the suppliers beyond the appointed day during each accounting year	-	-

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
iv. The amount of interest paid along with the amount of payment made to the suppliers beyond the appointed day	-	-
v. The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSME act	-	-
vi. The amount of interest accrued and remaining unpaid at the end of the accounting year	0.15	0.12
vii. The amount of further interest due and payable even in succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis-allowance as a deductible expenditure under section 23	-	-

47 Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"), a company, meeting the applicability criteria requires to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities as provided in Schedule VII of the Companies Act, 2013. The CSR activities are monitored by the CSR Committee formed by the Board of Directors in accordance with the provisions of the Section 135 of the Companies Act 2013 read with CSR Rules.

in ₹ Crore

Particulars	For the year ended	
	31-Mar-2026	31-Mar-2025
Amount required to be spent on CSR by the Company during the year	3.40	4.06
Set-off excess amount spent during previous year	-	1.24
Amount of expenditure incurred	3.51	2.26
Amount contributed to IOL-Foundation as a part of ongoing projects as per Company's CSR Policy	-	-
Excess amount spent during the year	0.11	
Shortfall at the end of the year[1] & [2]	-	0.56
Total of previous years shortfall [2]	-	0.62
Reasons of shortfall	-	The shortfall amount is the amount that is allocated to the Ongoing Projects initiated during FY 2024-25
Nature of CSR activities	Promoting education, healthcare, eradication of hunger and malnutrition, animal care, environment sustainability, disaster relief, Covid-19 relief, sports and rural development projects.	
Contribution IOL-Foundation (related party) in relation to CSR expenditure	0.94	1.56

[1] Represents the amount pertaining to ongoing CSR projects for FY 2024-25, which was transferred to the CSR Unspent Account on 29th April 2025.

[2] During the current year, the company also incurred an expenditure of ₹ 0.65 crore pertaining to ongoing projects for the FY 2022-23 and ₹ 0.56 crore on ongoing projects for the FY 2024-25.

48 Additional Regulatory Information

i The Company is holding title deed of all Immovable Properties held in its own name.

ii The Company is not holding any investment property.

iii The Company has not revalued any of its Property, Plant & Equipment and Right of use assets.

iv The Company has not revalued any of its Intangible Assets

Notes

Annexed to and forming part of Standalone Financial Statements as at and for the year ended 31-Mar-2026

v The Company has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.

vi The Company does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Company as at 31-Mar-2026 for holding any benami property.

vii The quarterly returns for secured borrowings filed with Banks are fully in alignment with its books of account.

viii The Company has never been declared as wilful defaulter by any bank or financial institution or other lenders.

ix "IOL Life Sciences Limited" a subsidary of the company had voluntarily filed application for striking off under Section 248 of the Companies Act, 2013 on January 24, 2026 and its name was subsequently struck off from the Register of Companies w.e.f. April 1, 2026. There is no outstanding of the company with this entity.

x All the charges are duly registered with the ROC within the prescribed time under the Companies Act 2013 & Rules made there under.

xi As at 31-Mar-2026, the Company have wholly owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd. and IOL Pharmaxis UK Limited. The Company is in compliances of requirement of number of layer of companies.

xii There is no scheme of Arrangement approved during the year.

xiii The company has neither received any share premium amount nor the company has availed any term loan during the year. The working capital borrowing has been utilised by the company in its own business, the company has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.

xiv The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

xv There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

49 Financial Ratios:

The following are analytical ratios for the year ended 31-Mar-2026 and 31-Mar-2025:

Ratios	Numerator	Denominator	Current year	Previous year	Change	Note
Current ratio (in times)	Current assets	Current liabilities	1.78	1.89	-6%	NA
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Shareholder's Equity	0.08	0.07	14%	NA
Debt service coverage ratio (in times)	Earnings available for debt service	Interest and lease payments + Principal repayments of long term borrowings	22.61	18.46	22%	NA
Return on Equity ratio (in %)	Profit after Tax	Average Total Equity	7.90%	6.12%	29%	Increase in profit margin and average equity
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	5.11	4.33	18%	NA
Trade receivables turnover ratio (in times)	Net Sale (Revenue from Operation - export incentive)	Average receivables	4.14	4.21	-2%	NA
Trade payables turnover ratio (in times)	Purchases	Average payables	3.65	3.24	12%	NA
Net capital turnover ratio (in times)	Sales revenue	Net working capital (Current Asset - Current Liability)	4.32	3.84	13%	NA

Ratios	Numerator	Denominator	Current year	Previous year	Change	Note
Net profit ratio (in %)	Profit after Tax	Net Sale (Revenue from Operation - export incentive)	5.94%	4.86%	22%	NA
Return on Capital employed (in %)	EBIT (PBT before exceptional items + Finance cost)	Capital employed (Tangible Net Worth+Total Debt+ Deferred Tax Liability)	9.70%	7.91%	23%	NA
Return on investment (in %)	Income generated from invested funds	Average invested funds	7.11%	6.03%	18%	NA

50 On November 21, 2025, the Government of India notified four Labour Codes effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 - Employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss and this approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. Accordingly, the company during December 31, 2025 quarter has recognized an amount of ₹ 11.21 crore under exceptional items towards change in liability of Gratuity & compensated absences.

51 The company has complied with the provisions of Section 186(4) of the companies act, 2013 in respect of investments made (refer note no:6).

52 Figures in bracket indicate deductions.

53 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform to its classification of the current year.

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Independent Auditor's Report

TO THE MEMBERS OF
IOL CHEMICALS AND PHARMACEUTICALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **IOL Chemicals and Pharmaceuticals Limited** ("the Company"), and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026 and their consolidated profit , their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. no.	Key Audit Matter	Auditors' Response
1.	**Revenue recognition:** Refer note 2(ii)(v) and note 25 of the Consolidated Financial Statements. The group's sales revenue mainly arose from sale of Bulk Drugs and Chemical products. The group recognizes sales revenue based on the terms and conditions of transactions, which vary with different customers. For sales transactions in a certain period around balance sheet date, it is essential to ensure whether the transfer of control of the goods by the group to the customer occurs before the balance sheet date or otherwise. Considering that there are significant volume of sales transactions close to the year end, involving material amounts and such revenue recognition is subject to whether transfer of control to the customers has occurred before the balance sheet date or otherwise, we consider the risk of revenue from sale of goods being recognized in the incorrect period, a key audit matter.	**Principal Audit Procedures:** • We evaluated the design of internal controls over recognition of revenue in the appropriate period in accordance with the group's accounting policy. On a sample basis, we tested the operating effectiveness of the internal control relating to determination of point in time at which the transfer of control of the goods occurs. • We tested the relevant information technology systems used in recording revenue including group's system generated reports, based on which selection of samples was undertaken. • On sample basis, we performed test of details of sales recorded close to the year-end through following procedures: i. Analyzed the terms and conditions of the underlying contract with the customer, and

S. no.	Key Audit Matter	Auditors' Response
		ii. Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during specific periods before and after year end to ensure that the correct amount of revenue is recorded in the correct period. iii. Performed substantive testing by selecting samples of revenue transactions pertaining to sale of products during the year and verified the underlying supporting documents including contracts, agreements, sales invoices and dispatch/ shipping documents; **Our Conclusion:** Based on audit procedures performed, we determined that the revenue recognition and measurement is appropriate in the context of the consolidated financial statements taken as a whole.
2.	**Valuation of Inventories:** Refer note 2(x) and note 9 of the Consolidated Financial Statements. As at March 31, 2026, the Company held inventories amounting to ₹371.07 crores, comprising stores and spares, raw materials, work-in-progress and finished goods. Inventories are measured at the lower of cost and net realisable value in accordance with Ind AS 2, "Inventories". The assessment of net realisable value and determination of provisions for slow-moving, obsolete or non-moving inventories involve significant management judgment and estimation. Management considers factors such as inventory ageing, historical consumption patterns, current market conditions, expected future demand and planned utilisation or sale of inventory while assessing the adequacy of inventory provisions. Considering the materiality of the inventory balance and the significant judgments involved in determining the recoverability and valuation of inventories, we identified this matter as a Key Audit Matter.	**Principal Audit Procedures:** We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by: • Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk. • Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification. Reviewing the document and other record related to physical verification of inventories done by the management during the year. • Verifying for a sample of individual products that costs have been correctly recorded. Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. **Our Conclusion :** Based on the audit procedures performed, we did not identify any material exceptions in the Inventory valuation.

Information Other than Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial statements, including the disclosures, and whether the Consolidated Financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the company and the subsidiaries regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March 2026 taken on record by the Board of Directors, none of the directors of the company and its subsidiaries incorporated in India are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's and the subsidiary's internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated financial position – Refer Note 35

      ii. The Group does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, if any, to the Investor Education and Protection Fund by the company and its subsidiary companies incorporated in India.

      iv. (a) The respective Managements of the company and it's subsidiaries which are incorporated in India has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and it's subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the company and its subsidiaries which are incorporated in India have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company and its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiaries which are companies incorporated in India, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 15(b) to the Consolidated Financial Statements

(a) The interim dividend declared and paid by the Parent Company during the year and until the date of this report is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with and the audit trial has been preserved by the group as per the statutory requirements for the record retention.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the Consolidated Financial Statements of the group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Sd/-
Aditya Kumar
Partner
Membership No.:506955
UDIN: 26506955JMMYSQ7046

Place: Ludhiana
Dated: May 20th, 2026

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of IOL Chemicals and Pharmaceuticals Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Financial Statements of IOL Chemicals and Pharmaceuticals Limited ("the Company") and its subsidiary companies, which are companies incorporated in India, as of March 31, 2026 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India(the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company and its subsidiary Companies internal financial controls with reference to Consolidated Financial Statements, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A group's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal control with reference to Consolidated Financial Statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Aditya Kumar
Partner
Membership No.:506955
UDIN: 26506955JMMYSQ7046

Place: Ludhiana
Dated: May 20th, 2026

Consolidated Balance Sheet

as at 31-March-2026

in ₹ Crore

Particulars	Note No.	As at 31-Mar-2026	As at 31-Mar-2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,165.38	1,158.37
(b) Right of use assets	4	3.41	-
(c) Capital work-in-progress	3.2	93.61	20.81
(d) Other Intangible assets	3.3	12.78	12.34
(e) Intangible assets under development	3.4	1.93	1.12
(f) Financial assets			
(i) Investments	5	17.41	17.41
(ii) Other financial assets	7	45.08	7.88
(g) Other non-current assets	8	19.72	12.80
Total non-current assets		**1,359.32**	**1,230.73**
2 Current assets			
(a) Inventories	9	371.07	360.62
(b) Financial assets			
(i) Investments	6	3.51	3.30
(ii) Trade receivables	10	603.13	513.69
(iii) Cash and cash equivalents	11	65.35	78.17
(iv) Bank balances other than (iii) above	12	133.01	129.98
(v) Other financial assets	13	7.45	5.63
(c) Current tax assets (net)	24	-	0.34
(d) Other current assets	14	44.11	59.61
Total current assets		**1,227.63**	**1,151.34**
TOTAL ASSETS		**2,586.95**	**2,382.07**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	58.71	58.71
(b) Other equity	16	1,739.84	1,628.95
Total equity		**1,798.55**	**1,687.66**
Liabilities			
1 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ia) Lease liabilities	17	2.40	-
(b) Provisions	18	10.96	6.69
(c) Deferred tax liabilities (net)	32	84.86	77.81
Total non-current liabilities		**98.22**	**84.50**
2 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	132.00	117.04
(ia) Lease liabilities	17	1.02	-
(ii) Trade payables	20	482.56	427.56
(iii) Other financial liabilities	21	50.73	46.25
(b) Other current liabilities	22	18.10	17.09
(c) Provisions	23	3.42	1.97
(d) Current tax liabilities (net)	24	2.35	-
Total current liabilities		**690.18**	**609.91**
TOTAL EQUITY AND LIABILITIES		**2,586.95**	**2,382.07**
Corporate information	1		
Material accounting policies	2		

See accompanying notes forming part of consolidated financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31-March-2026

in ₹ Crore

	Particulars	Note No.	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
	Income:			
I	Revenue from operations	25	2,319.06	2,079.21
II	Other income	26	21.38	22.41
III	**Total income (I+II)**		**2,340.44**	**2,101.62**
IV	**Expenses:**			
	Cost of materials consumed	27	1,501.61	1,358.34
	Purchase of stock-in-trade		4.02	-
	Changes in inventories of finished goods, work in progress and stock in trade	28	(18.53)	33.51
	Employee benefits expense	29	248.26	216.57
	Finance cost	30	14.55	14.76
	Depreciation and amortization expense	3	80.23	71.99
	Other expenses	31	314.73	268.49
	Total expenses (IV)		**2,144.87**	**1,963.66**
V	**Profit before exceptional items and tax (III-IV)**		195.57	137.96
VI	**Exceptional items**	47	11.21	-
VII	**Profit before tax (V-VI)**		**184.36**	**137.96**
VIII	**Tax expense:**			
	Current tax		40.55	24.74
	Deferred tax		6.17	12.15
	Total tax expense (VIII)	32	**46.72**	**36.89**
IX	**Profit for the year (VII-VIII)**		**137.64**	**101.07**
X	**Other Comprehensive Income / (loss)**			
A	i) Items that will not be reclassified to profit or loss		2.57	(0.97)
	ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.65)	0.24
B	i) Items that will be reclassified to profit or loss		0.91	(0.95)
	ii) Income tax relating to items that will be reclassified to profit or loss	32	(0.23)	0.24
	Total other comprehensive income/(loss) for the year, net of tax (X)		**2.60**	**(1.44)**
XI	**Total Comprehensive Income for the year (IX+X)**		**140.24**	**99.63**
XII	Earnings per equity share of ₹2/- each	33		
	- Basic & Diluted (in ₹/share)		4.69	3.44
	Weighted average number of equity shares used in computing earnings per equity share			
	- Basic & Diluted		29,35,27,510	29,35,27,510
	Corporate information	1		
	Material accounting policies	2		

See accompanying notes forming part of consolidated financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31-march-2026

A. Equity Share capital

(1) Current reporting year from 01-Apr-2025 to 31-Mar-2026

in ₹ Crore

Balance as at beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current reporting year	Balance as at the end of the current reporting year
58.71	-	58.71	-	58.71

(2) Previous reporting year from 01-Apr-2024 to 31-Mar-2025

in ₹ Crore

Balance as at beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the current reporting year	Balance as at the end of the current reporting year
58.71	-	58.71	-	58.71

B. Other Equity

(1) Current reporting year from 01-Apr-2025 to 31-Mar-2026

Consolidated Statement of changes in Other Equity

in ₹ Crore

Particulars	Other equity					Total
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the current year	10.76	225.72	1,402.07	(8.86)	(0.74)	1,628.95
Profit for the year transferred from statement of profit and loss	-	-	137.64	-	-	137.64
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	1.92	-	1.92
Net movement in effective portion of cash flow hedge reserve (net of income tax)	-	-	-	-	0.68	0.68
Total Comprehensive Income for the year	**-**	**-**	**137.64**	**1.92**	**0.68**	**140.24**
Dividend paid on equity shares	-	-	(29.35)	-	-	(29.35)
Balance as at the end of the current year	**10.76**	**225.72**	**1,510.36**	**(6.94)**	**(0.06)**	**1,739.84**

Consolidated Statement of Changes in Equity

for the year ended 31-march-2026

(2) Previous reporting year from 01-Apr-2024 to 31-Mar-2025

CONSOLIDATED STATEMENT OF CHANGES IN OTHER EQUITY

in ₹ Crore

Particulars	Other equity					Total
	Reserves and Surplus				Other comprehensive income	
	Capital reserve	Securities premium	Retained Earnings	Remeasurement of Defined benefit obligation	Effective portion of cash flow hedge reserve	
Balance as at beginning of the previous year	**10.76**	**225.72**	**1,324.48**	**(8.13)**	**(0.03)**	**1,552.80**
Profit for the year transferred from statement of profit and loss	-	-	101.07	-	-	101.07
Remeasurement gain/(loss) of defined benefit obligation (net of income tax)	-	-	-	(0.73)	-	(0.73)
Net movement in effective portion of cash flow hedge reserve (net of income tax)	-	-	-	-	(0.71)	(0.71)
Total Comprehensive Income for the year	**-**	**-**	**101.07**	**(0.73)**	**(0.71)**	**99.63**
Dividend paid on equity shares	-	-	(23.48)	-	-	(23.48)
Balance as at the end of the previous year	**10.76**	**225.72**	**1,402.07**	**(8.86)**	**(0.74)**	**1,628.95**

See accompanying notes forming part of consolidated financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31-march-2026

Particulars	For the year ended 31-Mar-2026		For the year ended 31-Mar-2025	
Cash flow from operating activities				
Profit before tax		184.36		137.96
Adjustments for:				
Depreciation and amortisation expense	80.23		71.99	
Net (Gain)/Loss on current investment (net of expenses)	(0.24)		(0.41)	
Unrealised foreign exchange (Gain)/Loss on foreign currency rate fluctuation	3.01		3.88	
Net (Gain)/Loss on fair valuation of investments measured at fair value through profit or loss	0.01		(0.02)	
Subsidy Income amortized	-		(0.03)	
Interest income on financial assets carried at amortized cost net of rent amortized during the year	(0.01)		-	
Sundry balances written off	0.15		0.08	
Liabilities no longer required written back	(0.12)		-	
Net (Gain)/Loss on Property, plant and equipment sold	0.30		0.10	
Loss on Property, plant and equipment discarded	0.32		0.08	
Loss on other asset discarded	0.14			
Interest expense	14.55		14.76	
Interest income	(13.30)		(10.58)	
		85.04		79.85
Operating profit before working capital changes		**269.40**		**217.81**
Changes in working capital:				
Increase/(Decrease) in trade payables and other liabilities	66.69		(46.05)	
Decrease/(Increase) in trade and other receivables	(73.46)		(39.04)	
Decrease/(Increase) in inventories	(10.45)		64.22	
		(17.22)		(20.87)
Cash generated from operations		**252.18**		**196.94**
Income tax paid (net)		(37.86)		(18.32)
Net cash flow from/(used in) operating activities (A)		**214.32**		**178.62**
Cash flow from investing activities				
Purchase of property, plant and equipment including intangible assets and Capital work in progress		(172.99)		(213.55)
Proceeds from sale of property, plant and equipment		2.09		0.98
Interest received		11.63		12.33
Bank balances not considered as cash and cash equivalents:				
(Increase)/Decrease in deposit with banks, having original maturity more than three months		(39.32)		45.91
(Increase)/Decrease in deposit with banks, in earmarked accounts to the extent held as margin money against borrowings and other commitments		0.48		0.15
Net cash flow from/(used in) investing activities (B)		**(198.11)**		**(154.18)**

Consolidated Cash Flow Statement

for the year ended 31-march-2026

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Cash flow from financing activities		
Proceeds/(Repayment) of current borrowings	14.96	84.28
Interest paid	(14.53)	(14.76)
Lease rent payments	(0.11)	-
Dividend paid on Equity shares	(29.35)	(23.48)
Net cash flow from/(used in) financing activities (C)	**(29.03)**	**46.04**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(12.82)**	**70.48**
Cash and cash equivalents at the beginning of the year	78.17	7.69
Cash and cash equivalents at the end of the year *	65.35	78.17
* Comprises		
Balances with banks in current account	34.75	77.39
Balances with bank in deposit accounts with original maturity of three months or less	30.00	
Cash on hand	0.60	0.78
	65.35	**78.17**

See accompanying notes forming part of consolidated financial statements

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the Board of Directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Note 1: Corporate information

IOL Chemicals and Pharmaceuticals Limited ("the Company") (CIN: L24116PB1986PLC007030) is a public company domiciled in India and incorporated on 29th September, 1986 under the provisions of the Companies Act, 1956. The shares of the company are listed on two stock exchanges in India i.e. at National Stock Exchange of India Limited (NSE) and at BSE Limited (BSE). The company is engaged in the manufacturing and selling of Pharmaceutical and Chemical products. The company caters to both domestic and international market.

The registered office of the company is situated at Village & Post Office Handiaya, Fatehgarh Chhanna Road, Barnala-148107, Punjab.

The consolidated financial statements are approved for issue by the Board of Directors on 20th May, 2026.

Note 2 (i): Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Non-Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

In accordance with Para 25 of IND AS 110, retained investments in former subsidiaries where control is lost during the year; provided the investee entity remains an associate of the company; are valued at fair value on the date of loss of control and such fair value is recognised through the consolidated profit and loss statement. Such fair value is regarded as the cost on initial recognition of an investment in the associate in the consolidated balance sheet of the company.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of Entity	Relationship	Country of Incorporation	Ownership Held By	% of Holding and Voting Power either Directly or indirectly through Subsidiary as at	
				31.03.2026	31.03.2025
IOL- Foundation	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%
IOL Life Sciences Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	-	100%
IOL Speciality Chemicals Limited	Subsidiary	India	IOL Chemicals and Pharmaceuticals Ltd.	100%	100%
IOL Pharmaxis UK Limited	Subsidiary	UK	IOL Chemicals and Pharmaceuticals Ltd.	100%	-

Note 2 (ii): Material accounting policies / critical accounting estimates and judgements

I. Statement of compliance

The consolidated financial statements of the group have been prepared in accordance with the Indian Accounting Standards(IND AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time. The financial statements have been prepared on going concern basis and all the applicable Ind AS effective as on the reporting date have been complied with.

II. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. Functional and presentation currency

The functional currency of the group is Indian rupee (INR). The consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to nearest crore up to two decimals, unless otherwise stated.

IV. Use of estimates and judgements

The preparation of consolidated financial statements, in conformity with Ind AS requires the group to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and use of assumptions in these consolidated financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management become aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made, and if material, their effects are disclosed in the notes to the financial statements.

V. Revenue recognition from operations

i) Revenue from sale of goods and services

Revenue from contracts with customer is recognized when control of goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services, and excludes taxes and levies collected on behalf of the Government. In accordance with Ind AS 115 on revenue and schedule III of Companies Act 2013, duties levies like GST are not part of revenue.

Generally, control is transfer upon shipment of goods to the customer or when the goods are made available to the customer, provided the transfer of the title to the customer occurs and the group has not retained any significant title of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognized overtime by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

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

ii) Export incentives

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

VI. Other income

i) Dividend

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

ii) Interest

Interest from customer

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

Other interest

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

iii) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

VII. Retirement and other employee benefits

- Defined contribution plans

(i) Provident fund:

Employees receive benefit in the form of Provident fund which is a defined contribution plan. The group has no obligation, other than the contribution payable to the provident fund. The group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

- Defined benefit plans

(i) Gratuity:

The group provides for gratuity a defined benefit retirement plan "The gratuity plan" covering eligible employees. The gratuity plan provides for lump sum payment to vested employee at retirement, death, incapacitation, or termination of employee of an amount based on the respective employees' salary and the tenure of employment with the Group.

Liability with regard to Gratuity Plan is determined by actuarial valuation, performed by an independent actuary at each consolidated Balance sheet date using the project unit credit method.

The group fully contributes all ascertained liabilities to the IOL Chemicals and Pharmaceuticals Ltd Group Gratuity Trust. Contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian Law

The group recognises the net obligation of a defined benefit plan in its consolidated Balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations is recognized in Other Comprehensive Income.

(ii) Compensated absences

The employees of the group are entitled for compensated absences. The employee can carry forward a portion of unutilised accumulated compensated absences and utilise it in future period or encash the leaves on retirement or on termination. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the consolidated Balance Sheet date, the cost of providing benefit is determined based on actuarial valuation using projected unit credit method. Actuarial gain /loss are recognised in the statement of profit or loss in the period in which they occur. Non accumulating compensated absences are recognised in the period, in which the absences occur.

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VIII. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost and not depreciated. The Cost of an item of Property, Plant and Equipment comprises:

a) Its purchase price net of recoverable taxes wherever applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.

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

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

Depreciation on property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of asset, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement and maintenance support, etc.:

	As per management estimate
General plant & equipment on triple shift basis	15 years
General plant & equipment on continuous process	15 Years
Co-Generation plant & equipment	4-15 Years

Depreciation is calculated on pro-rata basis from the date of installation till the date the asset sold or discarded.

Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under Capital work-in-progress. The depreciation method, useful lives and residual value are reviewed periodically and at the end of each reporting period.

IX. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation and impairment if any. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence etc. The amortization method, estimated useful lives are reviewed periodically and at end of each reporting period.

The estimated useful life of intangible assets is as follows:

Intangible assets	Estimated useful life
Software	6 years
Technical know	5 Years

X. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

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

XI. Government grants

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

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

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

XII. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange difference, if any, to the extent regarded as an adjustment to the borrowing cost.

XIII. Segment information

Segment information is prepared in conformity with Ind AS 108 "Operating Segments" and the accounting policies adopted for preparing and presenting the consolidated financial statements of the enterprise as a whole.

XIV. Leases

- **The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease.

Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the consolidated Balance Sheet and lease payments have been classified as financing cash flows.

- **The group as a lessor**

Leases for which the group is a lessor is classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

XV. Foreign currency transactions

Transactions in foreign currency are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary items denominated in foreign currency are restated using the prevailing exchange rate as on consolidated balance sheet date.

Exchange differences arising on the settlement of monetary items or on reinstatement of monetary items at rates different from rates at which these were translated on initial recognition during the period or reported in previous consolidated financial statements as recognised in the consolidated statement of profit or loss in the period in which they arise.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statements of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the consolidated statement of profit and loss on net basis.

Non-monetary items are measured in terms of historical cost in a foreign currency is translated using the exchange rate at the date of the transaction.

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In case of an asset, expenses or income where a non-monetary advance is paid/ received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

XVI. Accounting for taxes on income

Income tax expense comprises current income tax and deferred tax.

Income tax expense is recognised in the consolidated statement of profit and loss except when they relate to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination. Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry forwards and unused tax credits could be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries, branches and associated companies and interests in joint arrangements are not recognised if the Company is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

XVII. Earnings per share

Basic earnings per share are computed by dividing the consolidated net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

XVIII. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Initial recognition and measurement

All financial assets and liabilities are recognized at fair value on initial recognition.

Transaction cost in relation to financial assets and financial liabilities other than those carried at fair value through profit or loss (FVTPL) are added to the fair value on initial recognition.

Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are carried at fair value through profit or loss are immediately recognized in the statement of profit or loss.

ii. Subsequent measurement

- **Non-derivative financial instruments**

1. Financial assets carried at amortised cost

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

2. Financial assets at fair value through other comprehensive income

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

The group has made an irrevocable election for its investment which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the group has made an irrevocable election based on its business model, for its investment which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

4. Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- **Financial assets or financial liability at fair value through profit or loss**

This category has financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/ current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

- **Derivative financial instruments and hedge accounting**

In the ordinary course of business, the group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign. The instruments are confined principally to forward foreign exchange contracts. The instruments are employed as hedges of transactions included in the consolidated financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The group adopts hedge accounting for forward foreign exchange contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The

Notes

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ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

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

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated statement of profit and loss for the period.

De-recognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for De recognition under Ind AS 109.

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Fair value of financial instruments

The fair value of financial instruments is determined using the valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

XIX. Impairment of assets

i) Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

ii) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU (Cash Generating unit) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

XX. Cash flow statement

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

XXI. Cash and cash equivalent

Cash and cash equivalent for the purpose of consolidated statement of cash flows include bank balances, where the original maturity is three months or less. Other short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

XXII. Provisions and contingent liabilities

A provision is recognized if, as a result of past event, the group has a present obligation (legal or constructive) and on management judgement that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

XXIII. Current and non-current classification

The group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities. This is based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents. Current Assets and current liabilities includes current portion of non-current financial assets and non-current financial liabilities respectively.

Note 2 (iii): Critical accounting estimates

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

The group reviews the useful life of property, plant and equipment at the end of each reporting date.

Recoverable amount of property, plant and equipment

The recoverable amount of property plant and equipment is based on estimates and assumptions regarding the expected market outlook and expected future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

Post-retirement benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions including any changes in these assumptions that may have a material impact on the resulting calculations.

Recognition of deferred tax assets

Recognition of deferred tax assets depends upon the availability of future profits against which tax losses carried forward can be used.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Note 3.1 : Property, Plant and Equipment

in ₹ Crore

Particulars	Freehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	CSR Assets	Total
Gross carrying value as at 01-Apr-2024	**141.24**	**148.65**	**899.35**	**3.93**	**23.97**	**4.78**	**0.53**	**1,222.45**
Additions	18.85	62.64	218.35	2.42	5.25	1.04	-	308.55
Disposals / adjustment	-	-	(0.82)	-	(0.97)	(0.72)	-	(2.51)
Gross carrying value as at 31-Mar-2025	**160.09**	**211.29**	**1,116.88**	**6.35**	**28.25**	**5.10**	**0.53**	**1,528.49**
Additions	0.54	11.22	65.69	0.48	9.00	1.37	-	88.30
Disposals / adjustment	-	(0.39)	(0.44)	-	(4.37)	(0.82)	-	(6.02)
Gross carrying value as at 31-Mar-2026	**160.63**	**222.12**	**1,182.13**	**6.83**	**32.88**	**5.65**	**0.53**	**1,610.77**
Accumulated depreciation as at 01-Apr-2024	**-**	**25.96**	**265.66**	**1.58**	**5.94**	**1.66**	**0.09**	**300.89**
Depreciation expense for the year	-	6.52	59.42	0.50	3.08	0.98	0.07	70.57
Elimination on Disposals / adjustment	-	-	(0.47)	-	(0.40)	(0.47)	-	(1.34)
Accumulated depreciation as at 31-Mar-2025	**-**	**32.48**	**324.61**	**2.08**	**8.62**	**2.17**	**0.16**	**370.12**
Depreciation expense for the year	-	8.41	64.96	0.57	3.46	1.13	0.06	78.59
Elimination on Disposals / adjustment	-	(0.08)	(0.29)	-	(2.34)	(0.61)	-	(3.32)
Accumulated depreciation as at 31-Mar-2026	**-**	**40.81**	**389.28**	**2.65**	**9.74**	**2.69**	**0.22**	**445.39**
Net carrying value as at 01-Apr-2024	**141.24**	**122.69**	**633.69**	**2.35**	**18.03**	**3.12**	**0.44**	**921.56**
Net carrying value as at 31-Mar-2025	**160.09**	**178.81**	**792.27**	**4.27**	**19.63**	**2.93**	**0.37**	**1,158.37**
Net carrying value as at 31-Mar-2026	**160.63**	**181.31**	**792.85**	**4.18**	**23.14**	**2.96**	**0.31**	**1,165.38**

Note 3.2 : Capital work in progress

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	**20.81**	**147.09**	**74.29**	**93.61**
Previous year	99.83	202.86	281.88	20.81

Note 3.3 : Intangible assets

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Gross carrying value as at 01-Apr-2024	**12.87**	**0.55**	**0.10**	**13.52**
Additions	2.26	-	-	2.26
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2025	**15.13**	**0.55**	**0.10**	**15.78**
Additions	2.02	-	-	2.02
Disposals/adjustments	-	-	-	-
Gross carrying value as at 31-Mar-2026	**17.15**	**0.55**	**0.10**	**17.80**

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Accumulated amount of amortization as at 01-Apr-2024	**1.40**	**0.55**	**-**	**1.95**
Amortization expense for the year	1.48	-	0.01	1.49
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2025	**2.88**	**0.55**	**0.01**	**3.44**
Amortization expense for the year	1.57	-	0.01	1.58
Disposals/adjustments	-	-	-	-
Accumulated amount of amortization as at 31-Mar-2026	**4.45**	**0.55**	**0.02**	**5.02**
Net carrying value as at 01-Apr-2024	**11.47**	**-**	**0.10**	**11.57**
Net carrying value as at 31-Mar-2025	**12.25**	**-**	**0.09**	**12.34**
Net carrying value as at 31-Mar-2026	**12.70**	**-**	**0.08**	**12.78**

Note 3.4 : Intangible assets under development

in ₹ Crore

Particulars	Opening Balance	Additions	Capitalized	Closing Balance
Current year	**1.12**	**2.75**	**1.94**	**1.93**
Previous year	1.04	2.15	2.07	1.12

Reconciliation of depreciation	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
* Depreciation/Amortization for the year	80.17	72.06
Amount transferred from deferred revenue	(0.04)	(0.07)
Depreciation on Right of use Assets (Refer note no. 37)	0.10	-
Depreciation/Amortization charged to statement of profit or loss	80.23	71.99

Notes:

No borrowing cost was required to be capitalized during the current and previous period.

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

The amount of expenditure recognised in the carrying amount of Property, Plant and Equipment in the course of construction is ₹ 3.18 crores (Previous year ₹ 1.95 crores)

3.3a Capital work in progress (CWIP) ageing schedule as on 31-Mar-2026

in ₹ Crore

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	91.68	1.93	-	-	93.61
Projects temporarily suspended	-	-	-	-	-
Total	**91.68**	**1.93**	**-**	**-**	**93.61**

Capital work in progress (CWIP) completion schedule as on 31-Mar-2026

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

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Capital work in progress (CWIP) ageing schedule as on 31-Mar-2025

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	14.08	6.73	-	-	20.81
Projects temporarily suspended	-	-	-	-	-
Total	**14.08**	**6.73**	**-**	**-**	**20.81**

Capital work in progress (CWIP) completion schedule as on 31-Mar-2025

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

3.4a Intangible assets under development ageing schedule as on 31-Mar-2026

in ₹ Crore

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.93	-	-	-	1.93
Projects temporarily suspended	-	-	-	-	
Total	**1.93**	**-**	**-**	**-**	**1.93**

Intangible assets under development completion schedule as on 31-Mar-2026

in ₹ Crore

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

Intangible assets under development ageing schedule as on 31-Mar-2025

	Amount of Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	1.12	-	-	-	1.12
Projects temporarily suspended	-	-	-	-	-
Total	**1.12**	**-**	**-**	**-**	**1.12**

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Intangible assets under development completion schedule as on 31-Mar-2025

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

4 Right of use assets

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Right of use assets (Refer note no 37)	-	-
Creation of right of use assets	3.51	-
Less: Depreciation on right of use asset	(0.10)	-
	3.41	-

5 Investments (non-current)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Unquoted (fully paid up)		
Investment carried at fair value through OCI (FVTOCI)		
Investment in Equity Instruments		
Face value of $ 1/- each		
USpharma Limited		
420 Equity shares (previous year 420 Equity shares)	17.41	17.41
	17.41	17.41
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	17.41	17.41
Aggregate amount of impairment in value of investment	-	-

6 Investments (current)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Unquoted		
Investment carried at fair value through Profit or loss (FVTPL)		
Investment in mutual funds (unquoted)		
228117.384 (228117.384 as at 31-Mar-2025) units of ₹10/- each of Sundaram Flexi Cap Fund - Regular Growth	0.30	0.31
Other investments (unquoted)		
Investment in Master Portfolio Services Limited MPSL Irage Absolute Return Strategy	3.21	2.99
Total	3.51	3.30
Aggregate amount of quoted investments and market value of quoted investments	-	-
Aggregate amount of unquoted investments	3.51	3.30
Aggregate amount of impairment in value of investment	-	-

7 Other financial assets - Non Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Security deposit (to related party)	0.70	-
Interest receivable	0.67	0.24
Fixed deposits account with remaining maturity of more than twelve months		
i) Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments	9.42	0.70
ii) Others	34.29	6.94
	45.08	7.88

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

8 Other Non current assets

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
Capital advances	10.40	3.52
Advances other than capital advances		
- Security deposit	3.86	3.85
- Lease hold land prepayments	-	0.14
- Prepaid expenses	0.68	0.51
Balance and deposits with government department or others *	4.78	4.78
	19.72	12.80

* This includes an amount of ₹ 1 crore deposited by the group towards custom duty under protest to Custom Authorities.

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

9 Inventories *

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Raw materials and components	158.95	168.36
Work-in-progress	47.21	38.62
Finished Goods	146.36	137.67
Stores and Spares	17.30	15.97
Stock in trade	1.25	-
	371.07	360.62
Included above (Goods in transit and at port):		
Raw materials and components	72.76	76.99
Finished Goods	33.29	37.21
	106.05	114.20

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

Inventories includes ₹ 22.39 crore as at 31-Mar-2026 and ₹ 18.84 crore as at 31-Mar-2025 valued at net realisable value.

Value of Inventories above is stated after provisions of ₹ 2.23 crore as at 31-Mar-2026 and ₹ 5.34 crore as at 31-Mar-2025 for write-downs to net realisable value

Cost of inventory recognised as expense during the current year ₹ 1663.63 crore (Previous year ₹ 1484.57 crore)

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

10 Trade receivables

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
From related parties (Refer note no 40)	-	-
Trade receivables considered good - Unsecured *	601.34	510.02
Trade receivables which have significant increase in Credit Risk	5.85	5.64
Trade receivables- credit impaired	0.53	0.66
Less: Allowances for expected credit loss and doubtful receivables	(4.59)	(2.63)
	603.13	513.69

* Net of bill discounted from banks amounting to ₹ Nil (Previous year ₹ Nil)

Expected credit loss allowance for trade receivable is based on historical credit loss experience and adjustment for forward looking information. The computation of expected credit allowance for trade receivables is based on the provision matrix. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in provision matrix.

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

Trade receivables ageing schedule as on 31-Mar-2026

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	482.92	114.32	3.88	0.22	-	-	601.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk			-	1.34	4.36	0.15	5.85
(vi) Disputed Trade receivables - credit impaired			-	-	-	0.53	0.53
Total	**482.92**	**114.32**	**3.88**	**1.56**	**4.36**	**0.68**	**607.72**
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(4.59)
Total Trade receivables							**603.13**

Trade receivables ageing schedule as on 31-Mar-2025

in ₹ Crore

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	377.46	130.57	1.19	0.61	0.18	0.01	510.02
(ii) Undisputed Trade receivables - which have significant increase in credit risk							-
(iii) Undisputed Trade receivables - credit impaired							-
(iv) Disputed Trade receivables - considered good							-
(v) Disputed Trade receivables - which have significant increase in credit risk			1.29	4.35	-	-	5.64
(vi) Disputed Trade receivables - credit impaired			-	-	-	0.66	0.66
Total	**377.46**	**130.57**	**2.48**	**4.96**	**0.18**	**0.67**	**516.32**
Less: Allowances for expected credit loss & doubtful receivables and credit impaired							(2.63)
Total Trade receivables							**513.69**

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Allowances for expected credit loss and doubtful receivables		
- Balance at the beginning of the year	2.63	1.65
- Impairment loss recognized	-	-
- Expected credit loss recognised	1.96	0.98
- Balance at the end of the year	4.59	2.63

11 Cash and cash equivalents

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Balances with banks		
- In current accounts	34.75	77.39
- In deposit accounts (having original maturity of three months or less)	30.00	-
Cash on hand	0.60	0.78
	65.35	**78.17**

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

12 Other Bank Balances

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Balances with banks		
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	76.48	75.73
Fixed deposits with original maturity of more than three months but less than twelve months	16.22	5.00
Balances with banks in earmarked accounts to the extent held as margin money against borrowings and other commitments		
Fixed deposits with original maturity of more than three months but less than twelve months	-	15.40
Fixed deposits with original maturity of more than twelve months but remaining maturity of less than twelve months	38.74	31.69
Balances with banks in earmarked for CSR expenditure	0.05	0.90
Balances with banks in earmarked accounts to the extent of unclaimed dividend	1.52	1.26
	133.01	129.98

13 Other Financial Assets - Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good)		
Security deposit (to related party)	-	0.90
Interest receivable	2.90	1.65
Other recoverable	0.13	0.44
Export incentives/ other receivables from Government Authorities	1.50	1.42
Advances to employees	0.90	1.22
Derivative instruments at fair value through OCI (FVTOCI)		
Foreign exchange forward contracts		
- Cash flow hedges	2.02	-
	7.45	5.63

14 Other Current Assets

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(Unsecured considered good unless otherwise stated)		
Advances against supply of goods and services		
- to related party (Refer note no 40)	-	-
- to others	6.01	7.40
Prepaid expenses	9.26	7.88
Balance and deposits with government department or others	13.77	28.31
Security deposit	0.78	0.49
Lease hold land prepayments	-	0.01
Other Receivables	14.29	15.52
	44.11	59.61

No advances are due by directors or other officers of the Group or any of them either severally or jointly with any other persons or by firms or private limited companies respectively in which any director is a partner or a director or a member.

15 Equity share capital

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Authorised				
Equity shares of ₹ 2/- each (par value)	40,00,00,000	80.00	40,00,00,000	80.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 2/- each (par value)	29,35,27,510	58.71	29,35,27,510	58.71
Total	29,35,27,510	58.71	29,35,27,510	58.71

a. Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting year

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2026		31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Issued, subscribed and paid-up equity shares				
Shares and share capital outstanding at the beginning of the year	29,35,27,510	58.71	5,87,05,502	58.71

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2026		31-Mar-2025	
	Number	in ₹ Crore	Number	in ₹ Crore
Number of Equity shares arising on shares split from ₹ 10/- to ₹ 2 per share *	-	-	23,48,22,008	-
Shares and share capital outstanding at the end of the year	29,35,27,510	58.71	29,35,27,510	58.71

* The equity shares of the parent company, during the previous year, have been sub-divided from face value of ₹10/- per equity share to face value of ₹2/- per equity share based on approval by the shareholders through Postal Ballot on 31- Jan-2025. The record date of effecting sub-division of equity share was 11-Mar-2025.

b. Rights, preferences and restrictions attached to equity shares

The company presently has one class of equity shares having a par value of ₹2/- each (previous year ₹2/- each). Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the parent company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The company has paid 50% (₹ 1.00 per equity share of ₹ 2/- each) interim dividend during the year ended 31-Mar-2026 and 40% (₹ 0.80 per equity share of ₹ 2/- each) during the year ended 31-Mar-2025.

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

in ₹ Crore

Particulars	Year ended 31-Mar-2026	Year ended 31-Mar-2025
Interim dividend	1.00	0.80
Final Dividend	-	-

The parent company has incurred a net cash outflow of ₹29.35 Crore during the year ended 31-Mar-2026 (Previous year ₹23.48 Crore) on account of the interim dividend.

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

in ₹ Crore

Particulars	Equity share capital			
	31-Mar-2026		31-Mar-2025	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Mayadevi Polycot Limited	6,39,45,330	21.79%	6,32,37,010	21.54%
NM Merchantiles Ltd.	5,01,31,650	17.08%	3,83,90,550	13.08%
Vasudeva Commercials Limited	-		2,33,19,295	7.94%
NCVI Enterprises Limited	4,86,55,000	16.58%	4,68,50,695	15.96%

d. There are no shares issued without payment being received in cash during the last five years.

e. There are no buy back of equity shares during the last five years.

f. There are no bonus shares issued during the last five years.

g. There is no holding / ultimate holding company of the group.

h. Shareholding of Promoter and Promoter Group

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2026		Shareholding of Promoter and Promoter Group as on 31-Mar-2025		% Change during the year
		Number of shares held	% of total shares	Number of shares held	% of total shares	
	Promoter					
1	Varinder Gupta	59,79,325	2.04%	59,79,325	2.04%	-
	Promoter Group					
1	Varinder Gupta HUF	5,500	0.002%	5,500	0.002%	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

Sr. No.	Promoter name	Shareholding of Promoter and Promoter Group as on 31-Mar-2026		Shareholding of Promoter and Promoter Group as on 31-Mar-2025		% Change during the year
		Number of shares held	% of total shares	Number of shares held	% of total shares	
2	Mayadevi Polycot Limited	6,39,45,330	21.79%	6,32,37,010	21.54%	0.25%
3	NM Merchantiles Limited	5,01,31,650	17.08%	3,83,90,550	13.08%	4.00%
4	NCVI Enterprises Limited	4,86,55,000	16.58%	4,68,50,695	15.96%	0.62%
		16,27,37,480	55.44%	14,84,83,755	50.59%	4.85%
	Total Shares held by promoter and Promoter Group at the end of the year	16,87,16,805	57.48%	15,44,63,080	52.63%	4.85%

16 Other Equity

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
(i) Reserves and surplus		
a. Capital reserve (Balance at the beginning and end of the year)	10.76	10.76
b. Securities premium account (Balance at the beginning and end of the year)	225.72	225.72
c. Retained earnings		
Opening balance	1,402.07	1,324.48
Add: Profit for the year	137.64	101.07
Less: Interim/final Dividend	(29.35)	(23.48)
Closing balance	1,510.36	1,402.07
d. Remeasurements of defined benefit obligation (Refer note no 36)		
Opening balance	(8.86)	(8.13)
Add: Other comprehensive income/(expense) net of tax impact	1.92	(0.73)
Closing balance	(6.94)	(8.86)
(ii) Net movement in effective portion of cash flow hedge reserve {Refer note no 41(ia)}		
Opening balance	(0.74)	(0.03)
Add: Other comprehensive income/(expense) net of tax impact	0.68	(0.71)
Closing balance	(0.06)	(0.74)
Total	1,739.84	1,628.95

Nature and purpose of reserve

Capital reserve: The excess of net assets taken, over the cost of consideration paid, were treated as capital reserve in accordance with previous GAAP.

Securities premium: The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc.

Retained earnings: Retained earnings if any represents the net profits after all distributions and transfers to other reserves.

Other comprehensive income:

- Remeasurements of defined benefit obligation
  - Remeasurements of defined benefit obligation comprises actuarial gains and losses and return on plan assets (excluding interest income).
- Cash flow hedge reserve

  The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss. The group has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

17 Lease liabilities

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Lease liabilities Created (Refer note no. 37)	3.50	-
Interest expense on lease liabilities	0.02	-
Payment of lease liabilities	(0.10)	-
	3.42	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
The break-up of current and non-current lease liabilities is as follows:		
Current Lease liabilities	1.02	-
Non Current Lease liabilities	2.40	-

18 Provisions - Non current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for employee benefits:		
- Gratuity (Refer note no 36)	8.48	4.73
- Compensated absences	2.48	1.96
	10.96	**6.69**

19 Borrowings - Current

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Loan repayable on demand		
- From Banks (secured)	132.00	117.04
	132.00	**117.04**

Details of security for Loan repayable on demand

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future by way of hypothecation of finished goods, work-in-progress, raw materials, stores and spares, book debts, other current assets and pari-passu charge on fixed assets as collateral security and further secured by personal guarantee of the Managing Director of the company.

Terms:-

Working capital borrowings from banks are repayable on demand.

20 Trade Payable

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Outstanding dues of creditors to others	465.73	415.74
Outstanding dues to related parties (Refer note no 40)	16.83	11.82
	482.56	**427.56**

Trade payables ageing schedule as on 31-Mar-2026

in ₹ Crore

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) (a) Others	444.50	20.84	0.09	0.22	0.08	465.73
(i) (b) Related party (Refer note no 40)	14.95	1.88	-	-	-	16.83
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	**459.45**	**22.72**	**0.09**	**0.22**	**0.08**	**482.56**

Trade payables ageing schedule as on 31-Mar-2025

Particulars	Not due	Outstanding from the due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) (a) Others	397.89	17.42	0.16	0.27	-	415.74
(i) (b) Related party (Refer note no 40)	10.42	1.40	-	-	-	11.82
(ii) Disputed dues - Others	-	-	-	-	-	-
Total	**408.31**	**18.82**	**0.16**	**0.27**	**-**	**427.56**

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

21 Other financial liabilities - Current

in ₹ Crore

Particulars		As at 31-Mar-2026	As at 31-Mar-2025
Unclaimed dividend		1.52	1.26
Payable to employees			
- to related parties (Refer note no 40)		0.89	0.71
- to other employees		9.00	8.24
Other liabilities			
- to related parties (Refer note no 40)		-	-
- to others - Liability for expenses		22.84	12.41
Derivative instruments at fair value through OCI (FVTOCI)			
Foreign exchange forward contracts			
- Cash flow hedges		-	4.96
	(a)	34.25	27.58
Payable on purchase of capital goods	(b)	16.48	18.67
Total	(a+b)	50.73	46.25

22 Other current liabilities

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Advances from customers	10.70	8.33
Statutory remittances*	4.78	4.98
Deferred capital grants related to Property, plant and equipment	-	0.04
Other payable	-	1.19
Security deposit	2.62	2.55
	18.10	17.09

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

23 Current provisions

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for employee benefits:		
- Gratuity (Refer note no 36)	3.01	1.68
- Compensated absences	0.41	0.29
	3.42	1.97

24 Current tax liabilities/(assets) (net)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Provision for Current tax (net of advance tax)	2.35	(0.34)
	2.35	(0.34)

Gross movement in current tax liabilities/(assets)

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Net current tax liabilities/(assets) at the beginning of the year	(0.34)	(6.76)
Tax adjustments related to earlier years	(2.55)	2.09
Income tax receipt/(payment) of earlier years	2.56	3.93
Provision for current tax	43.10	22.65
Advance tax paid	(40.42)	(22.25)
Current tax liabilities/(assets)	2.35	(0.34)

25 Revenue from operations

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Sale of products (refer note below)	2,304.51	2,068.19
Other operating revenue		
(i) Export incentives	6.87	6.89
(ii) Miscellaneous sales	4.38	4.13
	2,315.76	2,079.21
Sale of traded goods		
- Chemicals	3.30	-
	2,319.06	2,079.21

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by sale of products for the year ended 31-Mar-2026 and 31-Mar-2025 respectively. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Details of sale of products		
- Chemicals	910.59	858.36
- Pharmaceuticals	1,350.00	1,171.79
- Others	43.92	38.04
	2,304.51	2,068.19

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

26 Other income

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest income (Gross)		
- From bank deposits	13.30	10.58
TDS ₹ 1.33 crore (Previous year ₹ 1.13 crore)		
- On financial assets carried at amortized cost	0.01	-
Other non operating income		
Liabilities no longer required written back	0.12	-
Rent received	-	0.02
Fair value gain on Financial instruments measured at FVTPL		
- Return on investment	0.29	0.46
- Gain on fair value changes of financial assets	-	0.02
Net gain on foreign currency transaction and translation	4.51	8.34
Amortisation of capital subsidy	-	0.03
Miscellaneous income	3.15	2.96
	21.38	**22.41**

27 Cost of material consumed

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Raw materials including packaging materials consumed		
Opening Stocks	168.36	193.55
Add: Purchases	1,492.20	1,333.15
Total	1,660.56	1,526.70
Less: Closing stocks	158.95	168.36
Consumption (refer detail below)	**1,501.61**	**1,358.34**
Detail of material consumed		
Acetic Acid	403.86	379.45
Sodium Di Chromate	81.03	73.16
Specially Denatured Spirit	376.84	345.66
Dicyandiamide	49.97	61.40
Toulene	58.20	58.29
Propylene	43.85	39.46
Aluminium Chloride	53.17	45.37
PNCB	45.38	36.60
Others	389.31	318.95
	1,501.61	**1,358.34**

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Inventories at the beginning of the year		
Work-in-progress	38.62	44.85
Finished goods	137.67	164.95
Stock in trade	-	-
(A)	**176.29**	**209.80**
Inventories at the end of the year		
Work-in-progress	47.21	38.62
Finished goods	146.36	137.67
Stock in trade	1.25	-
(B)	**194.82**	**176.29**
(A-B)	**(18.53)**	**33.51**

29 Employee benefits expense

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Salaries and Wages (including Bonus)	222.08	193.64
Contribution to provident and other funds	16.29	14.73
Staff welfare expenses	9.89	8.20
	248.26	**216.57**

30 Finance Cost

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Interest expense on:		
- working capital	9.61	8.15
- other borrowings	0.36	1.75
Other borrowing costs	4.56	4.86
Interest expense on Lease Liability	0.02	-
	14.55	**14.76**

31 Other expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Power and Fuel	154.93	114.93
Consumption of stores and spares	29.15	22.10

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Repairs and maintenance		
- Plant and Machinery	18.71	15.87
- Building	4.84	5.48
- Others	6.15	3.94
Rent	1.63	1.76
Insurance charges	3.66	5.36
Auditor's Remuneration	0.33	0.29
Rates and Taxes	0.53	0.69
Loss on Property, plant and equipment sold (net)	0.30	0.10
Loss on Property, plant and equipment discarded	0.32	0.08
Loss on other asset discarded	0.14	-
Loss on fair value changes of financial assets measured at FVTPL	0.01	-
Allowance for expected credit loss and doubtful receivables	1.96	0.98
Sundry balances written off	0.15	0.08
Freight outward	46.23	50.96
Other Selling and distribution expenses	8.57	11.25
Miscellaneous expenses	37.12	34.62
	314.73	268.49

32 Current tax and deferred tax

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Current tax		
In respect of current year	43.10	22.65
Tax adjustments related to earlier years	(2.55)	2.09
Total (A)	40.55	24.74
Deferred tax		
In respect of current year	6.17	12.15
Total (B)	6.17	12.15
Total Income tax expense (A+B)	46.72	36.89

(b) Income tax recognised in other Comprehensive income

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Deferred tax (assets)/liability		
On remeasurement loss of defined benefit obligation	0.65	(0.24)
Net movement in effective portion of cash flow hedge reserve	0.23	(0.24)
Total	0.88	(0.48)

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Profit before tax	184.36	137.96
Income tax expense at tax rates applicable to individual entities	46.42	34.70
Income tax for earlier years recognised in statement of profit and loss	(2.55)	2.09
Income tax impact of expenses availed on payment basis	2.53	(0.12)
Income tax impact of allowances of permanent nature	1.22	0.99
Income tax impact of depreciation & amortisation	(0.13)	(0.06)
Income tax savings on deductions under section 80JJAA	(0.77)	(0.71)
Tax expense charged to statement of profit and loss	46.72	36.89
Effective rate of tax	25.33%	26.74%

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

(d) Movement in deferred tax balances

in ₹ Crore

Particulars	As at 01-Apr-2025	Recognised in statement of Profit and loss	Recognised in OCI	As at 31-Mar-2026
Deferred tax liabilities				
Property, Plant and Equipment	81.18	8.73	-	89.91
Intangible assets	1.58	0.32	-	1.90
Fair valuation gain on investments	0.02	(0.01)	-	0.01
Gross deferred tax liabilities (A)	**82.78**	**9.04**	**-**	**91.82**
Deferred tax assets				
Gratuity	(1.61)	(1.92)	0.65	(2.88)
Leave encashment liability (net)	(0.28)	(0.24)	-	(0.52)
Lease Liability (net)	-	(0.01)	-	(0.01)
Expected credit loss	(0.66)	(0.49)	-	(1.15)
Cash flow hedge	(0.25)	-	0.23	(0.02)
Bonus	(2.17)	(0.21)	-	(2.38)
Gross deferred tax assets (B)	**(4.97)**	**(2.87)**	**0.88**	**(6.96)**
Net Deferred tax (Asset)/Liabilities (A+B)	**77.81**	**6.17**	**0.88**	**84.86**

in ₹ Crore

Particulars	As at 01-Apr-2024	Recognised in Profit and loss	Recognised in OCI	As at 31-Mar-2025
Deferred tax liabilities				
Property, Plant and Equipment	67.82	13.36	-	81.18
Intangible assets	2.87	(1.29)	-	1.58
Fair valuation gain on investments	0.01	0.01	-	0.02
Gross deferred tax liabilities (A)	**70.70**	**12.08**	**-**	**82.78**
Deferred tax assets				
Gratuity	(1.88)	0.51	(0.24)	(1.61)
Leave encashment	(0.42)	0.14	-	(0.28)
Lease Liability (net)	-	-	-	-
Expected credit loss	(0.42)	(0.24)	-	(0.66)
Cash flow hedge	(0.01)	-	(0.24)	(0.25)
Bonus	(1.83)	(0.34)	-	(2.17)
Gross deferred tax assets (B)	**(4.56)**	**0.07**	**(0.48)**	**(4.97)**
Net Deferred tax (Asset)/Liabilities (A+B)	**66.14**	**12.15**	**(0.48)**	**77.81**

33 Earning per share

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

in ₹ Crore

Particulars		For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Total operations for the year			
Profit after tax attributable to equity shareholders (in ₹ Crore)	A	137.64	101.07
Weighted average number of equity shares (number)	B	29,35,27,510	29,35,27,510

in ₹ Crore

Particulars		For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Weighted average number of equity shares in computing diluted earning per share (number)	C	29,35,27,510	29,35,27,510
Basic earnings per share (₹)	A/B	4.69	3.44
Diluted earnings per share (₹)	A/C	4.69	3.44
Face value per equity share (₹)		2.00	2.00

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

34 Research and Development expenses

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
Research and Development: Revenue expenses		
Raw material consumption	1.56	0.74
Salaries & wages	15.92	12.84
Depreciation	2.19	2.41
Stores & spares and other expenses	3.45	2.25
Cost of utilities	1.20	0.92
	24.32	19.16
Research and Development: Capital expenses		
Additions to Property, Plant and Equipment	1.69	1.86

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

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

in ₹ Crore

Particulars	For the year ended 31-Mar-2026	For the year ended 31-Mar-2025
A Contingent liabilities		
i. Claims not acknowledged as debts	0.26	0.26
ii. Bank Guarantee issued in favour of others	3.34	5.26
iii. Others*	2.06	-
	5.66	5.52
B Commitments		
i. Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	69.35	25.42
ii. Export obligations under Advance Authorisation/Duty Free Import Authorisation #	-	-
iii. Obligations against Import of Goods at concessional rates of duty for specified end use ##	2.83	4.69
	72.18	30.11

Export obligations relates to duty saved on import of raw materials under the Advance Authorization Scheme. Under the scheme, the Company is committed to export prescribed times of the value of import of raw materials over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the custom authorities. During the year, the company has executed bonds for an aggregate amount of ₹ 11.31 Crore (Previous Year ₹ 26.16 Crore) in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

Obligations relates to import of goods at concessional rates of duty (under IGCR rules) for manufacturing finished goods. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the custom authorities. The company has executed bonds for an aggregate amount of ₹ 27.65 Crore in favour of The President of India under sub section (I) of the section 142 of the Custom Act 1962 for fulfilment of the obligation under the said Act.

* The Parent company has received an Order-In-Original (O-I-O) confirming demand of differential Customs duty of ₹ 0.28 crore, along with interest, penalty of ₹ 0.28 crore under Section 114A of the Customs Act, 1962, additional penalty of ₹ 1.00 crore under section 114AA of Customs Act, 1962 along with redemption fine of ₹ 0.50 crore, aggregating to ₹ 2.06 crore alleging incorrectly availed ASEAN-India FTA exemption by using Certificates of Origin not conforming to the prescribed format under Notification No. 46/2011-Customs read with ASEAN-India FTA Rules of Origin. The Parent company will be filing an appeal against this order with the appropriate Authority.

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

The Group has other commitments for purchase/sale orders which are issued after considering requirements as per the operating cycle for purchase/sale of goods and services, and employee benefits. The Group does not have any long term commitment or material non cancellable contractual commitments/contracts which might have a material impact on the consolidated Ind AS financial statements of the Group.

36 Employee benefits

A Defined benefit plan: Gratuity

The following table set out the funded status of the gratuity plan and the amount recognised in the Group's financial statement as at 31-Mar-2026 and 31-Mar-2025.

in ₹ Crore

Particulars		Gratuity (Funded) As at 31-Mar-2026	Gratuity (Funded) As at 31-Mar-2025
i) Changes in the present value of the obligation			
Present value of obligation as at the beginning of the year		34.18	28.63
Interest cost		2.39	2.08
Current service cost		3.67	2.97
Past Service Cost including curtailment Gains/Losses		9.08	
Benefits paid		(1.03)	(0.74)
Remeasurement - actuarial (gain) / loss		(2.22)	1.24
Present value of obligation as at the end of the year	A	**46.07**	**34.18**
ii) Changes in the fair value of plan assets			
Fair value of plan assets as at the beginning of the year		27.77	21.15
Actual return on plan assets		2.29	1.80
Contributions		5.55	5.56
Charges deducted		-	-
Benefits paid		(1.03)	(0.74)
Fair value of plan assets as at the end of the year	B	34.58	27.77
Unfunded Status	(A-B)	**11.49**	**6.41**
iii) Amount recognised in the Balance Sheet			
Present value of the defined benefit obligation as at the end of the year		46.07	34.18
Fair value of plan assets as at the end of the year		34.58	27.77
Net asset/(liability) recognised in the Balance Sheet		**(11.49)**	**(6.41)**

in ₹ Crore

Particulars	Gratuity (Funded) As at 31-Mar-2026	Gratuity (Funded) As at 31-Mar-2025
iv) Expense recognised in the statement of profit and loss		
Current service cost	3.67	2.97
Net interest cost	0.45	0.54
Expense recognised in the statement of profit and loss	**4.12**	**3.51**
v) Re-measurement of the net defined benefit liability / (asset)		
Actuarial (gain)/ loss for the year on projected benefit obligation (PBO)	(2.22)	1.24
Actuarial (gain)/loss for the year on plan assets	0.35	(0.27)
Total Actuarial (gain)/ loss at the end of the year	**(1.87)**	**0.97**
vi) Bifurcation of actuarial (gain) / loss		
Actuarial (Gain) / loss on arising from change in demographic assumption	-	-
Actuarial (Gain) / loss on arising from change in financial assumption	(2.56)	0.76
Actuarial (Gain) / loss on arising from change in experience assumption	0.33	0.48
	(2.23)	**1.24**
vii) The major categories of plan assets as a percentage of the fair value of total plan assets		
Investment with the insurer	100%	100%

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

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

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

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
Discount rate (per annum)	7.25%	7.25%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Average remaining working lives of employees (years)	26.91	26.91
Method used	Projected unit credit	

The assumptions and methodology used in actuarial valuation are consistent with the requirements of Ind AS 19

ix) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

x) Sensitivity analysis of the defined benefit obligation:

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
a) Impact of change in discount rate		
Present value of obligation at the end of the year	46.07	34.18
1. Impact due to increase of 0.50%	(1.80)	(1.45)
2. Impact due to decrease of 0.50%	1.96	1.59
b) Impact of change in salary increase		
Present value of obligation at the end of the year	46.07	34.18
1. Impact due to increase of 0.50%	2.00	1.61
2. Impact due to decrease of 0.50%	(1.85)	(1.48)

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

xi) Maturity profile of defined benefit obligation:

in ₹ Crore

Particulars		Gratuity (Funded)
		31-Mar-2026
Year ending		
Apr-2026 to Mar-2027	0 to 1 Year	12.51
Apr-2027 to Mar-2028	1 to 2 Year	3.31
Apr-2028 to Mar-2029	2 to 3 Year	1.59
Apr-2029 to Mar-2030	3 to 4 Year	1.17
Apr-2030 to Mar-2031	4 to 5 Year	1.50
Apr-2031 to Mar-2032	5 to 6 Year	1.85
Apr-2032 onwards	6 Year onwards	24.14

xii) Actuarial risks exposures:

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

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

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

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

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

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

xiii) The Group expects to contribute ₹ 4.85 crore to the gratuity trust during the year 2026-27.

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

in ₹ Crore

Particulars	Gratuity (Funded)	
	31-Mar-2026	31-Mar-2025
Current liability (amount due within one year)	12.51	8.94
Non-current liability (amount due over one year)	33.56	25.24
Total PBO at the end of year	46.07	34.18

B Contribution to Provident Fund

The Group has recognized an expense of ₹ 11.63 crore (Previous year ₹ 10.67 crore) in respect of contribution to Provident Fund.

37 Disclosures as required by Indian Accounting Standard (Ind AS) 116 Leases

Group as a Lessee

The Group's significant leasing arrangements are in respect of operating leases for premises (residential, etc.). These leasing arrangements, which are non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The changes in the carrying value of ROU assets for the year ended 31-Mar-2026 are as follows :

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Category of ROU Assets	Buildings	Buildings
Balance at the beginning	-	-
Additions	3.51	-
Depreciation*	(0.10)	-
Balance at the end	3.41	-

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

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Balance at the beginning	-	-
Additions	3.50	-
Finance cost accrued during the year	0.02	-
Payment of lease liabilities	(0.10)	-
Balance at the end	3.42	-

Payment of Lease liabilities during the current year ₹ 0.10 crore (previous year NIL)

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
Less than one year	1.35	1.42
One to five years	2.60	0.01
More than five years	-	0.16
Total	3.95	1.59

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

Rental expense recorded under other expenses :

in ₹ Crore

Particulars	Year ended 31-Mar-2026	Year ended 31-Mar-2025
Rent	1.67	1.76

Group as a Lessor

The rental income on assets given on operating lease to the Managing Director of the company is Nil for the year ended 31-Mar-2026 (Previous year ₹ 0.02 Crore).

38. Disclosures of Financial instruments

(a) The carrying value and fair value of financial instruments by categories at the end of each reporting year is pending at the end as follows:

As at 31-March-2026

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss: Designated upon initial recognition	At fair value through profit or loss: Mandatory	At fair value through OCI: Equity instruments designated upon initial recognition	At fair value through OCI: Mandatory	Total carrying value	Total Fair value
Financial Assets:							
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	45.08					45.08	45.08
Current Investments			3.51			3.51	3.51
Trade receivables	603.13					603.13	603.13

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Cash and cash equivalents	65.35					65.35	65.35
Other Bank Balances	133.01					133.01	133.01
Foreign exchange forward contracts					2.02	2.02	2.02
Other financial current assets	5.43					5.43	5.43
Total	**852.00**	**-**	**3.51**	**-**	**19.43**	**874.94**	**874.94**
Financial Liabilities:							
Short term borrowings	132.00					132.00	132.00
Trade Payables	482.56					482.56	482.56
Lease liabilities Current	1.02					1.02	1.02
Lease liabilities Non-Current	2.40					2.40	2.40
Other financial current liabilities	50.73		-			50.73	50.73
Total	**668.71**	**-**	**-**	**-**	**-**	**668.71**	**668.71**

As at 31-Mar-2025

in ₹ Crore

Particulars	Amortized cost	At fair value through profit or loss		At fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets:							
Investment in Equity (unquoted)					17.41	17.41	17.41
Other financial non-current assets	7.88					7.88	7.88
Current Investments			3.30			3.30	3.30
Trade receivables	513.69					513.69	513.69
Cash and cash equivalents	78.17					78.17	78.17
Other Bank Balances	129.98					129.98	129.98
Other financial current assets	5.63					5.63	5.63
Total	**735.35**	**-**	**3.30**	**-**	**17.41**	**756.06**	**756.06**
Financial Liabilities:							
Short term borrowings	117.04					117.04	117.04
Trade Payables	427.56					427.56	427.56
Lease liabilities Current	-					-	-
Lease liabilities non current	-					-	-
Foreign exchange forward contracts	-				4.96	4.96	4.96
Other financial current liabilities	41.29		-			41.29	41.29
Total	**585.89**	**-**	**-**	**-**	**4.96**	**590.85**	**590.85**

(b) Basis of Fair value of Financial assets and liabilities

(i) Fair Value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table presents fair value hierarchy of assets and liabilities measured at fair value:

As at 31-Mar-2026

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.30		0.30		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	3.21		3.21		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	Refer note
Foreign exchange forward contracts at fair value through OCI	2.02		2.02		Future cash flows are estimated based on forward exchange rates from observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Total	**22.94**	**-**	**5.53**	**17.41**	

Note: The Group holds investment in the equity shares of an unlisted overseas entity. The investment has been classified as a level 3 financial asset under the fair value hierarchy prescribed by Ind AS 113 as the valuation involves significant unobservable inputs.

The fair value of the investment as at 31-Mar-2026 has been determined based on an independent valuation carried out by the Registered Valuer. In arriving at the fair value, the valuer considered appropriate valuation methodologies, including income, market and asset based approaches, and evaluated available financial and operational information relating to the investee entitiy together with relevant industry and market data.

Given the nature of the investment and the absence of directly observable market prices for the shares, the valuation involves the use of significant judgements and estimates, including assumptions relating to future business peformance, discount rates, growth expectations, marketability considerations and other relevant factors. The valuation was performed by considering a range of reasonably possible outcomes and the carrying amount represents managements's best estimate of fair value based on the independent valuer's assessment.

Based on the independent valuation report, in the opinion of management the historical cost of investment of ₹ 17.41 crore represents an appropriate estimate of fair value as at 31-Mar-2026.

As at 31-Mar-2025

in ₹ Crore

Particulars	Fair Value	Fair Value measurement using			Fair value technique
		Level 1	Level 2	Level 3	
Financial assets					
Current investments in Mutual funds at fair value through profit & loss	0.31		0.31		Published NAV value by mutual fund.
Other current investments at fair value through profit & loss	2.99		2.99		Value as provided by the portfolio manager.
Investment in Equity (unquoted)	17.41			17.41	For certain investments categorized under level 3, cost has been considered as an appropriate estimate of fair value.
Total	**20.71**	**-**	**3.30**	**17.41**	

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

39 Segment information

I Segment Accounting Policies:

a. Products and services from which reportable segment derive their revenues.

Based on the nature and class of product and services, their customers and assessment of differential risk and returns and financial reporting results reviewed by Chief Operating Decision Maker (CODM), the Group has identified the primary business segments which comprised:

The "Chemical" segment produces and sells Ethyl Acetate, Iso Butyl Benzene, Acetyl Chloride, Mono Chloro Acetic Acid, Acetic Anhydride, etc.

The "Pharmaceutical" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lamotrigine, Clopidogrel Bisulphate, Pantoprazole, Levetiracetam, Paracetamol, etc.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

b. Geographical segments - Secondary segments

The geographical segments considered for disclosure are based on markets, as under:

i. India

ii. Rest of the world

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

i. **Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.

ii. **Segment revenue and expenses:**

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. **Inter segment sales:**

Inter segment sales are eliminated in consolidation.

iv. **Segment results:**

Segment results represents the profit before tax earned by each segment without allocation of other income and unallocable expenses as well as finance costs.

Detail of primary business segment

Products and services

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External Sales	922.81	866.87	1,396.25	1,212.32	-	0.02			2,319.06	2,079.21
Inter Segment transfer	237.72	212.52	-	-	-	-	(237.72)	(212.52)	-	-
Interest income	-	-	-	-	13.30	10.58			13.30	10.58
Other Income	-	-	-	-	8.08	11.83			8.08	11.83
Total Revenue	1,160.53	**1,079.39**	1,396.25	**1,212.32**	21.38	**22.43**	(237.72)	**(212.52)**	2,340.44	**2,101.62**

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

in ₹ Crore

	Chemical		Pharmaceutical		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Results	30.24	15.39	172.27	126.27					202.51	141.66
Unallocated Income (net of unallocated Expenses)					7.61	11.06			7.61	11.06
Profit before tax and interest									210.12	152.72
Finance cost					14.55	14.76			14.55	14.76
Profit before Tax & Extraordinary items									195.57	137.96
Exceptional items					11.21				11.21	-
Tax expense					46.72	36.89			46.72	36.89
Profit after Tax									137.64	101.07
Other Information										
Segment Assets	578.66	534.85	1,512.64	1,381.71	-	-			2,091.30	1,916.56
Unallocated assets	-	-	-	-	495.65	465.51			495.65	465.51
Total Assets	**578.66**	**534.85**	**1,512.64**	**1,381.71**	**495.65**	**465.51**			**2,586.95**	**2,382.07**
Segment Liabilities	297.72	300.16	196.60	194.88	-	-			494.32	495.04
Unallocated Liabilities	-	-	-	-	162.08	82.33			162.08	82.33
Short term borrowings					132.00	117.04			132.00	117.04
Total Liabilities	**297.72**	**300.16**	**196.60**	**194.88**	**294.08**	**199.37**			**788.40**	**694.41**
Capital Expenditure	21.67	1.69	64.38	165.28	77.88	64.90			163.93	231.87
Depreciation and Amortisation	19.64	21.19	53.76	44.94	6.83	5.86			80.23	71.99

Detail of secondary business segment

Geographical information

in ₹ Crore

Particulars	Year ended	Domestic sale	Export sale			Total
		India	Switzerland	Indonesia	Rest of the world	
Net revenue from sale of products	31-Mar-2026	1,754.79	52.54	47.13	464.60	2,319.06
	31-Mar-2025	1,523.12	51.23	32.07	472.79	2,079.21

Information about major customers

Refer note no. 42 (iii) (Credit Risk)

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost and tax expense. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, excludes the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amount therefore, form part of the unallocated assets and liabilities.

(ii) There is no customer contributing more than 10% of the total revenue of the Group.

(iii) The Group does not have manufacturing facilities outside India therefore all non current assets are located in India.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

40 Related party disclosures

In accordance with the requirements of IND AS 24, on Related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported years, are:

A. Related party and their relationship:-

Key Management Personnel:

i	Whole time directors	Mr. Varinder Gupta	Managing Director
		Mr. Vikas Gupta	Joint Managing Director
		Mr. Abhiraj Gupta	Executive Director
		Mr. Kushal Kumar Rana	Director Works
ii	Non executive directors	Mr. Rajender Mohan Malla	Chairman and Independent Director
		Mr. Harpal Singh	Independent Director
		Dr. Sandhya Mehta	Independent Director (upto 22-Sep-2024)
		Mrs. Rajni Jha	Independent Director (w.e.f. 28-Oct-2024)
		Mr. Sharad Tyagi	Independent Director
iii	Chief Executive Officer	Mr. Vikas Vij	(upto 30-Sep-2024)
iv	Chief Financial Officer	Mr. Pardeep Kumar Khanna	
v	Sr. Vice President and Company Secretary	Mr. Abhay Raj Singh	

Related parties

	Nature of relationship	Name of related party
i.	Overseas Subsidary	IOL Pharmaxis UK Limited (w.e.f. 16-Oct-2025)
ii.	Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:	NM Merchantiles Limited (Formerly NM Merchantiles Private Limited)
		Mayadevi Polycot Limited
		NCVI Enterprises Limited
		Varinder Gupta (HUF)
iii	Post employment benefit plan	IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust

B Details of transactions entered into with related parties during the year as required by Ind AS 24 on "Related Party Disclosures" of Companies (Indian Accounting Standards) Rules 2015.

in ₹ Crore

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
1	Purchase of goods and services:										
	NCVI Enterprises Limited	40.00	38.35	-	-	-	-	-	-	40.00	38.35
	Mayadevi Polycot Limited	69.42	54.96	-	-	-	-	-	-	69.42	54.96
	NM Merchantiles Limited	22.52	7.37	-	-	-	-	-	-	22.52	7.37
2	Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-
3	* Managerial remuneration (including incentives)	-	-	21.75	22.13	-	-	-	-	21.75	22.13
4	Sitting fees to non-executive directors of the group	-	-	-	-	0.31	0.34	-	-	0.31	0.34
5	Rent received	-	-	-	0.02	-	-	-	-	-	0.02
6	Rent paid	0.34	0.33	1.21	1.20	-	-	-	-	1.55	1.53
7	Contribution to IOL Chemicals and Pharmaceuticals Limited Employees Group Gratuity Trust	-	-	-	-	-	-	5.55	5.55	5.55	5.55

C Details of balances outstanding as at the end of the year

in ₹ Crore

Sr. No.	Particulars	Enterprises over which KMP is able to exercise significant influence or control		Key Management Personnel (KMP)		Non executive directors		Post Employment Benefit Plans		Total	
		Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025	Year ended 31-Mar-2026	Year ended 31-Mar-2025
	Amount receivable on the last day the year										
1	Security deposit receivable	-	-	0.90	0.90	-	-	-	-	0.90	0.90
	Amount payable on the last day of the year										
1	Trade payables against purcahse of goods:										
	NCVI Enterprises Limited	4.02	4.07	-	-	-	-	-	-	4.02	4.07
	Mayadevi Polycot Limited	11.12	6.26	-	-	-	-	-	-	11.12	6.26
	NM Merchantiles Limited	1.69	1.49	-	-	-	-	-	-	1.69	1.49
2	* Managerial remuneration	-	-	0.89	0.71	-	-	-	-	0.89	0.71

(i) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

(ii) * Long-term employee benefits for Key Managerial Personnel:

The managerial personnel are covered by Group's gratuity policy and are eligible for compensated absences along with other employees of the Group. The proportionate amount of gratuity and compensated absences cost pertaining to managerial remuneration have not been included in aforementioned disclosures as these are not determined on individual basis.

(iii) Related party M/s.NCVI Limited has given surety of ₹ 27.65 Crore on Bonds executed by the Group for import of raw materials at concessional rates of duty for producing finished goods for Export and Domestic sales. Pending remaining amount of commitment is ₹ 2.83 Crore as on 31-Mar-2026 and ₹ 4.69 Crore as on 31-Mar-2025 for production/sale of finished goods against import of raw materials received on these Bonds.

41 Financial Risk Management

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

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

(i) Market risk

(ii) Liquidity risk

(iii) Credit risk

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

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

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

(i) Market Risk

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

(a) Foreign currency risk

The Group imports certain Property, Plant and Equipment and material from outside India and export finished goods. The exchange rate between the Indian rupee and foreign currencies has fluctuated in recent years and may fluctuate substantially in the future. Consequently the Group is exposed to foreign currency risk and the results of the Group may be affected as the rupee appreciates/ depreciates against foreign currencies. Foreign exchange risk arises from the future probable transactions and recognized assets and liabilities denominated in a currency other than Group's functional currency.

The Group measures the risk through a forecast of highly probable foreign currency cash flows and manages its foreign currency risk by hedging appropriately. The Group manages its foreign currency risk through the process of adjusting inward remittances in foreign currency for its payment of outward remittances (i.e. considering it as natural hedge). The Group also holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

The Group's exposure to foreign currency risk was based on the following amounts as at the reporting dates:

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	97,34,309	89.79	88,11,706	75.56
- In EURO	4,70,374	5.13	15,790	0.15
Trade Payables				
- In USD	2,83,39,961	264.19	3,57,02,594	311.66
-\ In EURO	76,350	0.83	41,841	0.39
Net exposure				
- In USD	(1,86,05,652)	(174.40)	(2,68,90,888)	(236.10)
- In EURO	3,94,024	4.29	(26,051)	(0.24)

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

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	Foreign currency	in ₹ Crore	Foreign currency	in ₹ Crore
Trade receivable				
- In USD	25,33,547	24.02	84,36,531	72.32
- In EURO	4,70,374	5.13	15,790	0.15
Trade Payables				
- In USD	1,57,02,811	148.91	3,435	0.03
- In EURO	76,350	0.83	41,841	0.39
Net exposure				
- In USD	(1,31,69,263)	(124.89)	84,33,096	72.29
- In EURO	3,94,024	4.29	(26,051)	(0.24)

Foreign currency sensitivity analysis

Any changes in the exchange rate of USD and EURO against INR is not expected to have significant impact on the Group's profit due to the less exposure of these currencies. Accordingly, a 2% appreciation/depreciation of the INR as indicated below, against the USD and EURO would have reduced/increased profit by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting year. The analysis assumes that all other variable remains constant:

in ₹ Crore

Particulars	31-Mar-2026		31-Mar-2025	
	Strengthening	Weakening	Strengthening	Weakening
2% Strengthening / weakening of USD against INR	(2.50)	2.50	1.45	(1.45)
2% Strengthening / weakening of EURO against INR	0.09	(0.09)	-	-

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

in ₹ Crore

Particulars	As at 31-Mar-2026	As at 31-Mar-2025
In USD	1,98,37,912	3,60,74,335
in ₹ crore	181.05	314.87

Derivatives designated as hedging instruments

The Group enters into hedging instruments in accordance with policies as approved by the Board of Directors with written principles which is consistent with the risk management strategy of the Group. The Group has decided to apply hedge accounting for derivative contracts that meets the qualifying criteria of hedging relationship entered.

During the current year ended 31-Mar-2026 and previous year ended 31-Mar-2025, the Group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure.

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Opening balance of cash flow hedge reserve	(0.74)	(0.03)
Effective portion of changes in fair value arising from Foreign exchange forward contracts	(2.16)	(2.57)
Amount reclassified to profit or loss	3.07	1.62
Tax effect	(0.23)	0.24
Closing balance of cash flow hedge reserve	**(0.06)**	**(0.74)**

The following table includes the maturity profile of the foreign exchange forward contracts:

in ₹ Crore

Particulars	As at 31-Mar-2026		As at 31-Mar-2025	
	USD	in ₹ Crore	USD	in ₹ Crore
Not later than one month	83,22,125	75.91	87,09,192	75.69
Later than one month and not later than three months	96,45,787	87.81	1,41,48,667	123.74
Later than three months and not later than one year	18,70,000	17.33	1,32,16,475	115.44
	1,98,37,912	**181.05**	**3,60,74,335**	**314.87**

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements if any. All the Group's

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

At the reporting date the interest rate profile of the Group's interest bearing financial instrument is at its fair value:

in ₹ Crore

Variable rate instruments	Carrying amount	
	Financial Year	
	2025-26	2024-25
Long term borrowings	-	-
Current maturities of long term debt	-	-
Short term borrowings	132.00	117.04

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Increase/ (decrease) in 100 basis point	1.32	1.17

(ii) Liquidity Risk

Liquidity risk refers to the risk that the Group will encounter difficulty to meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The financial liabilities of the Group include loans and borrowings, trade and other payables. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The Group monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The Group plans to maintain sufficient cash to meet the obligations as and when falls due.

The below is the detail of contractual maturities of the financial liabilities of the Group at the end of each reporting year:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Borrowings including current maturities	-	-
Less than 1 year	-	-
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Short term borrowings	132.00	117.04
Less than 1 year	132.00	117.04
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Trade Payables	482.56	427.56
Less than 1 year	482.56	427.56
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-
Other Financial liabilities	50.73	46.25
Less than 1 year	50.73	46.25
1-2 year	-	-
2-5 year	-	-
5-10 year	-	-
Later	-	-

(iii) Credit Risk

Credit risk refers to the risk of default on its contractual terms or obligations by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

The Group assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment.

The impairment analysis is performed on client to client basis for the debtors that are past due at the end of each reporting date. The Group has not considered an allowance for doubtful debts in case of Trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

The following is the detail of revenues generated from top five customers of the Group:

Particulars	Financial Year	
	2025-26	2024-25
(a) Revenue from top five customers		
- % of total sales of top 1 customer	2.98%	3.08%
- % of total sales of top 5 customers	12.46%	13.18%

Write off policy

The financials assets are written off in case there is no reasonable expectation of recovering from the financial asset.

42 Capital Management

The capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants which otherwise would permit the banks to immediately call loans and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's gearing ratio was as follows:

in ₹ Crore

Particulars	Financial Year	
	2025-26	2024-25
Borrowings including current maturities and interest accrued but not due	132.00	117.04
Less: Cash & cash equivalent and other bank balances	240.50	213.63
Net debt (A)	(108.50)	(96.59)
Total equity (B)	1,798.55	1,687.66
Gearing ratio (A/B)	N.A.	N.A.

Further, there have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

There were no changes in the objectives, policies or processes for managing capital during the year ended 31-Mar-2026 and 31-Mar-2025.

43 In accordance with the Ind AS-36 on Impairment of Assets, the Group has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

44 Reconciliation of Cash flow from financing Activities

In pursuant to amendment in the companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17-Mar-2017 Para 44A to Para 44E has been inserted after Para 44 in Indian accounting Standard-7 " Statement of Cash Flows" for the period beginning on 01-Apr-2017

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2025 coming under the financing activities of Cash Flow Statement	117.04	-
Changes during the year		
a) Changes from financing cash flow	14.96	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates-(Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2026 coming under the financing activities of Cash Flow Statement	132.00	-

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

in ₹ Crore

Particulars	Current borrowing	Non-current borrowing including current maturities
Opening balance of Financial liabilities as on 01-Apr-2024 coming under the financing activities of Cash Flow Statement	**32.76**	**-**
Changes during the year		
a) Changes from financing cash flow	84.28	-
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) The effect of changes in foreign exchanges rates-(Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other changes Processing fee amortized	-	-
Closing balance of Financial liabilities as on 31-Mar-2025 coming under the financing activities of Cash Flow Statement	**117.04**	**-**

45 Additional Regulatory Information

i The Group is not holding any investment property.

ii The Group has not revalued any of its Property, Plant & Equipment and Right of use assets.

iii The Group has not revalued any of its Intangible Assets

iv The Group has not given any loan or advances to its Promoters, Directors, KMP and related Parties as defined under Companies Act, 2013.

v The Group does not hold any Benami property defined under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Further, no proceedings have been initiated during the year or are pending against the Group as at 31-Mar-2026 for holding any benami property.

vi The quarterly returns for secured borrowings filed with Banks are fully in alignment with its books of account.

vii The Group has never been declared as wilful defaulter by any bank or financial institution or other lenders.

viii "IOL Life Sciences Limited" a company in the Group had voluntarily filed application for striking off under Section 248 of the Companies Act, 2013 on January 24, 2026 and its name was subsequently struck off from the Register of Companies w.e.f. April 1, 2026. There is no outstanding of the group with this company.

ix As at 31-Mar-2026, the Parent Company have wholly owned subsidiary companies i.e. IOL-Foundation, IOL Speciality Chemicals Ltd. and IOL Pharmaxis UK Limited. The Parent Company is in compliances of requirement of number of layer of companies.

x There is no scheme of Arrangement approved during the year.

xi The Group has neither received any share premium amount nor the Group has availed any term loan during the year. The working capital borrowing has been utilised by the Group in its own business, the Group has not loaned or advanced or invested funds to any other person(s) or entity(ies), including foreign entities with any understanding.

xii The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

xiii There is no income that has been surrendered or disclosed as income during the year in Tax Assessments under Income Tax Act,1961.

Notes

Annexed to and forming part of Consolidated Financial Statements as at and for the year ended 31-March-2026

46 Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of Entity	Share in Net Assets		Share in Profit/(Loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated Net Asset	in ₹ crore	As % of consolidated Profit/(Loss)	in ₹ crore	As % of consolidated OCI	in ₹ crore	As % of consolidated Total OCI	in ₹ crore
Parent								
IOL Chemicals and Pharmaceuticals Ltd.	99.979%	1,798.17	100.81%	138.75	100.00%	2.60	100.80%	141.35
Indian Subsidiaries								
IOL-Foundation	0.018%	0.32	-0.75%	(1.04)	-	-	-0.74%	(1.04)
IOL Life Sciences Ltd. (refer note 45 (viii)	0.000%	-	-0.05%	(0.06)	-	-	-0.05%	(0.06)
IOL Speciality Chemicals Ltd	0.003%	0.05	-0.01%	(0.01)	-	-	-0.01%	(0.01)
IOL Pharmaxis UK Limited (refer note 48)	0.000%	-	0.00%	-	-	-	0.00%	-
Total	**100.00%**	**1,798.55**	**100.00%**	**137.64**	**100.00%**	**2.60**	**100.00%**	**140.24**

47 On November 21, 2025, the Government of India notified four Labour Codes effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 - Employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Profit and Loss and this approach is consistent with the guidance issued by the Institute of Chartered Accountants of India. Accordingly, the Group during December 31, 2025 quarter has recognized an amount of ₹ 11.21 crore under exceptional items towards change in liability of Gratuity & compensated absences.

48 "IOL Pharmaxis UK Limited" was incorporated in the United Kingdom during the year, however, the company has yet to commence business operations. Accordingly, the financial statements have not been included in the consolidated financial results of the Company.

49 Figures in bracket indicate deductions.

50 Previous year figures have been regrouped/recasted/rearranged wherever necessary to conform its classification of the current year.

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

Sd/-
Aditya Kumar
Partner
M.No. 506955

Place : Ludhiana
Date : 20-May-2026

For and on behalf of the board of directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Vikas Gupta
Joint Managing Director
DIN-07198109

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

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting ("AGM") of the Members of IOL Chemicals and Pharmaceuticals Limited ("the Company") will be held on **Wednesday, 2nd September 2026**, **at 11:30 A.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2026 together with Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March 2026 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted".

2. To appoint a director in place of Mr. Kushal Kumar Rana, who retires by rotation and being eligible, offers himself for re-appointment; and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kushal Kumar Rana (DIN: 09189020), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

Special Business:

3. **To ratify the remuneration of the Cost Auditor for the financial year ending 31st March 2027**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs. 2,00,000/- (Rupees Two lakh only), plus applicable taxes and reimbursement of out-of-pocket expenses actually incurred in connection with the audit, payable to M/s Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No. 000019), appointed by the Board of Directors of the Company on the recommendation of the Audit Committee as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March 2027, be and is hereby ratified and approved".

   RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps, as may be necessary, proper or expedient to give effect to this resolution".

Ludhiana, 20th May 2026
Registered Office:
IOL Chemicals and Pharmaceuticals Limited
CIN: L24116PB1986PLC007030
Village & Post Office - Handiaya, Fatehgarh Chhanna Road,
Tehsil & District - Barnala (Punjab)PIN – 148107
Ph: 01679-285285,
investor@iolcp.com, www.iolcp.com

By Order of the Board
for **IOL Chemicals and Pharmaceuticals Limited**

Sd/-
Abhay Raj Singh
Sr Vice President & Company Secretary

NOTES:

1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.

2) Pursuant to the General Circular No. 3/2025 dated 22nd September 2025, issued by the Ministry of Corporate Affairs (MCA) and the circulars issued from time to time by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through Video Conferencing (VC) or Other Audio-Visual Means (OAVM), without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the 39th AGM of the Company is being conducted through VC / OAVM facility, without the physical presence of Members at a common venue. Central Securities Depositories Limited ('CDSL') will be providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The Registered Office of the Company situated at Village & Post Office Handiaya, Fatehgarh Channa Road, Barnala – 148107, Punjab (India) shall be deemed to be the venue of the Meeting.

3) Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM.

4) Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint authorised representatives in terms of Section 113 of the Act to attend the AGM through VC / OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the AGM. Such shareholders are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM, before e-Voting / attending AGM, to investor@iolcp.com with a copy marked to helpdesk.evoting@cdslindia.com.

5) The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.

6) Since the meeting is being held through VC/OAVM, the route map, proxy form and attendance slip are not annexed to the notice.

7) Pursuant to the MCA Circulars and SEBI Circulars, the Notice of the 39th AGM and the Annual Report for the FY 2025-26 including therein the Audited Financial Statements for FY 2025-26, are being sent only by electronic mode to the Members whose e-mail IDs are registered with the Company or the Depository Participant(s). Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 39th AGM and the Annual Report for the FY 2025-26 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:

   a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email investor@iolcp.com.

   b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

8) Notice of AGM is also available on the Company's website www.iolcp.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice of AGM is also disseminated on the website of CDSL i.e. www.evotingindia.com.

9) The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 27th August 2026 to Wednesday, 2nd September 2026** (both days inclusive) for the purpose of the 39th Annual General Meeting of the Company.

10) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

11) Members are requested to update their Know Your Client ("KYC") with their Depository Participant ("DP") (where shares are held in dematerialised mode) and with the RTA (where shares are held in physical mode). Members holding shares in physical form for availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi – 110055:

Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode.	Form ISR-1
Update of signature of securities holder	Form ISR-2
For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form SH-13

Declaration to opt out Nomination	Form ISR-3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical mode	Form ISR-4

Please click on link to download the aforesaid forms: https://www.iolcp.com/investors/kyc-nomination-forms

12) Members may note that pursuant to the applicable provisions of the SEBI Master Circular for Registrars to an Issue and Share Transfer Agents and other relevant circulars issued by SEBI from time to time, listed companies are required to issue securities in dematerialised form only while processing investor service requests such as issue of duplicate securities certificates, claim from unclaimed suspense account, renewal/exchange of securities certificates, endorsement, sub-division/splitting of securities certificates, consolidation of securities certificates/ folios, transmission and transposition.

    Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, along with the requisite supporting documents, to the Registrar and Share Transfer Agent of the Company, **Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055.**

    Members are further requested to ensure that their folios are KYC compliant by furnishing PAN, nomination, contact details, bank account particulars and specimen signatures, as applicable. It may be noted that service requests can be processed only after the folio is made KYC compliant in accordance with the applicable SEBI requirements.

13) As per Regulation 40 of the SEBI Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Members of the Company who hold securities in physical form and intend to transfer their securities can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. In view of the same and to avail the in-built advantages of NECS payment, nomination facility and other advantages, the shareholders are requested to dematerialize their shares. Members can contact the Company or RTA for assistance in this regard.

14) As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the websites of the Company or the Registrar and Transfer Agent ('RTA'). Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held by them in physical form, quoting their folio number.

15) SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian securities market in accordance with the applicable SEBI circulars and master circulars issued from time to time. Members may note that after exhausting the option of resolving their grievances directly with the Company and/or its Registrar and Share Transfer Agent ("RTA"), and through the SEBI Complaints Redress System ("SCORES"), they may, if required, initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

    The ODR mechanism facilitates online conciliation and arbitration for resolution of disputes in the Indian securities market in a convenient, transparent and time-bound manner.

16) Members are requested to note that dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares, in respect of such unclaimed dividends, are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their unpaid/unclaimed dividends from the Company, within the stipulated timeline. The details of dividends paid by the Company and the due dates for transfer of unpaid dividend amounts to the IEPF are provided in the Corporate Governance Report forming part of the Annual Report 2025-26."

17) In case of joint holders, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

18) Members may also note that Annual Report is available on the Company's website www.iolcp.com for their download. For any communication, the members may also send requests to the Company's investor email id: investor@iolcp.com

19) All activities for transmission of shares, dematerialization of shares, change of address etc. are carried out by the company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited "Alankit House", 4E/2, Jhandewalan Extension, New Delhi-110 055.**

20) **General instructions for accessing and participating in the 39th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

(i) The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide MCA Circulars. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

(ii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as authorised agency for providing e-voting services. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

(iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

(iv) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

(v) Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

(vi) In line with the MCA Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.iolcp.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

(vii) The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars

21) **The instructions for shareholders for remote e-voting and joining virtual meetings are as under:**

(i) The voting period begins on **30th August 2026 at 9:00 AM** and ends on **1st September 2026 at 5:00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date (record date) of 26th August 2026,** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, issued under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), listed entities are required to provide a remote e-voting facility to their shareholders in respect of all shareholders' resolutions.

At present, multiple e-voting service providers ("ESPs") provide e-voting facilities to listed entities in India. This requires shareholders to register with various ESPs and maintain multiple user IDs and passwords.

To enhance the efficiency of the voting process and pursuant to a public consultation, it has been decided to enable e-voting for all demat account holders through a single login credential, accessible via their demat accounts and the websites of Depositories or Depository Participants. Accordingly, demat account holders can cast their votes without having to register separately with the ESPs, thereby facilitating seamless authentication and enhancing the ease and convenience of participating in the e-voting process.

(iv) In view of the above, individual shareholders holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

(v) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(vi) **Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Methods
Individual Shareholders holding shares in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding shares in demat mode with **NSDL**	1) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jspYou will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding shares in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000 and 022-24997000

(vii) **Login method for e-Voting and joining AGM through VC/OAVM for Physical Shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should login on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical mode should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login

5) If you are holding shares in demat mode and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both shareholders holding shares in demat mode and shareholders holding shares in physical mode)
	• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company's records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for **IOL Chemicals and Pharmaceuticals Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xix) **Additional Facility for Non – Individual Shareholders and Custodians - For Remote Voting Only**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@iolcp.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

22) **Instructions for shareholders attending the AGM through VC/OAVM & e-voting during meeting are as under:**

(i) The procedure for attending AGM and e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

(iii) Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

(iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

(v) Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

(vii) Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker and send their questions in advance with regard to the financial statements or any other matter to be placed at the 39th AGM, from their registered email address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address investor@iolcp.com atleast 5 days in advance before the meeting. Further, the Shareholders who do not wish to speak during the AGM but have queries may also send their queries in advance 5 days prior to meeting as above. Such questions by the Members shall be replied during the meeting, depending upon the availability of time or may be replied suitably by email.

(viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the 39th AGM depending upon the availability of time.

(ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

(x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

23) **Process for those shareholders whose email/mobile no. are not registered with the Company/depositories:**

(i) For Physical Shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

(ii) For Demat Shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

(iii) For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

24) If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

25) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

26) All the documents referred to in the accompanying Notice of the 39th AGM and the Explanatory Statement and/or statutory documents will also be available for electronic inspection by the members from the date of circulation of this Notice upto the date of AGM. Members seeking inspection can send an email at investor@iolcp.com.

27) The Company has appointed Mr. Vinay Kohli, Partner, M/s K.K. Kapoor & Associates, Chartered Accountants as scrutinizer for conducting the e-voting process in fair and transparent manner.

28) The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.iolcp.com and on the website of CDSL; such Results will also be forwarded to the National Stock Exchange of India Limited and BSE Limited, where the Company's shares are listed.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors, on the recommendation of the Audit Committee, at its meeting held on 20th May, 2026, approved the appointment of M/s Ramanath Iyer & Co., Cost Accountants, New Delhi (Firm Registration No. 000019), as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company in respect of chemicals and bulk drugs for the financial year ending 31st March, 2027, at a remuneration of ₹2,00,000 (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses actually incurred in connection with the audit.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2027.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 3 of the accompanying Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) regarding the directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Mr Kushal Kumar Rana
DIN	09189020
Date of Birth	15th September 1969
Date of Appointment	4th June 2021
Brief resume of the director	Mr. Kushal Kumar Rana has over 35 years of extensive experience in the pharmaceutical industry, with deep expertise in manufacturing operations, quality systems, regulatory compliance and quality assurance. He joined the Company in 2005 as Senior Manager – Production in the API Division and has since played a significant role in strengthening the Company's quality and regulatory framework. Prior to his appointment to the Board, he served as President – Quality Assurance and was responsible for overseeing Quality Assurance, Quality Control and Regulatory Affairs. He holds a Master's Degree in Chemistry from Vinayaka Missions University.
Terms and conditions of Appointment	As stated in this Notice pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Draft Letter of Appointment.
Expertise in specific functional area	Commercial activities of the Chemicals and Pharmaceuticals Products
Total experience	35 years
Present profession	Director (Works)
Qualification	M. Sc. (Chemistry) From Vinayaka Mis sion University
Directorships in other public companies (excluding private, foreign and section 8 companies)	Nil
Chairmanship of Board Committees of other public companies	Nil
Membership of Board Committees of other public companies	Nil
Listed entities from which the person has resigned in the past three years	Nil
Shareholding in the Company	Nil
The number of Meetings of the Board attended during the year	4
Relationships between directors inter-se	Not related to any other director

Ludhiana, 20th May 2026
Registered Office:
IOL Chemicals and Pharmaceuticals Limited
CIN: L24116PB1986PLC007030
Village & Post Office - Handiaya, Fatehgarh Chhanna Road,
Tehsil & District - Barnala (Punjab)PIN – 148107
Ph: 01679-285285,
investor@iolcp.com, www.iolcp.com

By Order of the Board
For **IOL Chemicals and Pharmaceuticals Limited**

Sd/-
Abhay Raj Singh
Sr Vice President & Company Secretary

Statement of use	IOL has reported in accordance with the GRI Standards for the period between 1st April 2025- 31st March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Sections	Page No
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report; About us – Defining Our Identity; BRSR Section A – General Disclosures (I. Details of the listed entity)	03, 06-07, 126
	2-2 Entities included in the organization's sustainability reporting	About the Report – Scope and Boundary (standalone basis); BRSR Section A (Reporting boundary; Holding, Subsidiary and Associate Companies)	03, 128
	2-3 Reporting period, frequency and contact point	About the Report – Scope and Boundary, Feedback; BRSR Section A (Financial year, contact point)	03, 126
	2-4 Restatements of information	NA	NA
	2-5 External assurance	About the Report – Assurance; BRSR Section A (Name/type of assurance provider – Intertek India Pvt. Ltd.); BRSR Section B (independent assessment – P6)	03, 126, 131
	2-6 Activities, value chain and other business relationships	About us; Product Portfolio; Manufactured Capital; Social and Relationship Capital – Relationship Capital; BRSR Section A (business activities, products, markets, customers)	06-09, 60-65, 74-77, 126-127
	2-7 Employees	Human Capital; Business Model – Inputs; BRSR Section A (IV. Employees – details as at end of FY)	24, 44, 127
	2-8 Workers who are not employees	NA	NA
	2-9 Governance structure and composition	Governance – Keeping True North (Board composition, committees); Board of Directors; BRSR Section B (governance/committees)	34-39, 131
	2-10 Nomination and selection of the highest governance body	Governance – Board and Committee Oversight (Nomination and Remuneration Committee)	35
	2-11 Chair of the highest governance body	Governance – Board composition (Independent Director as Chairman of the Board); Board of Directors	35, 38
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance; Risk management framework; Business Model – Value creation process; BRSR Section B (Q9, Q10 review of NGRBCs)	30-37, 24-25, 131
	2-13 Delegation of responsibility for managing impacts	Governance – Board and Committee Oversight; BRSR Section B (highest authority – MD; Q10)	35, 131
	2-14 Role of the highest governance body in sustainability reporting	About the Report – Responsible Statement; Governance; BRSR Section B (statement by director; Q9-Q10)	03, 34-37, 130-131
	2-15 Conflicts of interest	Double Materiality Assessment (Governance topics); BRSR Section C – Principle 1 (Q6 conflict of interest; Leadership Q(b) managing Board conflicts)	28-29, 133-134
	2-16 Communication of critical concerns	Stakeholder Engagement; Governance – Ethical reporting/Whistleblower; Social and Relationship Capital – Grievance Resolution; BRSR Section A (Q25 complaints/grievances)	26-27, 36, 75, 128
	2-17 Collective knowledge of the highest governance body	Board of Directors – The Minds at the Helm; MD's Message (R&D team, experience)	38-39, 12-13
	2-22 Statement on sustainable development strategy	Chairman's Message; MD's Message; About the Report – Responsible Statement; BRSR Section B (Q7 statement by director on sustainability strategy)	10-13, 03, 130-131
	2-23 Policy commitments	Our Sustainability initiatives; Governance – Our Governance Principles; BRSR Section B (Q1 policies, Q4 codes/standards)	16-17, 34, 130
	2-24 Embedding policy commitments	Governance – Ethics and Accountability, Responsible Business Practices; BRSR Section B (Q2 policies translated into procedures, Q3 value chain)	36, 130-131
	2-27 Compliance with laws and regulations	BRSR Section A – Q25 (grievances); BRSR Section C – Principle 1 (Q2 fines/ penalties, Q6 conflict of interest); BRSR Principle 6 (Q13 environmental compliance)	128, 133, 150
	2-28 Membership associations	Social and Relationship Capital – Participation in Industry Platforms; BRSR Section C – Principle 7 (Q1 affiliations with trade/industry chambers)	77, 152
	2-29 Approach to stakeholder engagement	Stakeholder Engagement – Guided by Shared Purpose; Double Materiality Assessment; BRSR Section C – Principle 4 (Q1-Q2 stakeholder groups & engagement)	26-29, 142
	2-30 Collective bargaining agreements	NA	NA
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Double Materiality Assessment – What Guides Our Course (Stakeholder Engagement, process); BRSR Section A (Q26 materiality – GRI-based evaluation)	28-29, 128
	3-2 List of material topics	Double Materiality Assessment – Material Topic Identified (E/S/G table); BRSR Section A (Q26 material issues)	28-29, 128-129
	3-3 Management of material topics	Double Materiality Assessment; Risk management framework; BRSR Section A (Q26 approach to mitigate risks/opportunities)	28-33, 128-129
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Risk management framework – Foreign Exchange, Fire and Industrial Hazards; Natural Capital – emissions/decarbonisation; BRSR Section A (Q26 – climate risk/opportunity); BRSR Principle 6	30-33, 54-56, 128-129, 148-151
	205-2 Communication and training about anti-corruption policies and procedures	Governance – Ethics and Accountability; BRSR Section C – Principle 1 (Q1 training coverage, Q4 anti-corruption policy)	36, 132, 134
	205-3 Confirmed incidents of corruption and actions taken	BRSR Section C – Principle 1 (Q5 disciplinary action for bribery/corruption – Nil; Q6 conflict of interest)	133

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Sections	Page No
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Manufactured Capital – installed capacities; Natural Capital; BRSR Section C – Principle 8 (Q4 input material sourced)	60-65, 52, 153
	301-2 Recycled input materials used	BRSR Section C – Principle 2 (Q3 recycled input material to total material)	137
	301-3 Reclaimed products and their packaging materials	Natural Capital – Waste circularity; BRSR Section C – Principle 2 (Q4-Q5 reclaimed products & packaging)	58-59, 137
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital – Energy Management, energy mix table; BRSR Section C – Principle 6 (Q1 total energy consumption & intensity)	50-52
	302-2 Energy consumption outside of the organization	NA	NA
	302-3 Energy intensity	Natural Capital – energy intensity table; BRSR Section C – Principle 6 (Q1 energy intensity per rupee/output/employee)	52-53, 146
	302-4 Reduction of energy consumption	Natural Capital – Optimising energy mix, energy-saving initiatives; Case studies (solar, waste-to-wealth); BRSR Principle 6 (Q4 initiatives)	51-53, 57-59, 151-152
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital – Advancing Water Stewardship, Water Risk Management; BRSR Section C – Principle 6 (Q3 water; Q5 ZLD)	53-54, 147
	303-2 Management of water discharge-related impacts	Natural Capital – Wastewater management and ZLD operations; BRSR Section C – Principle 6 (Q4 water discharge, Q5 ZLD mechanism)	53, 147
	303-3 Water withdrawal	Natural Capital – Water management table (withdrawal by source); BRSR Section C – Principle 6 (Q3 water withdrawal by source)	54, 147
	303-4 Water discharge	Natural Capital – Zero Liquid Discharge (nil discharge); BRSR Section C – Principle 6 (Q4 water discharged – 0)	53-54, 147
	303-5 Water consumption	Natural Capital – Water management table (total consumption); BRSR Section C – Principle 6 (Q3 total water consumption)	54, 147
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	BRSR Section C – Principle 6 (Q11 operations in ecologically sensitive areas – None; Leadership Q3 biodiversity)	150-151
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital – Environmental stewardship; BRSR Section C – Principle 6 (Leadership Q3 – no significant biodiversity impact)	50, 151
	304-3 Habitats protected or restored	Social and Relationship Capital – Environmental Stewardship (plantation/ tree guards, park maintenance); BRSR Principle 6 (Leadership Q3 – Biodiversity parks at Barnala)	73, 151
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	NA	NA
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital – Managing Our Emissions Footprint, Scope 1 emission table; BRSR Section C – Principle 6 (Q7 Scope 1 GHG emissions)	55-57
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital – Scope 2 emissions table; BRSR Section C – Principle 6 (Q7 Scope 2 GHG emissions)	56, 148
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital – Scope 3 upstream/downstream table; BRSR Section C – Principle 6 (Leadership Q2 Scope 3 emissions)	56-58, 151
	305-4 GHG emissions intensity	Natural Capital – GHG Emission Intensity tables; BRSR Section C – Principle 6 (Q7 emission intensity)	56, 148
	305-5 Reduction of GHG emissions	Natural Capital – Decarbonisation approach, targets, case studies; BRSR Section C – Principle 6 (Q8 GHG reduction projects, Q4 initiatives)	54-59, 148-149, 151-152
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital – Scope 1 emission table (Refrigerant R-22 / HFCs); BRSR Section C – Principle 6 (Q7 GHG break-up incl. HFCs)	56, 148
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Natural Capital – air quality monitoring; BRSR Section C – Principle 6 (Q6 air emissions – NOx, SOx, PM, VOC, HAP)	54, 148
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital – Driving Waste Circularity, Waste handling approach; BRSR Section C – Principle 2 (Q3 end-of-life processes)	58-59, 135-136
	306-2 Management of significant waste-related impacts	Natural Capital – Waste handling approach, case studies; BRSR Section C – Principle 6 (Q10 waste management practices)	58-59, 149
	306-3 Waste generated	Natural Capital – Segregation of Waste at Source; BRSR Section C – Principle 6 (Q9 waste generated)	58-59, 149
	306-4 Waste diverted from disposal	Natural Capital – Total Recycled Waste; BRSR Section C – Principle 6 (Q9 – waste recovered/recycled)	58-59, 149
	306-5 Waste directed to disposal	Natural Capital – Total Waste Disposed (incineration, landfilling); BRSR Section C – Principle 6 (Q9 – waste directed to disposal)	58-59, 149
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social and Relationship Capital – Building a Responsible Supply Chain (PRAYAS, ISO 20400); BRSR Section C – Principle 2 (Q2 sustainable sourcing); Principle 6 (Q7 value chain env. assessment)	74-75, 135, 152
	308-2 Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital – Relationship Capital (supplier ESG assessment); BRSR Section C – Principle 6 (Q7 – 100% key Tier-1 suppliers assessed on ESG)	74-75, 152
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	BRSR Section A (Q22 turnover rate)	127

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	Sections	Page No
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital – Employee Well-being; BRSR Section C – Principle 3 (Q1 well-being measures; Q2 retirement benefits)	48-49, 137-138
	401-3 Parental leave	BRSR Section C – Principle 3 (Q1 maternity/paternity benefits; Q5 return-to-work & retention rates after parental leave)	137-138
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital – Health and Safety; SDG Mapping (SDG 3); BRSR Section C – Principle 3 (Q10a OH&S management system – ISO 45001:2018)	48, 18, 139
	403-2 Hazard identification, risk assessment, and incident investigation	Risk management framework; BRSR Section C – Principle 3 (Q10b hazard identification – HIRA/JSA/HAZOP; Q11 incidents)	30-33, 139-140
	403-3 Occupational health services	Human Capital – Health and Safety; BRSR Section C – Principle 3 (Q10c non-occupational medical & healthcare access)	48, 140
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital – Safety and engagement activities; Social and Relationship Capital – Open Dialogue; BRSR Section C – Principle 3 (Q10 worker participation)	48-49, 77, 139-140
	403-5 Worker training on occupational health and safety	Human Capital – training/L&D; BRSR Section C – Principle 3 (Q8 training on health & safety measures)	44-47, 139
	403-6 Promotion of worker health	Human Capital – Employee Well-being, well-being initiatives; BRSR Section C – Principle 3 (Q10c promotion of worker health)	48-49, 140
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social and Relationship Capital – Building a Responsible Supply Chain; BRSR Section C – Principle 3 (Leadership Q5 value chain H&S assessment; Q2 statutory dues)	74-75, 141
	403-8 Workers covered by an occupational health and safety management system	NA	NA
	403-9 Work-related injuries	Business Model – Outputs (LTIFR); BRSR Section C – Principle 3 (Q11 work-related injuries/fatalities/LTIFR)	24-25, 140
	403-10 Work-related ill health	BRSR Section C – Principle 3 (Q11 high-consequence work-related injury/ill-health – 0)	140
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Growth Strategy – Human Capital Development (avg training 40 hrs); Human Capital – L&D; BRSR Section C – Principle 1 (Q1 training programmes)	22, 44-47, 132
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital – Mentoring and Leadership Development, capacity building framework; BRSR Section C – Principle 3 (Q8 skill upgradation; Leadership Q4 transition assistance)	44-47, 139, 141
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital – performance-linked framework; Business Model; BRSR Section C – Principle 3 (Q9 performance & career development reviews – 100%)	24, 46-48, 139
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital – Diversity, Equity and Inclusion; Governance – Board composition; BRSR Section A (Q21 representation of women); BRSR Section C – Principle 5 (Q3 remuneration; diversity)	47-49, 35, 127, 144
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital – DEI; BRSR Section C – Principle 5 (Q3a median remuneration by gender; Q3b gross wages to females)	47-49, 144
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital – POSH/zero tolerance; Social and Relationship Capital – Grievance Resolution; BRSR Section C – Principle 5 (Q6-Q7 discrimination/POSH complaints – Nil)	48, 75, 145
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	BRSR Section C – Principle 5 (Q6 child labour complaints – Nil; Q10 assessments – 100%); Principle 3 (SA 8000:2014 certified)	145, 16
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	BRSR Section C – Principle 5 (Q6 forced/involuntary labour complaints – Nil; Q10 assessments – 100%; SA 8000:2014)	145
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	BRSR Section C – Principle 5 (Q1 human rights training coverage; Q10 assessments incl. security practices under SA 8000)	144-145
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital – Community Development (Education, Healthcare, Social Upliftment); SDG Mapping; BRSR Section C – Principle 8 (Q3 community grievance; Q6 CSR beneficiaries)	70-75, 153-154
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social and Relationship Capital – Building a Responsible Supply Chain (PRAYAS, ISO 20400); BRSR Section C – Principle 5 (Q4 value chain social assessment – 100%)	74-75, 146
	414-2 Negative social impacts in the supply chain and actions taken	Social and Relationship Capital – Relationship Capital; BRSR Section C – Principle 5 (Q4-Q5 value chain assessment, no significant risk)	74-75, 146
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	BRSR Section C – Principle 9 (Q3 consumer complaints incl. data privacy – Nil; Q6 data breaches – 0)	155

Independent Reasonable Assurance Statement to IOL Chemicals and Pharmaceuticals Limited on Selected Sustainability Disclosure and Business Responsibility & Sustainability Report (BRSR) Core within their Integrated Annual Report FY 2025-26

To the Management of IOL Chemicals and Pharmaceuticals Limited, Ludhiana, India

Introduction

Intertek India Private Limited ("Intertek") was engaged by IOL Chemicals and Pharmaceuticals Limited ("IOLCP") to provide an independent Reasonable assurance on selected sustainability disclosure and BRSR (Business Responsibility & Sustainability Report) core presented in their Integrated Annual Report FY 2025-26 ("the Report"). The scope of the Report comprises the reporting periods of FY 2025-26. The Report is prepared by IOLCP based on GRI and SEBI's (Securities and Exchange Board of India) BRSR guidelines. The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objective

The objectives of this Reasonable assurance exercise were, by review of objective evidence, to confirm whether any evidence existed that the sustainability related disclosures in alignment with GRI and BRSR requirements, as declared in the Report, were not accurate, complete, consistent, transparent and free of material error or omission in accordance with the criteria outlined below.

Intended Users

This Assurance Statement is intended to be a part of the Integrated Annual Report 2025-26 of IOLCP.

Responsibilities

The management of IOLCP is solely responsible for the development of the Report and its presentation. Management is also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report so that it is free from material misstatement, whether due to error.

Intertek's responsibility, as agreed with the management of IOLCP, is to provide assurance and express an opinion on the data and assertions in the Report based on our verification following the assurance scope and criteria given below. Intertek does not accept or assume any responsibility for any other purpose or to any other person or organization. This document represents Intertek's independent and balanced opinion on the content and accuracy of the information and data held within.

Assurance Scope

The assurance has been provided for selected sustainability disclosure and BRSR core with reference to GRI standards 2021 and SEBI's "BRSR Core - Framework for assurance and ESG disclosures for value chain" vide circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023 presented by IOLCP in the Report. The assurance boundary included data and information for the manufacturing units and Corporate Office of IOLCP in India. Our scope of assurance included verification of data and information on selected sustainability performance disclosures reported as summarized as below:

GRI disclosure:
General Disclosures • Organization and its reporting practices 2021: 2-1, 2-2,2-3, 2-5, 2-6, 2-7,
Material Topics • Process to determine material topics 2021: 3-1 • List of material topics 2021:3-2 • Management of Topics: 3-3
Topic specific Disclosure: *Environmental Disclosures* • Energy 2016: 302-1, 302-3, 302-4, 302-5 • Water and Effluents 2018: 303-2, 303-3, 303-4, 303-5 • Emissions 2016: 305-1, 305-2, 305-3, 305-4, 305-5, • Waste 2020: 306-1, 306-2 306-3, 306-4, 306-5
Topic specific Disclosure: *Social Disclosures* • Employment 2016: 401-1, 401-2. 401-3 • Labor Management Relations 2016: 402-1 • Occupational Health and Safety 2018: 403-1, 403-2 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9,403-10 • Training and Skill Development 404-2 • Diversity and Equal Opportunity 2016: 405-1, • Non-Discrimination 2016: 406-1 • Freedom of Association & Collective Bargaining 2016:407-1 • Child Labor 2016: 408-1 • Forced or Compulsory Labor 2018: 409-1 • Right of Indigenous People: 411-1 • Local Communities 2016: 413-1 • Public Policy 2016: 415-1 • Customer Health and Safety 2016: 414-1 • Marketing and Labelling 2016: 417-1 • Customer Privacy 2016: 418-1

BRSR Core:
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable: • Number of days of accounts payable. • Concentration of purchases & sales done with trading houses, dealers, and related parties. • Loans and advances & investments with related parties.
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains: • Cost incurred on well-being measures as a % of total revenue of the company. • Safety related incidents (LTIFR, Fatality, Permanent Disabilities) for employees and workers.
Principle 5: Businesses should respect and promote human rights: • Gross wages paid to females as percentage of wages paid. • Complaints on POSH

Principle 6: Businesses should respect and make efforts to protect and restore the environment • Total Scope 1 and Scope 2 emissions • GHG emissions intensity (scope 1 and 2). • Total water consumption, water consumption Intensity and water discharge by destination and levels of treatment. • Total energy consumed, % of energy consumed from renewable sources and energy intensity. • Total waste generated (category-wise); waste intensity; Total waste recovered through recycling, re-using or other recovery operations; Total waste disposed by nature of disposal method; waste diverted from landfill.
Principle 8: Businesses should promote inclusive growth and equitable development • Input material sourced (from MSMEs/ small producers and from within India) • Job creation in smaller towns– Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner • Instances involving loss / breach of data of customers as % of total data breaches or cyber security events

Assurance Criteria
Intertek conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.

A Reasonable assurance engagement comprises of limited depth of evidence gathering including inquiry and analytical procedures and Reasonable sampling as per professional judgement of assurance provider. A materiality threshold level of 10% was applied. Assessment of compliance and materiality was undertaken against the stated calculation methodology and criteria.

Methodology
Intertek performed assurance work using risk-based approach to obtain the information, explanations and evidence that was considered necessary to provide a Reasonable level of assurance. The assurance was conducted by desk reviews, and stakeholder interviews with regards to the reporting and supporting records for the fiscal year 2026. Our assurance task was planned and carried out during July and August 2026. The assessment included the following:

- Review of the Report that was prepared with reference to the GRI and SEBI's BRSR guidelines.
- Review of processes and systems used to gather and consolidate data.
- Examined and reviewed documents, data and other information made available digitally.
- Conducted online interviews with key personnel responsible for data management.
- Assessment of appropriateness of various assumptions, estimations and thresholds used by IOLCP for data analysis.
- Review of the Report disclosures on sample basis for the duration from 1st April 2025 to 31st March of 2026 for IOLCP was carried out.
- Appropriate documentary evidence was obtained to support our conclusions on the information and data reviewed and details were provided in a separate report.

Conclusions
Intertek reviewed selected sustainability disclosures and BRSR Core presented by IOLCP in its Integrated Annual Report FY 2025-26. Based on the data and information provided by IOLCP, Intertek concludes with Reasonable assurance that there is no evidence that the sustainability data and information presented in the Report is not

materially correct as per GRI and BRSR reporting guidelines.

Intertek's Competence and Independence

Intertek is a global provider of assurance services with a presence in more than 100 countries employing approximately 43,500 people. The Intertek assurance team included competent sustainability assurance professionals, who were not involved in the collection and collation of any data except for this assurance opinion. Intertek maintains complete impartiality towards any people interviewed.

For Intertek India Pvt. Ltd.

Pulak Mishra	**Shilpa Naryal**
Intertek Verifier	Head of Sustainability Intertek South Asia & MENAP
2026/08/04	2026/08/04

No member of the verification team (stated above) has a business relationship with IOL Chemicals and Pharmaceuticals Limited stakeholders beyond that is required of this assignment. No form of bribe has been accepted before, throughout and after performing the verification. The verification team has not been intimidated to agree to do this work, change and/or alter the results of the verification. The verification team has not participated in any form of nepotism, self-dealing and/or tampering. If any concerns or conflicts were identified, appropriate mitigation measures were put in place, documented and presented with the final report. The process followed during the verification is based on the principles of impartiality, evidence, fair presentation and documentation. The documentation received and reviewed supports the conclusion reached and stated in this opinion.

IOL Chemicals and Pharmaceuticals Limited

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