PUNJAB CHEMICALS
AND CROP PROTECTION LTD.
CIN NO. L24231PB1975PLC047063
Regd. Office & Works
Milestone-18, Ambala-Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt SAS Nagar, Mohali (Punjab)-140201, INDIA
Tele: 01762-280086, 522250, Fax: 01762-280070, E-mail: info@punjabchemicals.com, Website: www.punjabchemicals.com

Date: 5th July, 2025

BY E FILING

The Manager Department of Corporate Services BSE Limited **MUMBAI-400 001** Re: BSE Scrip Code: 506618	The Manager Listing Department National Stock Exchange of India Limited **MUMBAI-400 051** NSE Scrip Symbol: PUNJABCHEM

Sub: Annual Report under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company along with the Notice of 49th AGM for the Financial Year 2024-25. The same is being sent through electronic mode to those members whose email addresses are registered with the Company/ Registrar and Transfer Agent/Depositaries. Further, pursuant to Regulation 36(1)(b) of the SEBI Listing Regulations, the Company has sent letters to the shareholders whose e-mail addresses are not registered with the Company/RTA/Depositories, providing a web-link and QR code for accessing the Annual Report of the Company.

The Annual Report is also available on the website of the Company at www.punjabchemicals.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

Rishu Digitally signed by Rishu Date: 2025.07.05 20:29:33 +05'30'

RISHU CHATLEY
COMPANY SECRETARY
& COMPLIANCE OFFICER
(ACS-19932)

Encl : as above

49th Annual Report
2024-25

PUNJAB CHEMICALS AND CROP PROTECTION LTD.

Cultivating Tomorrow

Innovation | Sustainability | Resilience

उद्यमेन हि सिध्यन्ति
कार्याणि न मनोरथैः

20.07.1932 - 18.12.1997

S D SHROFF

(Known to all as 'Sasubhai')

He dared. He cared. He shared.

His vision to grow the company remains .....

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

What's Inside

Scan Above QR code to know more about us

To know more about the company, log on to https://www.punjabchemicals.com/

Corporate Information

Chairman Emeritus

Ghattu Ramanna Narayan

Chairman

Mukesh Dahyabhai Patel

Board of Directors

Managing Director

Shalil Shashikumar Shroff

Directors

Capt. Surjit Singh Chopra (Retd.)

Vijay Dilbagh Rai

Sheo Prasad Singh (upto April 30, 2025)

Aruna Rajendra Bhinge

Tara Subramaniam

Shivshankar Shripal Tiwari

Avtar Singh

Kapil Kumar Mehan (w.e.f. April 30, 2025)

Suresh Arora (IPS Retd.)
(w.e.f. April 30, 2025)

Key Managerial Personnel

Chief Executive Officer

Vinod Kumar Gupta

Chief Financial Officer

Vikash Khanna

Company Secretary and Compliance Officer

Rishu Chatley

Bankers

SVC Cooperative Bank Limited

Bank of Baroda

Yes Bank Limited

HDFC Bank Limited

Auditors

Statutory Auditors

M/s B S R & CO. LLP

Chartered Accountants

Cost Auditors

M/s Khushwinder Kumar & Co.

Cost Accountants

Secretarial Auditors

M/s P.S. Dua & Associates

Company Secretaries

Registered Office

Milestone 18, Ambala Kalka Road

Village & P.O.; Bhankharpur,

Derabassi District S.A.S. Nagar Mohali,

(Punjab) 140 201

Tel: 01762-280086/522250

Fax: 01762-280070

E-mail: info@punjabchemicals.com

Website: www.punjabchemicals.com

Corporate Office

Plot No. 645-646, 5th floor,

Oberoi Chambers II

New Link Road, Andheri (West),

Mumbai 400 053

Tel: 022-26747900

Fax: 022-26736193

E-mail: enquiry@punjabchemicals.com

Manufacturing Units

Agro Chemicals Division,

Derabassi, Punjab

Specialty Chemicals & Pharmaceuticals Division,

Lalru, Punjab

Industrial Chemicals Division,

Pune, Maharashtra

Registrar & Share Transfer Agent

Alankit Assignments Ltd., RTA Divison

Alankit Heights 4E/2,

Jhandewalan Extension

New Delhi -110 055

Tel: 011-42541234/23541234

Fax: 011-41543474

E-mail: rta@alankit.com

website: www.alankit.com

Corporate Identity Number

L24231PB1975PLC04706

Every seed we sow carries a quiet promise. A promise not just to grow but to nourish, to withstand, to give more than it takes. At Punjab Chemicals, this idea of cultivation goes beyond the field. It lives in the way we think, the way we respond to change, and the way we care for what we leave behind. Year after year, we are not just building a business. We are trying to build something that lasts, something that matters.

New ideas do not always arrive with noise. Sometimes they show up as a question that lingers. Could this be done better? Could we waste less? Could we protect more? For us, innovation begins in those quiet moments of doubt and discovery. It shows up in how we listen to those who use our products, in how we design safer solutions, and in how we make small improvements that add up to something meaningful over time. It is not about chasing the next big thing. It is about doing the next right thing.

The world is changing fast and not always gently. We have learned that being prepared means more than having a plan. It means having the will to bend without breaking. To stay rooted even as we stretch. This year tested that spirit in more ways than one. But through every challenge, we stayed grounded in our purpose, in our people, in the values we have carried with us for decades. Some years, growth is not in the numbers. It is in how we show up. And we have shown up with care, with grit and with hope for what lies ahead.

At a Glance

History and foundation

Established in 1975, Punjab Chemicals has expanded into a multinational enterprise through strategic mergers, organic growth, and an unrelenting focus on quality and global performance standards.

5
Decades of legacy

- Agro Chemicals
- Specialty Chemicals & Pharmaceuticals
- Industrial Chemicals

Sound finances

Punjab Chemicals continues to maintain financial stability, supported by prudent capital management and operational discipline. Despite external challenges, we remain focused on safeguarding long-term value and strengthening our core fundamentals.

₹ 901 Crores
Revenue

₹ 39 Crores
PAT

Human resources

We prioritise skill development, safety at workplace, and an inclusive culture that supports our people. Our goal is to nurture talent and build long-term engagement across the organisation.

1230
Total employees

Manufacturing and Research & Development

With state-of-the-art manufacturing facilities and a dedicated R&D centres, Punjab Chemicals focuses on process innovation, quality enhancement, and technology development to meet evolving global industry standards and customer needs.

30
Strength of R&D Team

2
PhDs in R&D Team

Corporate Social Responsibility

Our CSR work is rooted in the belief that business growth and social impact must go hand in hand. We focus on education, healthcare, and rural development across the regions where we operate, aiming to make a lasting difference in people's lives.

₹ 1.82 Crores
CSR spend in FY2024- 25

26450
Total beneficiaries

Environment-related business

We are working steadily to integrate resource efficiency and pollution control into every part of our operations. Alongside this, we are gradually exploring environment-friendly product segments that align with sustainable agriculture and industrial needs.

Zero
Liquid Discharge

4.77%
Reduction in waste generation

0.68%
Reduction in water consumption

About Us

Founded in 1975 as Punjab United Pesticides & Chemicals Ltd. (PUPCL), we evolved into Punjab Chemicals and Crop Protection Limited, with diverse divisions in Agrochemicals, Specialty Chemicals, Pharmaceuticals, and Industrial Chemicals. Our state-of-the-art manufacturing facilities across India have enabled us to be a trusted supplier of critical downstream products, specialising in agrochemicals and performance chemicals.

Headquartered in Mumbai, we are a key player in the global agrochemical industry, focusing on herbicides, insecticides, and fungicides. With expertise in process engineering and product development, we provide innovative solutions to both domestic and international markets. We continue to expand our product portfolio and offer tailored solutions, including contract manufacturing, while building long-term partnerships and driving growth across sectors.

Our Vision

To become a major player in the CRAMS segment with innovation and a preferred partner in Agrochemicals and Performance Chemicals

Our Mission

- To meet and exceed customer expectations with quality and cost competitiveness
- To focus on products and chemistries that ensure value addition for customers
- To focus on community development in and around areas where we operate
- To keep research & technology as the backbone for future growth

Our Motto

We visualise Punjab Chemicals as a company that pursues its corporate goals to manufacture and market world-class products with industrial and enterprising activity, but without losing sight of ecological preservation and social responsibility

Customer value

Customer experience

Environment responsibility

Social responsibility

Our Value Proposition

At Punjab Chemicals, we deliver long-term value by combining operational excellence, sound financial management, and an agile, innovation-led approach to growth. Our strengths position us well to benefit from evolving industry dynamics and to consistently meet the expectations of both domestic and international customers.

Trusted CRAMS Partner for Leading Agrochemical Companies

Our longstanding association with multinational and domestic clients, supported by a consistent delivery record, has made us the partner of choice in India. As the global agrochemical industry expands, our established credibility positions us to capture a greater share of new opportunities across geographies.

Strong Financial Position and Capital Discipline

Our prudent capital allocation strategy and focus on return optimisation have strengthened our balance sheet, reflected in a low debt-to-equity ratio and improving ROCE. These fundamentals support sustained and efficient growth.

Operational Efficiency and Cost Competitiveness

We have developed efficient, cost-competitive manufacturing processes over the past decade. By integrating good engineering practices into plant and process design, we continue to operate as a low-cost producer while expanding our export footprint and ensuring product competitiveness.

Manufacturing Strength and Innovation Ecosystem

Our infrastructure includes readily available technically trained manpower and surplus production capacity to meet incremental demand. Our R&D team works across diverse chemistries, introducing 6–8 new products each year, enabling us to respond quickly to emerging customer requirements.

Advantage in a Shifting Global Supply Chain

As global manufacturers seek to reduce dependence on China, we are well positioned to support this transition. Our reliability, scale, and technical capabilities make us an effective alternative partner in an evolving supply chain landscape.

Forward-Looking Growth Agenda

We are focused on building integrated supply chains, advancing R&D and product development, and strengthening collaborations with both multinational and domestic companies. These initiatives are aligned with our goal of driving healthy, sustainable EBITDA growth over the long term.

Financial Highlights

In FY25, we operated in a challenging business environment shaped by subdued export demand and pricing pressures across key markets. Despite this, we maintained our market share. Our performance was supported by operational efficiencies, a disciplined approach to cost management, and the commercialisation of four new specialty chemical products.

Revenue
(₹ Crores)

FY 20-21	678
FY 21-22	933
FY 22-23	1006
FY 23-24	934
FY 24-25	**901**

EBITDA
(₹ Crores)

FY 20-21	97
FY 21-22	141
FY 22-23	126
FY 23-24	116
FY 24-25	**101**

PAT
(₹ Crores)

FY 20-21	49
FY 21-22	83
FY 22-23	61
FY 23-24	54
FY 24-25	**39**

EBITDA Margin
(%)

FY 20-21	14
FY 21-22	15
FY 22-23	13
FY 23-24	12
FY 24-25	**11**

PAT Margin
(%)

FY 20-21	7
FY 21-22	9
FY 22-23	6
FY 23-24	6
FY 24-25	**4**

ROCE
(%)

FY 20-21	35
FY 21-22	39
FY 22-23	29
FY 23-24	21
FY 24-25	**14**

ROE
(%)

FY 20-21	41
FY 21-22	45
FY 22-23	24
FY 23-24	18
FY 24-25	**11**

Capital Structure (Debt)
(₹ Crores)

FY 20-21	81
FY 21-22	87
FY 22-23	89
FY 23-24	121
FY 24-25	**157**

Capital Structure (Equity)
(₹ Crores)

FY 20-21	145
FY 21-22	226
FY 22-23	281
FY 23-24	330
FY 24-25	**365**

Net Working Capital (NWC)
Days

FY 20-21	39
FY 21-22	53
FY 22-23	63
FY 23-24	87
FY 24-25	**111**

EPS

FY 20-21	40.03
FY 21-22	68.07
FY 22-23	49.84
FY 23-24	43.70
FY 24-25	**31.75**

Debt Equity Ratio

FY 20-21	0.56
FY 21-22	0.39
FY 22-23	0.32
FY 23-24	0.37
FY 24-25	**0.43**

Cash Flow (Operations)
(₹ Crores)

FY 20-21	43
FY 21-22	34
FY 22-23	58
FY 23-24	30
FY 24-25	**25**

Cash Flow (Financing)
(₹ Crores)

FY 20-21	(24)
FY 21-22	(11)
FY 22-23	(20)
FY 23-24	4
FY 24-25	**12**

Cash Flow (Investing)
(₹ Crores)

FY 20-21	(8)
FY 21-22	(27)
FY 22-23	(36)
FY 23-24	(36)
FY 24-25	**(30)**

Our Journey

1975
Punjab United Pesticides & Chemicals Limited was established as a collaboration between Excel Industries Ltd. and PSIDC

1978
The Company's equity shares were publicly issued

1983
The Company diversified its product portfolio into speciality chemicals

1995
The Company began to focus on agro-chemicals and speciality chemicals

2003
The Company established a new manufacturing facility (pharmaceutical product) following the acquisition of Alpha Drug India

2006
All group companies were amalgamated under Punjab Chemicals and Crop Protection Ltd.

2016
The Company extended into contract research and manufacturing services (CRAMS)

2022
The Company reported its highest EBITDA and PAT

2023
Revenue crossed ₹1,000 Crores

2024
Accelerated R&D and new Product introduction

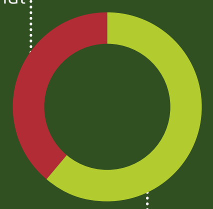
2025
Double digit contribution from new products

Geographical Footprint

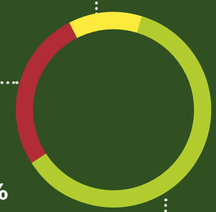
Expanding Global Footprint

Building on our established presence in India, Europe, and Japan, we are strategically preparing for the next phase of growth. We are strengthening our commercial and regulatory engagement in Latin America, South Asia, and the European Union. These regions offer significant potential for our differentiated speciality chemicals portfolio, and we are aligning resources to deepen market penetration. Supported by our evolving product pipeline and strong supply capabilities, we aim to scale our global reach and unlock long-term value in these high-growth geographies.

Geographical Revenue Split
(%)



Share of business across continents



Our Global Clientele

UPL
Adama
Bayer
Corteva
Krishi Rasayan Group
Lupin
Nissan Chemical
BASF
Daiichi-Sankyo
Pepsi
Coca Cola
Nippon Kayakli
Zydus Cadila
Laurus Labs
Kureha

Our Business Units

We operate a diversified chemical portfolio across agrochemicals, speciality chemicals, pharmaceuticals and industrial chemicals, serving both domestic and international markets. Each segment is supported by dedicated manufacturing facilities, robust R&D capabilities, and deep process expertise.

Our products address the critical needs of agriculture, pharmaceuticals, specialty applications, and industrial applications, with a focus on quality, innovation, and customer-centric solutions. From patented crop protection molecules to niche APIs and high-purity phosphates, we deliver tailored offerings across sectors.

We continue to strengthen our presence through strategic partnerships, long-term manufacturing agreements, and a strong export footprint. The breadth of our portfolio positions us as a reliable and integrated chemical solutions provider.

Location Wise Revenue

Agro Chemicals (%)

FY 22-23	73
FY 23-24	71
FY 24-25	**67**

Industrial Chemicals (%)

FY 22-23	12
FY 23-24	13
FY 24-25	**14**

Specialty Chemicals & Pharmaceuticals (%)

FY 22-23	15
FY 23-24	16
FY 24-25	**19**

Agro Chemicals

We have established ourselves as a trusted name in the agrochemicals space, with a well-diversified portfolio of herbicides, insecticides, and fungicides. Backed by decades of process expertise, we cater to both domestic and international markets with high-quality formulations and technical-grade products. Our Derabassi facility serves as the hub for manufacturing, supported by state-of-the-art R&D and multi-purpose production blocks.

We work closely with customers to develop tailored solutions and continuously innovate to meet evolving global agricultural needs. Contract manufacturing further complements our capabilities, enabling us to expand client partnerships and deepen our industry presence.

Major chemistries

- Chlorination
- Hetrocyclic
- Bromination
- Methylation
- Freon Reaction
- Friedel craft
- Hydrazine
- Oxidation
- Benzylation
- Azotisation
- Cryogenic Reaction

Product Category

We have a fair mix of products in herbicides, fungicides and insecticide segment. We also have intermediates segment in a big way through long term contract & in-house R &D.

Specialty Chemicals & Pharmaceuticals

Major chemistries

- Halogenation
- Esterification
- Cyanation
- POCL3/PCL5
- Butyl-Lithium Reaction
- Nitration
- Photochlorination

Product Category

Multi-Step speciality chemical/ intermediate for API

We operate a dedicated Speciality and API division at Lalru, manufacturing high-quality intermediates, fine chemicals, and active pharmaceutical ingredients (APIs) for global customers. The facility supports a wide range of reactions including methoxylation, chlorination, hydrochlorination, cyanation, and esterification. Our capabilities are rooted in the legacy of Alpha Drug India Ltd., a pioneer in import-substitute intermediates for semi-synthetic penicillins.

We continue to build on this expertise through strong R&D, modern infrastructure, and adherence to global quality, safety, and environmental standards. This site also houses our gallic acid derivative production and contract manufacturing for niche APIs and fine chemicals.

Industrial Chemicals

Operating since 1961, our Pune facility is India's only producer of food-grade phosphoric acid via the thermal process, certified under FSSC 22000. We supply to leading beverage and pharmaceutical companies across India and abroad.

Our portfolio includes Phosphates, Phosphorus Pentoxide, and customised Oxalates. We also offer contract manufacturing and export to countries like Sri Lanka, Italy, and Spain. Backed by strong R&D, we support custom synthesis from kilo to tonne scale, including under confidentiality agreements.

Major chemistries

Phosphorus-based products and chemistry

Product Category

Special high-purity phosphorus compound/ phosphates

Chairman's Message

> We successfully maintained our market share, commercialized four new products contributing 12% to our top line, and improved our gross margins by 160 basis points to 40.3%.

Dear Shareholder,

It is my absolute privilege to present to you the Annual Report of Punjab Chemicals and Crop Protection Limited (PCCPL).

The past year presented a blend of challenges and opportunities for PCCPL. However, as we share our journey, it gives us immense joy in highlighting our story of the year gone by. These achievements are a result of our resolute commitment to quality, inherent strengths and expertise in traversing an evolving and complex business landscape.

Within these pages, you will find details of our performance, our guiding values and our aspirations for the path ahead.

Analysing our performance

The agrochemical industry continued to remain in a challenging phase due inventory phasing out and excess capacity. -While prices have now stabilised after a prolonged period of decline, export demand remains subdued due to adverse weather, market oversupply and price uncertainties. Demands for fungicides and insecticides remain healthy, while herbicides are seeing a sluggish performance. Forecasts of normal monsoon in India is expected to bring some upside for Agrochemical companies.

For FY 2024-25, our revenue from operations stood at INR 901 Crores. There was a marginal decrease, primarily due to changing market dynamics. Nevertheless, we successfully maintained consistent volumes and capacity utilisation. We successfully change market mix by increasing domestic share of business to 62% of total revenues, contributing INR 556 crores, while the international market contributed INR 346 crores.

Leveraging our core competencies Our strength lies in our deep expertise and consistent track record of delivering high-quality products. Our robust manufacturing and R&D capabilities, combined with a technically skilled workforce and cost-effective strategies, enable us to meet growing demand. We continue to introduce new products servicing both local and International markets. We have earned a reputation of trust and excellence, forging long-standing associations with both multinational and domestic clients.

The growing trend of reducing dependency on China presents a structural shift and we are prepared to capitalise on it. By embracing new technologies, expanding our integrated supply chain and building a robust network, we are poised to unlock new avenues for the Company.

Nurturing growth through sustainability

We are ardent believers of devoting our resources to building a greener tomorrow. With sustainability at the core of our operations, we adhere to the best Environmental, Health and Safety (EHS) practices.

Under our stewardship, A new Common Effluent Treatment Plant will be commissioned in FY 2026 in Derabassi Industrial area. This is a part of our long term commitment to not only ensure our compliance but also to improve compliance by all other smaller industry in our vicinity.

The safety of our workers also remains our foremost priority. We continue to invest significant capital in safety system upgradation, asset renewal and new technology. Our plants are equipped with occupational health facilities, professional staff and governed by robust safety protocols to foster a culture of responsibility and well-being.

Building a robust foundation for growth

As we navigate uncharted waters, we are consistently undertaking initiatives to grow from strength to strength. We continue to expand our business portfolio and research and development efforts are more focussed on developing specialty chemicals with a focus to build strong presence in specialty segment and get into new chemistries.

We are strengthening our infrastructure, working to our production capacities and focusing on upgrading our talent pool. We are also pursuing strategic expansion into new geographical markets, including Latin America, South Asia and the European Union. Further, we are focused on optimising asset utilisation, embracing backward integration and capitalising on emerging opportunities to sustain our momentum.

Our new products are getting very positive response from market and these products will add to our performance in coming years. These are encouraging signs and gives us confidence that effort of the management team and focus in capability building is yielding good results, We anticipate launching further new products in the upcoming financial year.

Looking Ahead

Finally, as I conclude, I believe this quote can best encapsulate our vision for the future- 'The best preparation for tomorrow is doing your best today'. The management team is working to build a strong foundation for future, working tirelessly to be a leader is safety, sustainability and innovation. The word 'tomorrow' holds immense promise for us, a future brimming with endless possibilities, remarkable milestones and limitless growth.

The business environment will undoubtedly continue to evolve but we need to nurture our innovative spirit, ignite our resilience and pursue sustainable growth. We continue to track market very closely, work aggressively on new products, introduce technologies which are giving us competitive advantage. We will remain agile in adapting to the changes in market forces and will equipped to with R&D, operational excellence and market diversification.

I extend my heartfelt gratitude to our shareholders, employees, customers and partners for their continued trust and support. Your confidence in our vision and capabilities motivates us to push boundaries and strive for excellence.

As we move forward, we remain committed to creating sustainable value and reinforcing our position in the industry. Let us continue our journey of growth and success together.

Regards,

Mukesh D. Patel

Chairman

Business Model

Inputs

Robust Financials
- Net Worth **365** INR Crores
- Net Debt **157** INR Crores

Innovation
- R&D Facilities **2**
- R&D Spend **5** Crores
- R&D Strength **30**

Manufacturing Excellence
- Manufacturing units **3**
- CAPEX INR **251** Crores

Human Resource
- Employees **1230**

Community Welfare
- CSR Spend **1.82** Crores

Environment Stewardship
- Promoting CETP in Derabassi Industrial area
- Adopting latest technology
- Growing trees in and around plants

Our Ecosystem

Value Creation Business Model

We follow a focused approach to create long-term value across our product segments by combining deep chemistry expertise with flexible engagement models and customer-centric innovation.

Identifying Niche Products and Customers

We target niche, high-value products involving complex multi-step chemistry, offering a diversified basket of solutions.

Target clients

Global agrochemical innovators and mid-sized speciality chemical and pharmaceutical companies.

Flexible Operating Models

We adapt to customer preferences through multiple modes of collaboration:

- End-to-end support from R&D to commercial scale-up
- Technology transfer and contract manufacturing (CMO model)
- Joint CAPEX investments backed by exclusive long-term contracts

Partnering through Contract Manufacturing

We build long-term partnerships that deliver mutual value. Our contract manufacturing model enables:

1. Faster development and turnaround
2. Expansion of customer relationships across product lines
3. Sustainable growth embedded into every engagement

Growth Triggers

- Expanding into new geographies
- Launching new products and chemistries
- Backward integration to enhance supply chain control
- Strengthening CRAMS relationships

Outputs

Robust Financials
- Continued focus on operational efficiency and product mix optimisation

Innovation
- Strengthened pipeline through in-house R&D and advanced sample approvals

Product Leadership
- Products sold in India and across global markets.
- Trusted by long-term domestic and international customers

Human Resources
- Talent management
- Sustained focus on skill alignment to support future growth and expansion

Social and Relationship Capital
- CSR Beneficiaries **26450**

Natural Capital
- Zero Liquid Discharge
- **4.77%** reduction in waste generation
- **0.68%** reduction in water consumption

Stakeholders Impacted

- Local Communities/NGO
- Suppliers
- Employees
- Shareholders/ Investors
- Trade Partners

Manufacturing Excellence

Versatile Facilities with Process Strength and Sustainable Operations

Our manufacturing infrastructure supports diverse chemical processes under stringent safety and environmental standards.

Capabilities

- Reactions under extreme conditions, including cryogenic processes
- Balanced reactor mix: Glass-lined and Stainless Steel in multiple capacities
- ZLD Compliance: All sites operate advanced Effluent Treatment Plants
- Waste management integrated into manufacturing design

Safety & Compliance

- Industry-standard safety protocols and audits
- Upgraded systems for hazard management and process control
- Continuous infrastructure upgrades for operational excellence

Derabassi & Lalru plants are certified with

QUALITY MANAGEMENT SYSTEM ISO 9001 : 2015

CERTIFIED ISO 14001:2015 COMPANY

CERTIFIED ISO 45001:2018 COMPANY

Pune unit hold certifications.

Good Manufacturing Practice GMP Quality Certification

FSSC 22000

Research & Development

Driving Process Innovation and Product Efficiency

Our R&D function is focused on enhancing process reliability, developing speciality intermediates, and supporting contract research across sectors.

Facilities & Infrastructure

Dual R&D Centres: Derabassi & Lalru, equipped with kilo labs and pilot plants

Analytical Tools: HPLC, UPLC, GC-MS, GC (Agilent, Shimadzu, Waters)

New Capabilities such as an autoclave facility and expansion into complex, multi-step synthesis

In-house knowledge base supported by a dedicated scientific reference library

Focus Areas

Process optimisation for existing molecules

Redesigning routes for cost-effective and safer production

Developing a speciality chemical pipeline development with 40% of enquiries coming from outside the agchem space

Collaborating with universities to enhance capabilities

Approach

A secrecy-driven contract research model

Pilot plant design for scale-up studies

Synchronised development with manufacturing and sales

30
Strength of R&D Team

2
PhD in R&D Team

Quality, Environment, Health, and Safety (QEHS)

At Punjab Chemicals, we prioritise upholding the highest standards in Quality, Environment, Health, and Safety (QEHS), embedding these principles into every aspect of our operations. Our commitment to QEHS reflects our focus on delivering excellent products, promoting ecological sustainability, ensuring employee well-being, and maintaining safe workplaces. We adopt a proactive and systematic approach, anchored in continuous improvement, adherence to best practices, and a proactive stance on risk management and sustainability.

Quality

We follow a systems-driven approach to ensure that our products meet stringent quality standards across the value chain. Our practices are designed to guarantee consistency, precision, and compliance across all stages of production.

- Robust Quality Management Systems (QMS) tailored to diverse products and manufacturing processes
- State-of-the-art quality control laboratories at all manufacturing sites, regularly updated to meet the latest standards
- A qualified, trained team ensuring precision and accuracy across all operations
- Comprehensive analysis, including effluent water treatment, integrated into quality control processes

Environment

We take proactive measures to minimise our ecological footprint through the adoption of innovative technologies and sustainable practices in all our manufacturing facilities.

- Zero Liquid Discharge (ZLD) facilities at both Derabassi and Lalru units, promoting sustainable water use
- Upgraded effluent treatment plants with advanced technology to improve efficiency and reduce environmental impact
- Promotion of environmental compliance in nearby small industries by investing in a Common Effluent Treatment Plant
- Significant focus on waste reduction and enhanced recovery to improve resource efficiency and sustainability
- Green initiatives, including the planting of over 1000 plants to promote environmental awareness and offset emissions

Health

We prioritise employee well-being through comprehensive health services, preventive care and awareness initiatives aimed at creating a supportive, safe work environment.

- On-site occupational health centres at manufacturing units with 24x7 medical and emergency care
- Collaborations with local hospitals and regular visits by three qualified doctors
- Regular health checks and occupational health assessments to identify and prevent health risks
- Health education camps addressing cardiovascular health, blood pressure, hypertension, yoga, and nutrition awareness
- Comprehensive wellness programs aimed at improving overall employee health and well-being

Safety

We ensure a safe working environment through rigorous safety protocols, regular training, and continuous monitoring to prevent accidents and promote workplace safety.

- Comprehensive fire detection and prevention systems, ensuring the safety of all personnel
- Regular safety training, simulations, inspections, and audits to maintain high safety standards
- Active engagement in Process Safety Management (PSM) principles for hazard identification and risk assessment
- Annual Safety Week celebrations that include safety campaigns, events, and quizzes to raise awareness among employees
- Clear safety violation protocols and a documented system for near-miss, incident, and accident reporting
- Bi-annual mock drills and eight hours of safety training per employee each month to ensure preparedness and compliance with safety standards

We continue to strengthen our approach to sustainability by improving how we manage environmental resources, engage with communities, and uphold responsible business practices.

Our focus remains on improving operational efficiency, engaging with local communities, and maintaining sound governance, measured and realistic steps that enhance regulatory compliance, business continuity, and balanced growth while aligning with evolving stakeholder expectations and industry standards.

Environment

Punjab Chemicals continues to integrate sustainability into every aspect of its operations. Our approach is rooted in responsible resource use, cleaner energy, and collaborative environmental progress, demonstrating that efficient manufacturing and ecological stewardship can go hand in hand.

Sustainable Manufacturing in Practice

Our Derabassi and Lalru units are Zero Liquid Discharge (ZLD) facilities, ensuring complete recycling and reuse of wastewater. Both units operate on renewable biomass, significantly reducing our reliance on fossil fuels and lowering emissions.

- Achieved zero waste to landfill
- Reduced water consumption intensity year-on-year
- Transitioned to cleaner, energy-efficient technologies

Driving Industry-Wide Impact

Going beyond our own boundaries, we are working with neighbouring industries to co-develop a Common Effluent Treatment Plant. This initiative promotes environmental compliance among smaller units and strengthens the region's collective sustainability standards.

Technology and Climate Responsibility

We continue to explore advanced technologies that help lower our carbon footprint. Our investments are directed towards

- Emission control systems
- Clean energy solutions
- Process innovations that reduce resource intensity

Aligned with Global Principles

Our sustainability efforts align with the United Nations Global Compact's ten principles, particularly focusing on environmental responsibility, human rights, labour practices, and anti-corruption. These principles guide our operations, ensuring that we uphold ethical standards and contribute to positive social and environmental outcomes while maintaining long-term business value.

Guided by a Strong Framework

Our environmental philosophy is structured around four key pillars:

4

Plan

Define long-term environmental objectives

Mitigate

Actively reduce emissions and waste

Adapt

Incorporate new and sustainable technologies

Resilience

Strengthen systems against climate risks

Social

In our CSR efforts, we have consistently prioritised the upliftment of education, healthcare, and overall quality of life in nearby rural areas, with a particular focus on creating health awareness among rural women. Education has remained our foremost priority.

Focus Area

Education

Health

Community Development

In FY 2024-25, we undertook several initiatives to make a meaningful difference. In the area of education, we contributed to the improvement of school infrastructure by constructing classrooms and playgrounds. We also engaged with students to understand their academic needs and established mini science centres to encourage hands-on learning.

In the area of health, we organised blood donation camps, eye check-ups, and other medical camps. We supported local hospitals by contributing medical equipment and devices to strengthen healthcare delivery. To help create more independent and meaningful lives for individuals with disabilities, we donated prosthetic limbs.

We also launched an initiative titled “Swasthya se Digital Saksharta Tak” in collaboration with Chitkara University. Through this, college volunteers engaged with illiterate and rural women to raise health awareness and promote digital literacy, helping improve the quality of life for vulnerable groups.

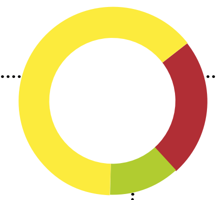
Our community development activities focused on enhancing shared spaces and local ecosystems. These included adopting a pond to support environmental conservation, and restoring old community buildings and common areas for public use.

CSR Spent / Expenditure

(₹ Crores)

FY 20-21	0.50
FY 21-22	0.76
FY 22-23	1.33
FY 23-24	1.81
FY 24-25	**1.82**

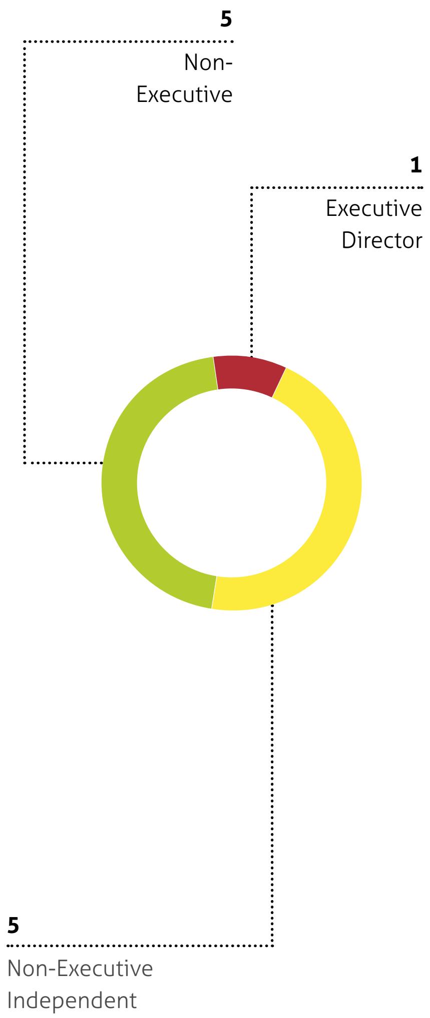
Bifurcation of CSR amount in FY 2024-25



Governance

Our governance approach emphasises transparency, accountability, and ethical conduct. With a balanced Board structure, we ensure independent oversight and informed decision-making that upholds stakeholder trust and support long-term value creation.

Board Composition



Ethics and integrity

We encourage responsible conduct at every level through clearly defined codes and practices that guide decision-making. Our efforts are directed towards creating a work environment where fairness, transparency, and respect are consistently upheld in all interactions and operations.

Board skills and expertise

The Board of Directors is structured to bring together a diverse and complementary set of skills, experience, and perspectives. This collective expertise enables the Board to provide effective oversight and strategic guidance aligned with the Company's long-term goals.

Our Committees

Specialised Board committees support effective governance by providing focused oversight on key matters such as financial reporting, stakeholder relations, risk, remuneration, and sustainability. These committees operate under clearly defined charters to ensure thorough review and guidance.

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- CSR Committee

Our Policies

A robust set of internal policies supports our governance practices. These policies promote ethical behaviour, workplace safety, data protection, and fair grievance redressal, contributing to a secure, inclusive, and compliant organisational culture.

- Whistleblower Policy
- Prevention of Sexual Harassment (POSH)
- Grievance Handling
- Policy on Cyber Security and Risk related to Data Privacy
- Anti-Bribery and Anti-Corruption Policy

Board of Directors

Mr. Mukesh D. Patel

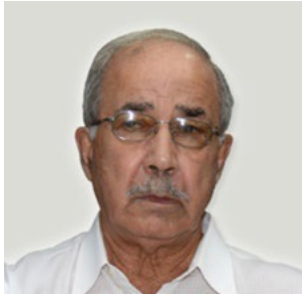
Chairman & Non-Executive Non- Independent Director

Mr. Shalil Shashikumar Shroff

Managing Director

Mr. Vijay Dilbagh Rai

Non- Executive Non-Independent Director



Capt. Surjit Singh Chopra (Retd.)

Non-Executive Non-Independent Director

Mrs. Aruna Rajendra Bhinge

Independent Director

Mrs. Tara Subramaniam

Independent Director

Mr. Sheo Prasad Singh

Independent Director (upto April 30, 2025)

Mr. Avtar Singh

Non-Executive Non-Independent Director

Mr. Shivshankar Shripal Tiwari

Non-Executive Non-Independent Director

Mr. Kapil Kumar Mehan

Additional Independent Director (w.e.f. April 30, 2025)

Mr. Suresh Arora (IPS Retd.)

Additional Independent Director (w.e.f. April 30, 2025)

Management Discussion and Analysis

Economic Review

Global Economy overview

The global economy demonstrated resilience in CY2024, maintaining a growth rate of 3.3% despite headwinds from geopolitical conflicts, trade tensions and monetary policy shifts. While advanced economies expanded at a modest 1.8%, emerging markets and developing economies (EMDEs) outperformed, growing at 4.3%. Along with this, the GDP of the United States and the European region grew by 2.8% and 0.9% in CY 2024. Global headline inflation continued its downward trajectory, declining from 6.6% in CY2023 to 5.7% in CY2024. However, inflation trends varied across regions- advanced economies moved closer to their target inflation rates while emerging markets faced persistent inflationary pressures due to currency depreciation and supply chain disruptions.

As inflationary pressures eased major central banks began to pivot away from tight monetary policies and initiating gradual interest rate cuts. However, fiscal consolidation became a key priority across economies aiming to address elevated debt levels and rebuild financial buffers. Trade dynamics saw growing regionalisation, although global trade volumes remained resilient despite evolving geopolitical risks.

Recent shifts in global trade policies, particularly the imposition of new tariffs, have created notable headwinds for businesses relying on international supply chains. These changes have led to disruptions in the flow of goods and intensified tensions between major trade partners. In light of these challenges, businesses are recalibrating their strategy to remain competitive, avoid disruption to supply chain and protecting their market share. The current shift is likely to have long term impact and result into new supply chain networks and trade shifts.

GDP Growth Projections (in %)

Source: IMF, April 2025

[1]https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025

Outlook

While challenges remain and the global economy remains in a bit of churn, the outlook for CY2025 and beyond remains cautiously optimistic, and the inflationary pressures are expected to ease further. The global headline inflation is declining to 5.7% in CY2025, allowing central banks to continue their transition toward more accommodative monetary policies.

Trade tensions are likely to remain a significant factor in the economic landscape, as nations adjust to ongoing policy shifts and potential tariff adjustments in response to U.S. measures. For businesses, adaptability and strategic foresight will be essential. Countries are expected to prioritise regional trade partnerships and more resilient supply chains to mitigate the risks posed by trade disruptions. Emerging markets are expected to remain key drivers of global expansion. The Eurozone is expected to witness a gradual recovery, as consumer spending picks up and industrial output stabilises supported by monetary easing. With a foundation of resilient growth, policy adaptability and innovation-driven progress, the global economy is well-positioned to navigate challenges and unlock new opportunities.

Indian Economy

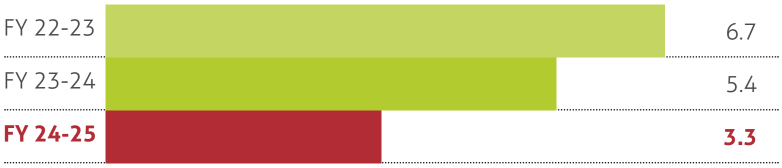
Indian Economy Overview

In FY 2025, the Indian economy remained resilient amidst trade conflicts, persisting geopolitical tension and challenging international trade. India's GDP growth remained constant at 6.5%, positioning it as the world's fastest-growing major economies. Private consumption was stable throughout the year, reflecting strong consumer confidence and demand. The expansion in the Indian economy was primarily fuelled by the Indian government's timely actions, which resulted in a transformation of the business environment.

Additionally, in the Union Budget 2024–2025, the Ministry of Agriculture and Farmers Welfare received a budget allocation of ₹ 1.32 Lakhs Crores, up from ₹ 1.25 Lakhs Crores, to enhance the agriculture industry.[2] Moreover, during the reported year, rural demand improved due to record Kharif production and good agricultural circumstances.

Further to this, the Reserve Bank of India maintained a vigilant stance on inflation while supporting growth. Headline inflation eased to 3.3%, primarily due to a moderation in food inflation. The government's emphasis on green energy and infrastructure development further spurred investment and created new opportunities across various sectors[3]

Headline Inflation over the years (in %)



Outlook

Looking ahead, the outlook for the Indian economy appears positive. Prospects of healthy Rabi harvesting, sustained manufacturing profitability and underlying service resilience are expected to support economic activity. The Union Budget has given significant income tax relief to salaried individuals, which will significantly boost urban spending. On the demand side, household consumption is expected to improve, while prospects of fixed investment remain bright. Additionally, there is an upturn in the private capital expenditure (CapEx) cycle, gradually improving business sentiments, healthy balance sheets of banks and corporates and the government's continued thrust on capital expenditure. India's push towards bilateral agreements and "Make in India" is likely to sustain growth momentum in economy. Improvement in the outlook for global trade and rising integration in the global supply chain will support net external demand.

The retail inflation is also showing signs of easing, which will support the growth in the economic activities, ultimately leading to strengthening of the economy as a whole. While global uncertainties including geopolitical risks and financial market fluctuations persist, India's strategic policy measures such as diversifying export markets, enhancing domestic production capacities and implementing structural reforms are strengthening its position within global supply chains and providing a solid foundation for sustained growth. India's retail inflation, as measured by the Consumer Price Index (CPI), eased to 3.34% in March 2025 (provisional) compared to 3.61% in February 2025, marking a 27 basis point decline. This is the lowest year-on-year inflation rate recorded since August 2019. The easing was broad-based, with rural inflation moderating from 3.79% to 3.25%, and urban inflation rising slightly from 3.32% to 3.43%. The overall decline in headline inflation reflects improving supply conditions and continued efforts by policymakers to maintain price stability. This trend offers a positive outlook for input costs and consumer demand in the near term.

[2] https://www.indiabudget.gov.in/doc/budget_speech.pdf

[3] https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_15Apr25.pdf

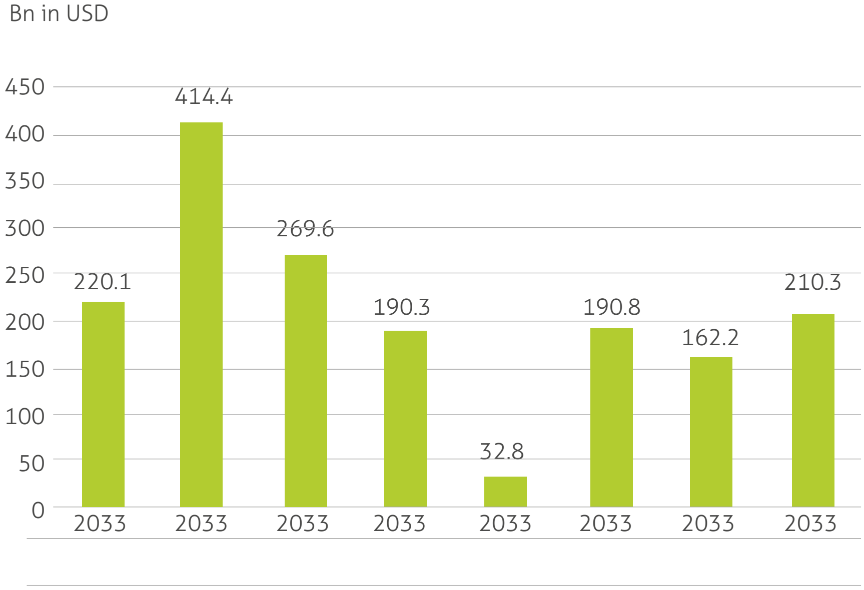
Industry Overview

Global Agriculture Sector[4]

The global agriculture industry attained a market size of USD 14.36 trillion in CY 2024.[5] This growth can be attributed to increased population, introduction of favourable government policies, rural development programs and introduction of crop protection products. The agriculture industry witnessed a dynamic shift through technology by the incorporation of cutting-edge innovations. Methods such as precision farming, drones and Internet of Things (IoT) are expected to enhance crop monitoring and management. Emerging economies, particularly India and Southeast Asia are expected to play a pivotal role in the growth of the industry and are set to account for 31% of global consumption growth by 2033. This surge is attributed to increasing urban populations and rising affluence in these regions.

In the coming years, the global agriculture industry is anticipated to continue its positive growth journey and attain a market size of USD 20.63 trillion by CY 2029. The growth is primarily augmented by sustainable agriculture practices, genetic engineering advancements and the rise of vertical farming. The future of agricultural production is expected to rely heavily on productivity enhancements rather than the expansion of arable land. It is estimated that about 80% of global crop production growth will stem from yield improvements, which highlights the importance of sustainable practices and the incorporation of technology in agriculture.

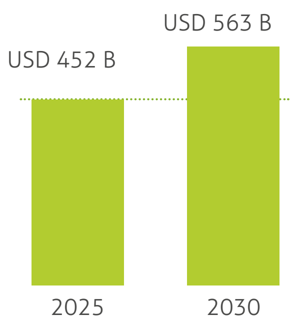
Global agricultural crop production by 2033[6]



India's Agriculture Sector

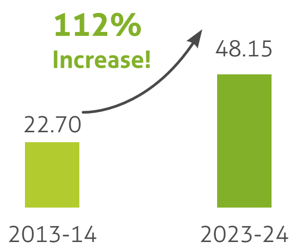
Agriculture continues to play a pivotal role in the Indian economy by contributing approximately 18% to GDP and employing nearly 45% of the workforce. As a leading global agricultural producer, India plays a vital role in the cultivation of key crops such as rice, wheat, sugarcane and pulses. Despite global headwinds and climate challenges, the sector has shown resilience, supported by structural reforms, technological advancements and policy interventions. India's agriculture market is estimated at USD 452 billion in FY2025 and is expected to grow to USD 563 billion by 2030, at a CAGR of 4.5% during the forecast period.[7]

India's agriculture market



India's agricultural exports growth

(In USD Billion)



The Government's continued focus on modernising agricultural practices, coupled with investments in mechanisation and digital farming solutions, is expected to improve overall efficiency and sustainability. Furthermore, sustained government support through the Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) and Minimum Support Price (MSP) revisions continue to provide financial stability to farmers. The increasing demand for agriculture-inputs, including crop protection chemicals and specialised nutrients, presents significant opportunities for companies operating in the agriculture-solutions space. Slow and sustained reforms, crop diversification, bio fuels are all positives for this sector and agriculture sector may drive economy in coming years.

---

[4] https://www.oecd.org/en/publications/oecd-fao-agricultural-outlook-2024-2033_4c5d2cfb-en.html

[5] https://www.researchandmarkets.com/reports/5781383/agriculture-market-report

[6] https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf

[7] https://www.mordorintelligence.com/industry-reports/agriculture-industry-in-india

Global Crop Protection Industry

In fiscal year 2024, the global crop protection industry's market size was USD 64.18 billion. This expansion was aided by increased demand for agricultural products among the growing global population. Moreover, the global industry was aided by favourable regulatory policies and enhanced awareness of the advantages of agrochemicals. The emergence of pests and diseases caused by climate change, as well as an increased desire for efficient crop protection solutions, fuelled the demand for agrochemicals.

The global crop protection sector faced several headwinds in CY2024 due to factors such as agrochemical price deflation, lower commodity prices and adverse weather conditions across key regions. Despite these short-term challenges, the industry witnessed signs of volume stabilisation across major markets such as North America, Brazil and Asia-Pacific, driven by inventory correction and steady demand for differentiated products. Pricing remained under pressure, with declines of up to 6% reported across key product segments in CY2024. However, industry analysts anticipate that prices are close to bottoming out, with CY2025 expected to see a recovery led by innovative and sustainable agrochemical solutions.

North America experienced challenges from droughts, while extreme heat waves in China impacted the Asia-Pacific market. In addition to this, the crop protection industry in Europe experienced rapid technological advancement and innovation in the recent year. Further to this, the crop protection industry is anticipated to attain a market size of USD 97.01 billion in CY 2032. Along with this, Argentina's crop protection industry is anticipated to attain a market size of USD 6.28 by CY 2025. Moreover, as a major global agricultural producer and exporter, Argentina's focus on high-yield production systems has necessitated adopting to advanced crop protection chemicals strategies. Markets such as Brazil, and India are likely to witness renewed demand as inventory levels normalise and farmers increase investments in crop protection solutions. Advancements in sustainable agrochemicals, biologics and precision farming technologies are set to drive long-term growth to ensure resilience and innovation in the sector.

India's Agrochemical Industry[9]

India remains one of the largest producers and exporters of agrochemicals, with a well-established manufacturing base and growing demand from domestic and international markets. The Indian Agrochemical industry grew at a CAGR 16% from FY 2021 to FY 2024, exhibiting a strong growth over the years.[10] According to the forecasts, the market is expected to grow from USD 9 billion in FY2025 to USD 12 billion by FY2030, at a CAGR of 7%. With an accelerated focus on improving crop yields and ensuring food security, the demand for agrochemicals including pesticides, herbicides, fungicides and plant growth regulators has remained robust. The sector has also seen evolving trends driven by regulatory shifts, rising export potential and advancements in sustainable agricultural practices.In India, pests, weeds and diseases cause a significant loss of 15-25% in potential crop yields. Improving crop productivity through effective pest control and weed management practices is essential for a flourishing agricultural output. These factors are driving the growing use of agrochemicals to mitigate losses and enhance yields.

Specialty Chemical Industry

The Indian speciality chemicals sector, valued at $27,054.3 Million in FY2024, is expected for robust growth with projections expected to reach $41,256.1 Million by FY2033 at a CAGR of 4.8%. The sector has emerged as a key player on the global stage driven by rising investments, augmented export demand and supportive government policies.[11]

The market's growth is mainly fuelled by rapid industrialisation across sectors such as agriculture, pharmaceuticals and automotive, alongside the burgeoning demand from end-user industries including healthcare, personal care and construction. Additionally, the industry has benefited from global supply chain diversification trends, with companies worldwide seeking alternative suppliers outside China. This shift has provided the Indian manufacturers with a distinct competitive edge owing to their cost-effective manufacturing capabilities, technical expertise and skilled labour pool.

[8]https://www.agribusinessglobal.com/agrochemicals/crop-protection-market-development-expectations-for-each-region-in-2025/

[9]https://www.mordorintelligence.com/industry-reports/india-agrochemicals-market

[10]https://www.careratings.com/uploads/newsfiles/1721043828_Agrochemical%20Industry_CareEdge%20Report.pdf

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

Opportunities

Population growth and food security

The increasing global population creates unprecedented pressure on agricultural productivity. As 20-40% of global crop production is lost annually due to pests and diseases, the need for effective crop protection solutions has become increasingly critical. Furthermore, climate change is exacerbating this challenge with altering weather patterns leading to new and persistent pest threats. This has resulted in augmented demand for innovative crop protection solutions.

Market evolution and sustainability

The growing shift towards biological and bio-based solutions is reshaping the crop protection industry. Driven by sustainable farming practices, stricter environmental regulations, and rising consumer demand for eco-friendly products, this transition presents new market opportunities. Companies focused on sustainability and compliant innovation are well placed to benefit from this change.

New Product Launch & Supply Chain Shift

Continued focus of customers to identify lower average from China provides huge opportunity to Company to add new product & expend market.

Environmental challenges and climate change

Climate change is creating both challenges and opportunities in the agrochemical sector. Rising temperatures and erratic precipitation patterns are altering pest behaviour and crop vulnerability. This heightens the demand for innovative solutions in both conventional and biological crop protection products.

Regulatory support and government initiatives

Government policies and regulatory frameworks are progressively strengthening the foundation of the agriculture sector. The implementation of various agricultural schemes and emphasised focus on food security is creating favourable market conditions that are conducive to further growth.

Rapid industrialisation

India's swift industrial growth across sectors such as agriculture, pharmaceuticals and automotive has significantly augmented the demand for speciality chemicals. These chemicals play a pivotal role in various manufacturing processes and product formulations, further driving sectoral growth.

Challenges

Regulatory compliance

Navigating complex and stringent regulations across different regions poses significant challenges. The Company should be vigilant in monitoring and adapting to continually evolving legal frameworks to ensure compliance.

Market volatility

The industry faces challenges from global pricing pressures, inventory destocking and geopolitical tensions that might disrupt supply chains. Additionally, revenue predictability remains uncertain due to monsoon dependency and agricultural market fluctuations.

Oversupply of agrochemicals, especially from China, continues to exert downward pressure on global prices, creating an uncertain pricing environment and impacting revenue realisation. This remains a key risk for Companies dependent on stable realisations.

Environmental concerns

Augmented environmental awareness and growing concerns about the ecological impact of chemical products can lead to increased scrutiny and an amplified demand for greener alternatives. Companies must innovate continuously to develop sustainable solutions to cater to the evolving regulatory and consumer needs.

Company Overview

Since its inception in 1975, Punjab Chemicals has evolved into a leading manufacturer of agrochemicals, speciality chemicals and industrial chemicals. The Company operates multiple state-of-the-art manufacturing facilities across India, including two in Punjab (Derabassi and Lalru) and one in Maharashtra (Pune) with a combined reactor capacity of 2000 KL. All the facilities are ISO certified and supported by robust R&D capabilities. Over the years, the Company has fortified its position as a preferred CRAMS (Contract Research and Manufacturing Services) provider for domestic and international agrochemical companies.

The Company remains committed to strategic initiatives such as, backward integration, process improvements and expansion into new geographies including Latin America, South Asia and European Union. With over four decades of expertise, the Company's facilities follow strict environmental protocols which include maintenance of zero liquid discharge and utilisation of advanced effluent treatment plants.

3

Manufacturing facilities

Location wise performance

Agrochemicals

The agrochemicals division primarily operates through the Derabassi facility with a product portfolio of more than 18 crop protection products and several intermediates and Specialty products. Over the past decade, Punjab Chemicals has established a strong presence in the agrochemicals sector, with majority products focussed on export markets. Major portfolio of the company is Herbicides followed by Fungicides and Insecticides. The Company's agrochemical division contributes approximately 67% to the total business.

Specialty Chemicals & Pharmaceuticals

The Specialty Chemicals & Pharmaceuticals division based in Lalru, manufactures APIs, intermediates and fine chemicals. It adheres to international quality standards and has a robust presence in global markets. The facility spans 10 hectares and adheres to stringent waste management protocols. The division contributes to 19% of the total business.

Industrial Chemicals

Based at the Pune facility, this division specialises in the production of high-purity phosphorus compounds and phosphates. It supplies food-grade phosphoric acid to many beverage giants and major pharmaceutical firms. Revenue Contribution from this division stood at 14% in FY2025, with plans to double the revenue - in the next 3-5 years through expansion and new customer additions.

Forward Looking Analysis

Opportunities

- **Strong focus on R&D and innovation**

  The Company strongly emphasises Research and Development (R&D) and focuses on new product registrations. This will help in driving innovation, expand its presence in the industry, and ultimately lead to strengthening its competitive edge in the industry.

- **Shift in global strategy**

  Escalated geopolitical risks and supply chain disruptions are influencing global manufacturers to reduce their dependence on China. This shift presents a significant opportunity for the Company to expand its partnerships with Multi-National Companies (MNCs) and fortify its position in the global supply chain.

- **Supportive Government initiatives**

  The Indian government's initiatives to enhance agricultural productivity, promote crop diversification and bolster domestic chemical manufacturing has created a favourable environment conducive to growth.

- **Focus on Sustainable Growth**

  There is a growing global demand for sustainable agrochemicals, bio pesticides and speciality chemicals. Punjab Chemicals is strategically positioned to leverage this trend by focusing on green chemistry innovations, solvent recovery systems and minimised carbon emissions in its production processes.

- **Diversified procurement practice**

  The Company is actively working to mitigate supply risks by sourcing materials from diverse geographies and developing local suppliers in India. This diversification can augment supply chain resilience and improve overall cost efficiency.

Threats

- **Pricing pressure**

  China's significant production capacity, technical expertise and aggressive pricing strategies continue to exert influence on global chemical markets. Punjab Chemicals faces pricing pressures in crucial segments that require continuous focus on cost optimisation and efficiency improvements

- **Competitive environment**

  Leading global and domestic agrochemical companies with strong brand recognition, robust R&D capabilities and extensive distribution networks pose a significant competitive threat

- **Regulatory framework**

  Increasing global and domestic regulations on chemical-based agrochemicals, combined with could result in more stringent compliance requirements. This shift in regulatory framework may result in a shift in demand in demand in the market towards organic alternatives.

- **Shift in consumers' preference**

  Growing public awareness of the environmental and health impacts of agrochemical products is resulting in a growing trend of organic farming, and increasing popularity of bio-pesticides. This can undermine the Company's performance by negatively affecting the demand for traditional agrochemicals.

Business Outlook

Punjab Chemicals remains positive about its future growth despite the challenges faced during the year. While the global market saw lower prices and slow demand due to high inventory levels, the Company managed to maintain stable volumes and sustain profitability by controlling costs and improving efficiency.

Industry trends indicate that the crop protection market may be approaching an inflection point. While pricing challenges are expected to persist in the short term, volumes have begun stabilising across key regions. This is expected to support a gradual recovery, especially for players with strong product innovation and diversified customer portfolios. The Company is focusing on expanding its product range with more high-value and complex chemicals. In FY25, four new products were launched, contributing 12% to total revenue and this is expected to grow further in the coming years. More new products are planned for FY26, which are expected to boost both revenue and profitability. Investments in R&D, new technologies and skilled teams are helping the Company stay ahead in product development and customer solutions.

With strong relationships with global clients, steady order flows and better market visibility ahead, Punjab Chemicals is well-prepared for future growth. The Company is also working on increasing plant capacity through upgrades and new blocks to support rising demand. Backed by a healthy balance sheet, strong product pipeline and ongoing efficiency improvements, the Company aims to deliver consistent and sustainable performance going forward.

Consolidated Financial Review

(₹ in Lakhs)

Particulars	FY2025	FY2024
Revenue from Operations	90052	93423
Other Income	143	270
Total Income	90195	93693
EBITDA	10062	11608
EBITDA Margin (%)	11.17%	12.42%
Profit Before Tax	5357	7308
Profit After Tax	3893	5358
Profit After Tax Margin (%)	4.32	5.74
Earnings Per Share (₹)	31.75	43.70
Cash Flow from Operations	2522	2989
Return on Net Worth (%)	10.67	16.23

Analysis of the Profit and Loss Statement

Revenues

Revenues from operations reported a 4% decline from ₹934 Crores in 2023-24 to ₹901 Crores in 2024-25.

Expenses

- The Company's total expenses decreased by 2.31% from ₹864 Crores in FY 2023-24 to ₹844 Crores in 2024-25. Major expenses items comprises the cost of material consumed, purchase of stock-in-trade, changes in inventories of finished goods, stock-in-trade and work –in-progress, employee benefits expenses, finance cost, depreciation and amortisation expenses.
- Cost of material consumed increased by 6% from ₹553 Crores in FY 2023-24 to ₹587 Crores in 2024-25 due to changes in pricing and product mix.
- Employee benefit expenses increased by 8% form ₹88 Crores in FY 2023-24 to ₹95 Crores in FY 2024-25, on account of annual increments and manpower additions to support expansion in R&D and new product commercialisation.
- Depreciation and amortisation expenses increased by 13% from ₹22 Crores in FY 2023-24 to ₹25 Crores in FY 2024-25. This is on account of full year depreciation of capitalised assets.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company increased by 15.38% to ₹525 Crores as on March 31, 2025, from ₹455 Crores as on March 31, 2024. Return on Capital Employed declined from 20.65% in 2023-24 to 14.39% in 2024-25. The net worth of the Company increased by 11%, from ₹330 Crores to ₹365 Crores as on March 31, 2025. The Company's paid-up equity share capital comprised 1,22,62,185 equity shares of ₹10 each.

Long-term debt of the Company increased by 15.93% to ₹60.98 Crores as of March 31, 2025, from ₹52.6 Crores in the previous year. The long-term debt-equity ratio stood at 0.17 in 2024-25 compared to 0.16 in 2023-24. Finance costs declined by 14.4% from ₹20.8 Crores in 2023-24 to ₹17.8 Crores in 2024-25, supported by effective borrowing management and reduction in high-cost debt. The Company's gross debt (including working capital borrowings) to equity ratio stood at 0.43 at the close of 2024-25, compared to 0.37 in the previous year.

Applications of funds

Fixed assets (net block) of the Company increased by 3.47% from ₹230 Crores as on March 31, 2024, to ₹238 Crores as on March 31, 2025. Depreciation on assets increased from ₹22 Crores in 2023-24 to ₹25 Crores in 2024-25 due to new capitalisation during the year. Non-current investments of the Company increased from ₹1.44 Crores as on March 31, 2024 to ₹1.57 Crores as on March 31, 2025.

Working Capital Management

Current assets of the Company increased by 38.46% from ₹377 Crores to ₹522 Crores as of March 31, 2025, led by higher trade receivables and inventory buildup. Inventories, including raw materials, work-in-progress, and finished goods, increased from ₹133 Crores in 2023-24 to ₹222 Crores in 2024-25 to support new product launches and anticipated demand. The inventory turnover ratio stood at 5.07 in 2024-25 compared to 6.21 in the previous year. Trade receivables rose from ₹197 Crores to ₹235 Crores in 2024-25. The trade receivable turnover ratio stood at 4.16 as on March 31, 2025, compared to 5.48 in the previous year.

Margins

Lower absorption of fixed costs due to flat revenues impacted margins during the year. The EBITDA margin of the Company stood at 11.17% in 2024-25, compared to 12.42% in 2023-24, while the net profit margin declined by 141 basis points in 2024-25 from 5.74% in the previous year.

Key Financial Ratios

Particulars	FY2025	FY2024	Reason for variance above 25% year on year
Current Ratio	1.51	1.59	No major variation
Debt Equity Ratio	0.43	0.37	No major variation
Debt Service Coverage Ratio	2.11	3.06	The ratio has decreased mainly due to decrease in profit
Return on Equity/Return on Investment (%)	11.21	17.55	The ratio has decreased mainly due to decrease in profit
Inventory Turnover	5.07	6.21	No major variation
Trade Receivables Turnover Ratio	4.16	5.48	No major variation
Trade Payables Turnover Ratio	4.95	5.39	No major variation
Net Capital Turnover Ratio	5.11	6.64	No major variation
Net Profit Margin (%)	4.32	5.74	No major variation
Return on Capital Employed (%)	14.39	20.65	The ratio has decreased mainly due to decrease in profit and increase in trade receivables
Interest Coverage Ratio	4.00	4.51	No major variation
Operating Profit Margin (%)	8.38	10.02	No major variation
Return on Net Worth	10.67	16.23	No major variation

Risks and Concerns

The Board holds the primary responsibility for overseeing risk management and internal controls, ensuring alignment with the Company's strategic objectives. This includes defining the Company's risk tolerance, continuously assessing and monitoring key risks and reviewing reports from internal auditors on risk assessments and control measures. Given the evolving regulatory landscape, market volatility and operational challenges, the Company remains committed to proactive risk mitigation through robust governance frameworks, compliance mechanisms and strategic decision-making to safeguard long-term business sustainability.

Human Resource

Punjab Chemicals places a strong emphasis on employee well-being, engagement and development. The Company promotes a supportive work environment through various initiatives, including first aid and safety training, sports activities and social responsibility programs like blood donation camps. Regular fire drills ensure workplace safety, while a holistic approach to employee welfare promotes both professional and personal growth. These efforts reflect the Company's commitment to creating a motivated and secure workforce.

1230

Total workforce as of March 31, 2025

Internal Control Systems and Their Adequacy

The Company upholds strong internal control systems governing its business processes, ensuring operational efficiency, precise financial reporting and rigorous compliance with applicable laws and regulations. The Company has engaged a reputable external firm to support and review the effectiveness and efficiency of internal control system. The Audit Committee meets periodically to oversees these systems and examine internal audit reports and follow up on action plans of significant issues

This committee not only evaluates suggestions for improvement but also actively oversees the implementation of corrective actions. Furthermore, it collaborates with the Company's statutory auditors to assess the efficiency of the internal control framework. Regular reports on its discoveries are presented to the board of directors, promoting transparency and informed decision-making.

Cautionary statement

The Management Discussion & Analysis (MD&A) section contains statements regarding the Company's objectives, expectations and forecasts that might be forward-looking as per relevant securities laws and regulations. It's important to note that actual results could vary from these statements due to economic conditions, climatic influences, government policies and other unforeseen factors. While the MDA includes all mandatory information, any missing details in this section are provided elsewhere in the Annual Report.

PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

CIN: L24231PB1975PLC047063
Registered Office: Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi
Dist. SAS Nagar, Mohali (Punjab) - 140201
Telephone Nos.: 01762- 280086, 522250, Fax Nos.: 01762-280070
E-mail: info@punjabchemicals.com, website: www.punjabchemicals.com

NOTICE

NOTICE is hereby given that the 49th Annual General Meeting of the Members of Punjab Chemicals and Crop Protection Limited will be held on Tuesday, the July 29, 2025 at 10:00 a.m. (IST) through Video Conferencing /Other Audio-Visual Means ("VC/OAVM") facility, to transact the following business:

ORDINARY BUSINESS

To consider and, if thought fit, to pass with or without modification (s), the following resolutions as **Ordinary Resolutions:**

1. **To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2025 together with the Reports of the Board of Directors ("the Board") and Auditors' thereon.**

   "RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company, Reports of the Board of Directors and the Auditors' thereon for the financial year ended on March 31, 2025 along with Annexures as laid before this Annual General Meeting be and are hereby received, considered, approved and adopted."

2. **To declare a dividend on Equity Shares of the Company for the financial year ended March 31, 2025.**

   "RESOLVED THAT a dividend of ₹3/- (Rupees Three Only) per equity share (30%) recommended by the Board of Directors be and is hereby declared on the equity shares of ₹10/- (Rupees Ten) each fully paid-up of the Company for the year ended March 31, 2025 and be paid, subject to deduction of tax at source and, in accordance with the provisions of Section 123 and the other applicable provisions, if any of the Companies Act, 2013."

3. **To appoint a Director in place of Mr. Avtar Singh (DIN: 00063569), who retires by rotation and being eligible, offers himself for re-appointment.**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Avtar Singh (DIN: 00063569), a Director of the Company who retires by rotation, being eligible for re-appointment be and is hereby re-appointed as a Director of the Company."

4. **To appoint a Director in place of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490), who retires by rotation and being eligible, offers himself for re-appointment.**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490), a Director of the Company who retires by rotation, being eligible for re-appointment be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

5. **Appointment of Secretarial Auditors of the Company.**

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Regulation 24A and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation(s) of the Audit Committee and the Board of Directors, M/s P.S. Dua & Associates, Company Secretaries (C.P. No. 3934), be and are hereby appointed as the Secretarial Auditors of the Company, to conduct Secretarial Audit and issue Secretarial Audit Report for a term of five (5) consecutive years from April 1, 2025 to March 31, 2030, at a remuneration of ₹ 2,00,000 plus applicable taxes for FY 2025-26 and for subsequent years at such fee as may be determined by the Board of Directors of the Company or any Committee of the Board, based on the recommendation of the Audit Committee."

6. **Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) as a Non-Executive Non Independent Director of the Company beyond the age more than 75 years.**

   To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended, approval of the Company be and is hereby accorded for continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490), who has already attained the age of 75 years, as a Non-Executive Non Independent Director of the Company, liable to retire by rotation till the expiry of his present term on the existing terms and conditions."

7. Appointment of Mr. Kapil Kumar Mehan (DIN: 01215092) as an Independent Director of the Company for the first term of five consecutive years with effect from April 30, 2025 upto April 29, 2030.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT Mr. Kapil Kumar Mehan (DIN: 01215092), who was appointed as an Additional Director of the Company with effect from April 30, 2025 by the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re enactment(s) thereof for the time being in force] and Article 97(a) of the Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, under the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Kapil Kumar Mehan (DIN: 01215092), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, i.e., from April 30, 2025 to April 29, 2030 (both days inclusive) be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof/person authorised by the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient or desirable and to settle any question or doubt that may arise in relation thereto and to comply with the above mentioned applicable provisions and to give effect to the foregoing resolution."

8. Appointment of Mr. Suresh Arora (DIN: 10641466) as an Independent Director of the Company for the first term of five consecutive years with effect from April 30, 2025 upto April 29, 2030.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT Mr. Suresh Arora (DIN: 10641466), who was appointed as an Additional Director of the Company with effect from April 30, 2025 by the Board of Directors, based on recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re enactment(s) thereof for the time being in force] and Article 97(a) of the Articles of Association of the Company, and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, under the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Suresh Arora (DIN: 10641466), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, i.e., from April 30, 2025 to April 29, 2030 (both days inclusive) be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof/ person authorised by the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient or desirable and to settle any question or doubt that may arise in relation thereto and to comply with the above mentioned applicable provisions and to give effect to the foregoing resolution."

9. Ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2026.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), and upon recommendation of the Audit Committee and as proposed by the Board of Directors, consent of the Members be and is hereby accorded for the payment of remuneration of ₹2,00,000/- (Rupees Two Lakh only) plus applicable taxes thereon and reimbursement of out of pocket expenses at actuals to be paid to M/s Khushwinder Kumar & Co., Cost Accountant, Jalandhar, (Firm Registration No.100123) who has been appointed by the Board as the Cost Auditors of the Company for the financial year 2025-26."

10. Payment of commission to Non-Executive Directors and Independent Directors of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive including Independent Directors of the Company (other than the Managing Director and/or Whole Time Directors) for each financial year over a period of five (5) financial years with effect from the financial year 2025-26 to financial year 2029-30 and distributed among the Directors in such a manner as determined and decided by the Chairman of the Company and approval by the Board of Directors within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, and within overall statutory limit as may be prescribed under the Companies Act, 2013 from time to time and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RESOLVED FURTHER THAT the above commission shall be in addition to the fees payable to these Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other Committee meetings.

RESOLVED FURTHER THAT the Board of Directors or any other officer authorised by the Board be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ["the Act"], setting out material facts concerning the businesses under Item Nos. 5 to 10 of the Notice, is annexed hereto. The relevant details in respect, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ["ICSI"] in respect of the Director seeking appointment/re-appointment at this AGM is also annexed.

2. Pursuant to the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013", General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to "Clarification on holding of Annual General Meeting ('AGM') through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") the Company is convening the 49th AGM through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024 ('SEBI Circulars') and other applicable circulars issued in this regard, has provided relaxations from compliance with certain provisions of the SEBI Listing Regulations. In compliance with the provisions of the Companies Act, 2013 ('the Act'), the SEBI Listing Regulations and MCA Circulars, the 49th AGM of the Company is being held through VC/OAVM on Tuesday, July 29, 2025 at 10:00 a.m. IST. The deemed venue for the AGM will be the Registered Office of the Company i.e. Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Distt. SAS Nagar (Mohali), Punjab -140201.

3. **PURSUANT TO THE PROVISIONS OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE ATTENDANCE SLIP AND PROXY FORM ARE NOT ANNEXED TO THIS NOTICE. THE ROUTE MAP IS ALSO NOT REQUIRED TO BE ANNEXED TO THE NOTICE.**

4. The facility for joining AGM through VC/OVAM will be available for up to 1,000 Members who may join on a first come first serve basis. However, the above restriction shall not be applicable to the members holding more than 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel(s), the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, Scrutinizers etc. Members can login and join 15 (fifteen) minutes prior to the scheduled time of meeting

and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.

5. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Institutional Investors / Corporate Shareholders (i.e. other than Individual / HUF / NRI etc.) can appoint their authorised representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting. They are requested to send a certified copy of the Board Resolution of authorisation to the Scrutinizer by e-mail at cspsdua@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

8. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members in electronic mode during the AGM. Members who wish to inspect, may send their request through an email at investorhelp@punjabchemicals.com up to the date of AGM.

9. In line with the MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2024-2025 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice convening the 49th AGM has been uploaded on the website of the Company at www.punjabchemicals.com and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited ["BSE"] and National Stock Exchange of India Limited ["NSE"] at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also available on the website of Central Depository Services (India) Limited at www.evotingindia.com.

10. Record Date: The Company has fixed Friday, July 18, 2025 as the "Record Date" for determining entitlement of Members for final dividend for the financial year ended March 31, 2025, if approved at the AGM.

11. The dividend of ₹3/- (Rupees Three Only) per equity share of ₹10/- each (i.e. 30%), if declared by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS'), wherever applicable, within the time limit prescribed under Companies Act, 2013 and SEBI Listing Regulations as under:

    a. To all the Beneficial Owners as at the end of the day on Friday, July 18, 2025 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of the shares held in electronic form; and

    b. To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company/ Registrar and Share Transfer Agent on or before the close of business hours on Friday, July 18, 2025.

SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024 has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/sep-2024/1727418250017.pdf.

Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Members w.e.f. April 1, 2020, and the Company is required to deduct tax at source (TDS) from the dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, PAN and Category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents by Friday, July 11, 2025 to enable the Company to determine the appropriate TDS/withholding tax rate applicable, verify the documents and provide exemption. For the detailed process, please visit the website of the Company at https://www.punjabchemicals.com/annual-reports/ and also refer to the email sent to members in this regard.

A communication providing information and detailed instructions with respect to tax on the dividend for the financial year ended March 31, 2025 is being sent separately to the Members whose email addresses are registered with the Company/DPs.

Further, in order to receive the dividend in a timely manner, Members holding shares in physical form and not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means are requested to mail the following documents to Company's Registrars and Transfer Agents: Alankit Assignments Limited, so that it reaches to them latest by Friday, July 11, 2025:

a. signed request letter mentioning their name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

    - Name and Branch of Bank and Bank Account type;

- Bank Account Number & Type allotted by the Bank after implementation of Core Banking Solutions;
- 11 digit IFSC Code.

b. self-attested copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;

c. self-attested copy of the PAN Card; and

d. self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/ addition/ deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective Depository Participants (DPs).

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

Members are requested to note that, dividends, if not encashed for a consecutive period of seven 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/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Members are requested to note that pursuant to the provisions of Section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with relevant circulars and amendments thereto, amount of dividend which remains unpaid/ unclaimed for a period of seven years from the date of transfer to the Company's unpaid dividend account and corresponding shares on which the dividend remains unclaimed for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund ("IEPF") constituted by the Central Government. The Company has been sending reminders to Members having unpaid/unclaimed dividends before transfer of such dividend or shares to IEPF. Pursuant to above-mentioned provisions, Company had transferred 109179 Ordinary Shares of the face value of ₹10/- per share to IEPF (being unpaid/ unclaimed dividend amount for FY 2017-18) and the same can be claimed from IEPF Authority only after complying with prescribed procedure under IEPF Rules.

Further, details of the unpaid/ unclaimed dividend transferred to the "Unclaimed Dividend Account - PCCPL" are uploaded on the website of the Company at https://www.punjabchemicals.com/dividend-shareholders-information/ Members willing to claim dividend that remain unclaimed are requested to correspond with the RTA or with the Company at its registered office.

12. Pursuant to Regulation 39(4) read with Schedule V and Schedule VI of the SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on April 1, 2024	223	10330
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	101
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	1	70
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on March 31, 2025	222	10260

The voting rights on shares lying in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares establishes his/her title of ownership to claim the shares.

13. SEBI vide its notifications dated June 8, 2018, November 30, 2018 and January 24, 2022, mandated that securities of listed companies can be transferred only in dematerialized form. Accordingly, the Company has stopped accepting any fresh lodgement of transfer of shares in physical form including transmission and transposition requests. In view of the above and to avail various benefits of dematerialization, Members holding shares in physical form are requested to dematerialize the shares held by them in physical form.

14. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said forms can be downloaded from the Company's website at https://www.punjabchemicals.com/dividend-shareholders-information/.

15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nomination, power of attorney, bank details, bank account number, MICR code, IFSC, etc.:

    (a) For shares held in electronic form: to their DPs.

    (b) For Shares held in physical form: The following details/ documents should be sent to the Company's RTA latest by Friday, July 11, 2025.

        (i) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at https://www.punjabchemicals.com/dividend-shareholders-information/ and on the website of the RTA at https://alankitassignments.com/investor-charter/.

        (ii) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly.

        (iii) Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

        (iv) Self-attested copy of the PAN Card of all the holders; and

        (v) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

    To mitigate unintended challenges on account of freezing of folios, SEBI vide its Circular No. SEBI/HO/ MIRSD/POD-1/P/ CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC, and Nomination details.

    Further, Members are requested to refer to process detailed on https://alankitassignments.com/investor-charter/. and proceed accordingly.

16. Shares held in electronic form: Members holding shares in electronic form may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/ deletion in such bank details. Accordingly, Members holding shares in electronic form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by Friday, July 11, 2025.

17. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

18. As per the provisions of the Companies Act, 2013 and applicable SEBI Circular, Members holding shares in physical form may file nomination in the prescribed Form SH- 13 with Registrar and Share Transfer Agents or make changes to their nomination details through Form SH-14 and Form ISR-3. In respect of shares held in dematerialised form, the nomination form may be filed with the respective DP. For relevant forms, please visit the Company's website at https://www.punjabchemicals.com/investor-relations/.

19. To prevent fraudulent transactions, Members are requested to exercise due diligence and immediately notify the RTA of any change in their address and/ or bank mandate in respect of shares held in physical form and to their DPs in respect of shares held in dematerialized form. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holding should be obtained from the concerned DP and holding should be verified. The Securities and Exchange Board of India ('SEBI') has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

20. (i) Members who wish to inspect the relevant documents referred to in the Notice can send an email to investorhelp@punjabchemicals.com by mentioning their DP ID & Client ID/ Physical Folio Number.

(ii) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before Saturday, the July 19, 2025 through email on investorhelp@punjabchemicals.com. The same will be replied by the Company suitably.

21. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with M/s Alankit Assignments Ltd. in case the shares are held by them in physical form.

22. Remote e-Voting before / during the AGM

I. 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, Secretarial Standard-2 on General Meeting issued by ICSI and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the 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 arrangement with CDSL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by CDSL.

II. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Tuesday, July 22, 2025** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. **Tuesday, July 22, 2025** may obtain the User ID and Password by sending a request at investorhelp@punjabchemicals.com.

III. **The remote e-Voting period commences on Thursday, July 24, 2025 at 09:00 A.M. (IST) and ends on Monday, July 28, 2025 at 05:00 P.M. (IST)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. **Tuesday, July 22, 2025**.

IV. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who could not cast their vote by remote e-Voting. They will be eligible to exercise their right to vote at the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/ OAVM but shall not be entitled to cast their vote on such resolution(s) again. The e-Voting module on the day of the AGM shall be disabled by CDSL for voting 15 minutes after the conclusion of the Meeting. The Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

V. Pursuant to SEBI Circular No. SEBI/HO/FD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to provide remote e-voting facility to its members in respect of all members' resolutions. However, it has been observed that the participation by the public non-institutional members / retail members is at a negligible level. Currently there are multiple e-voting service providers ("ESPs") providing e-voting facility to listed companies in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the members. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication, but also enhancing ease and convenience of participating in e-voting process.

VI. In view of the aforesaid SEBI Circular dated December 9, 2020, individual members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	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 a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You 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.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	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.

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 securities 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 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form**.

1) The shareholders should log 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 Form 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 form 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 demat shareholders as well as physical shareholders) • 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 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.

(ii) After entering these details appropriately, click on "SUBMIT" tab.

(iii) 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.

(iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(v) Click on the EVSN for Punjab Chemicals and Crop Protection Limited i.e. 250625001 on which you choose to vote.

(vi) 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.

(vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(viii) 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.

(ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xi) 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.

(xii) There is also an optional provision to upload Board Resolution/Power of Attorney (BR/POA) if any uploaded, which will be made available to scrutinizer for verification.

(xiii) 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 mandatorily 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; cspsdua@gmail.com and info@punjabchemicals.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1) 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**.

2) For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3) 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.

If you have any queries or issues regarding attending AGM & e-voting from the e-voting system, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at toll free number 18002109911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, 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 on 18002109911.

Instructions for members attending the AGM through VC / OAVM and e-voting during AGM are as under:

i. The procedure for attending the AGM and e-voting on the day of AGM is the same as the instructions mentioned above for remote e-voting.

ii. The link for VC / OAVM to attend AGM will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.

iii. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

iv. Members are encouraged to join the AGM through Laptops / IPads for better experience.

v. Further, members will be required to use 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. Members who would like to express their views/ ask questions as a Speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their name, DP ID and Client ID/Folio number, PAN and mobile number at investorhelp@punjabchemicals.com by Tuesday, July 22, 2025. Only those Members who have pre-registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

viii. The members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to the date of the AGM mentioning their name, demat account number / folio number, email id, mobile number at the Company's email ID. These queries will be replied to by the Company suitably by email.

ix. Only those members, 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 members through the e-voting available during the AGM and if the same members have not participated in the AGM through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

23. Other instructions

I. Mr. P.S. Dua, Practicing Company Secretary, (Membership No. 4552, COP No. 3934), have been appointed as the Scrutinizer by the Board to scrutinize remote e-Voting process before the AGM as well as remote e-Voting during the AGM in a fair and transparent manner.

II. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting system for all those Members who are present during the AGM through VC/ OAVM but have not cast their votes by availing the remote e-Voting facility.

III. The Scrutinizer will submit his report to the Chairman or to any other person authorised by the Chairman after completion of scrutiny of the votes cast through remote e-Voting before/during the AGM, within the time stipulated under the applicable laws. The results declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges on which the Company's shares are listed and will also be displayed on the Company's website at www.punjabchemicals.com; CDSL website at www.evotingindia.com and Notice Board at the Registered Office of the Company.

IV. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM i.e. July 29, 2025.

By order of the Board of Directors

Rishu Chatley
Company Secretary

Date: April 30, 2025

Registered Office:
Milestone 18, Ambala Kalka Road
Village & P.O Bhankharpur
Derabassi, Dist. SAS Nagar
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

Explanatory Statement

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 5 to 10 of the accompanying Notice dated April 30, 2025.

Item No. 5

This Explanatory Statement is provided pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

In accordance to Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI Listing Regulations, the Company had appointed M/s P.S. Dua & Associates, Practising Company Secretaries, as the Secretarial Auditors of the Company in the Board Meeting held on April 30, 2025.

Pursuant to Regulation 24A of the SEBI Listing Regulations the Company is required to appoint a peer reviewed Company Secretary to conduct the secretarial audit of the Company for a term not more than five (5) consecutive years.

The Board of Directors of the Company, at its Meeting held on April 30, 2025, based on the recommendation of the Audit Committee, has, after considering and evaluating various proposals and factors such as independence, industry experience, technical skills, audit team, audit quality reports, etc. recommended the appointment of M/s P.S. Dua & Associates, a peer reviewed firm of Company Secretaries in practice, to conduct Secretarial Audit and issue Secretarial Audit Report for a term of five (5) consecutive years from April 1, 2025 to March 31, 2030 at a remuneration of ₹ 2,00,000 plus applicable taxes for FY 2025-26 and for subsequent years at such fee as may be determined by the Board of Directors of the Company or any Committee of the Board, based on the recommendation of the Audit Committee.

M/s P.S. Dua & Associates, Company Secretaries is a peer reviewed firm, in existence in the field of corporate law from the past 24 years. The founder & head of the firm Mr. P.S. Dua have had experience of Corporate & Securities Law of 35 years to his credit.

The remuneration for the remaining term till March 31, 2030 shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Secretarial Auditors from time to time. M/s P.S. Dua & Associates are a firm of Practicing Company Secretaries duly registered with ICSI whose associates hold valid Certificates of Practice issued by ICSI in accordance with the Company Secretaries Act, 1980 and conducts secretarial audits of various companies listed on stock exchanges of India.

M/s P.S. Dua & Associates have consented and confirmed their eligibility for appointment as Secretarial Auditors under the Companies Act, 2013 and the SEBI Listing Regulations. They have also confirmed that their appointment, if made, shall be in accordance with Section 204 of the Companies Act, 2013 and the rules made thereunder and Regulation 24A of the SEBI Listing Regulations.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 5 of the accompanying Notice for appointment of secretarial auditors.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 5 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the SEBI Listing Regulation.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members of the Company.

Item No. 6

Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490), (aged around 85 years) was appointed as a Non Executive Non Independent Director of the Company, liable to retire by rotation pursuant to the provisions of the Companies Act and other applicable provisions with effect from August 18, 2004.

Pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in 2018, no listed Company should appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect by the members of the Company. The Company has already taken the approval of the members by way of Postal Ballot Notice dated January 25, 2019 for his existing tenure.

Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) has crossed the age limit prescribed under aforesaid SEBI Regulations, therefore, the Company is again seeking approval of the members for his reappointment and continuance of his directorship beyond the age of 75 years as a Director, liable to retire of rotation by way of a special resolution.

Capt. Surjit Singh Chopra (Retd.) is qualified in National Defence Academy (NDA), Khadakvasla and has rich experience of organization capabilities and inspires the management and other executives working in the Company. He has served in the Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.

His distinguished professional background, encompassing significant roles in the Indian Air Force and Air India, has equipped him with extensive experience and a well-rounded perspective, making him a valuable contributor to Board deliberations. His analytical approach to matters presented before the Board, coupled with his insightful guidance, has consistently proven beneficial to both the Board and the Company. At 85 years of age, he remains in good health and continues to demonstrate active engagement and capability. In light of his ongoing contributions and fitness, the Board is considering the extension of his association with the Company for a longer tenure.

In the opinion of the Board of Directors of the Company, Capt. Surjit Singh Chopra (Retd.) is a person of high repute, integrity with rich and varied experience who provides an invaluable input to the Company's strategic direction and decision making. His contribution and guidance during the deliberations at the Board and Committee meetings has been of immense help to the Company and will be beneficial in future also. He is a member of the CSR Committee of the Company.

In view of the above, the Board of Directors at its meeting held on April 30, 2025 on the recommendation of the Nomination and Remuneration Committee, have recommended to the shareholders to continue the directorship of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) as a Non Executive Non Independent Director of the Company on crossing the age limit prescribed subject to their approval by way of a Special Resolution.

Except Capt. Surjit Singh Chopra (Retd.) and Mr. Shalil Shashikumar Shroff, Managing Director and their relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no. 6 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the SEBI Listing Regulation.

The Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

Item No. 7

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on April 30, 2025 had appointed Mr. Kapil Kumar Mehan (DIN: 01215092) as an Additional Director in the capacity of Independent Director of the Company for a term of five (5) years with effect from April 30, 2025 to April 29, 2030 (both days inclusive) subject to the approval of the shareholders through special resolution to strengthen and broadbase the Board.

Mr. Kapil Kumar Mehan, aged around 66 years is having a graduate in Veterinary sciences and animal health. He is a postgraduate in management SPA from the Indian Institute of Management (IIM) Ahmedabad (PGDM-SPA) and has completed Advanced Management Program (AMP) from Harvard Business School. He is an accomplished Business leader with deep managerial and Domain and strategic expertise in the areas of Agri/ Agri Tech sectors, Chemicals & Fertilizers, Green Molecules (Green Ammonia), business strategy, management, business performance, improvement, business development and strategic / financial investments in the manufacturing / agribusiness sectors. He is an active participant in key industry bodies at National and International level including Fertilizer Association of India (FAI), International Fertilizer Association (IFA), National Agriculture Council of Confederation of Indian Industry (CII), Chairman of Agriculture Committee of Northern Regional Council of CII etc. He has been past Chairman of Alkali Manufacturers Association of India and Salt Producers Association, Co-Chairman of FAI, Chairman of Marketing Committee of FAI. He has served on Board of IFA and as its Agriculture Committee Chair. He has led many industry level advocacy efforts for a healthy enabling policy framework for growth, sustainability, ease of doing business and meeting requirements of multi stakeholders in various sectors. Currently he is Chief Mentor and senior Advisor to Companies in Crop Nutrition and Green Chemicals Companies respectively. The Company has received following documents with regard to his appointment as an Independent Director of the Company:

(i) Consent in writing from Mr. Kapil Kumar Mehan to act as a Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Kapil Kumar Mehan to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and

(iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI Listing Regulations.

(iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other authority.

(v) A notice in writing by a member proposing his candidature under Section 160(1) of the Companies Act, 2013.

The Nomination and Remuneration Committee ("NRC") in their meeting held on April 30, 2025, prior to the Board Meeting had recommended the candidature of Mr. Kapil Kumar Mehan in view of his rich experience strategic expertise in the areas of Agri/ Agri Tech sectors, Chemicals & Fertilizers, Green Molecules (Green Ammonia), business strategy, management, business performance, improvement, business development and strategic / financial investments in the manufacturing / agribusiness sectors.

Based on the recommendations of Nominations and Remuneration Committee and in the opinion of the Board, Mr. Kapil Kumar Mehan fulfills the conditions for independence specified in the Companies Act, 2013, the Rules made thereunder and the SEBI Listing Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted and is satisfied that Mr. Kapil Kumar Mehan skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Kapil Kumar Mehan is eligible for appointment as an Independent Director.

Further, Mr. Kapil Kumar Mehan has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Kapil Kumar Mehan has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Further Mr. Kapil Kumar Mehan has confirmed that, he had not been a partner of a firm that had transactions during last three financial years with Punjab Chemicals and Crop Protection Limited or its subsidiaries amounting to ten percent or more of its gross turnover.

A copy of the draft letter for the appointment of Mr. Kapil Kumar Mehan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to July 28, 2025.

The resolution seeks the approval of members for the appointment of Mr. Kapil Kumar Mehan as an Independent Director of the Company from April 30, 2025 to April 29, 2030 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof) and he shall not be liable to retire by rotation.

All the material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc. are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting, i.e. July 28, 2025.

The profile and specific areas of expertise of Mr. Kapil Kumar Mehan and other relevant information as required under the Companies Act, 2013, SEBI Listing Regulations and SS-2 are provided in the additional information which forms part of this Notice.

In compliance with the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 17 of the SEBI Listing Regulations, the approval of the Members is sought for the appointment of Mr. Kapil Kumar Mehan as an Independent Director of the Company, as a special resolution as set out above.

Except Mr. Kapil Kumar Mehan and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no. 7 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the SEBI Listing Regulation.

The Board recommends the Special Resolution set out at Item No.7 of the accompanying Notice for approval of the Members.

Item No. 8

Pursuant to Section 161 of the Companies Act, 2013, the Board of Directors at its meeting held on April 30, 2025 had appointed Mr. Suresh Arora (DIN: 10641466), as an Additional Director in the capacity of Independent Director of the Company for a term of five (5) years with effect from April 30, 2025 to April 29, 2030 (both days inclusive) subject to the approval of the shareholders through special resolution to strengthen and broadbase the Board.

Mr. Suresh Arora, aged around 66 years is a retired I.P.S. officer and is a Post Graduate in law. He is also an associate member of The Institute of Company Secretaries of India (ICSI).

He has been the Chief Information Commissioner, Punjab from 2019 to 2023 after serving as the Director General of Police, Punjab for a period of over three years from October 25, 2015 to February 7, 2019. Prior to this he worked on various key positions in the State of Punjab viz, Director General of Police, Punjab, Chief Director, Vigilance Bureau, Punjab, Additional Director General of Police, Intelligence, Punjab, Director Vigilance Bureau, Punjab, Inspector General, Litigation & Administration, Deputy Inspector General, Economic Offence Wing, Vigilance Bureau, Punjab, Deputy Inspector General, Jalandhar Range, Ludhiana Range, Senior Superintendent of Police, Chandigarh, Patiala, Jalandhar, Amritsar & Hoshiarpur.

He has been empanelled as an Arbitrator by Hon'ble High Court of Punjab & Haryana for a period of 3 years.

He has meticulous service record to his credit and has been decorated / awarded with various prestigious / gallantry awards like President Police Medal, Police Medal for Gallantry, Prakaram Medal, Special Duty Police Medal etc., for distinguished & creditable services to the Government.

The Company has received following documents with regard to his appointment as an Independent Director of the Company:

(i) Consent in writing from Mr. Suresh Arora to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Suresh Arora to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and

(iii) A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI Listing Regulations.

(iv) Declaration pursuant to BSE Circular No. LIST/ COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any Order passed by the Securities and Exchange Board of India or any other authority.

(v) A notice in writing by a member proposing his candidature under Section 160(1) of the Companies Act, 2013.

The Nomination and Remuneration Committee ("NRC") in their meeting held on April 30, 2025, prior to the Board Meeting had recommended the candidature of Mr. Suresh Arora in view of his rich experience in the field of administration, management, law enforcement etc.

Based on the recommendations of Nominations and Remuneration Committee and in the opinion of the Board, Mr. Suresh Arora fulfills the conditions for independence specified in the Companies Act, 2013, the Rules made thereunder and the SEBI Listing Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted and is satisfied that Mr. Suresh Arora's background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Suresh Arora is eligible for appointment as an Independent Director.

Further, Mr. Suresh Arora has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Suresh Arora has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. Further Mr. Suresh Arora has confirmed that, he had not been a partner of a firm that had transactions during last three financial years with Punjab Chemicals and Crop Protection Limited or its subsidiaries amounting to ten percent or more of its gross turnover.

A copy of the draft letter for the appointment of Mr. Suresh Arora as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to July 28, 2025.

The resolution seeks the approval of members for the appointment of Mr. Suresh Arora as an Independent Director of the Company from April 30, 2025 to April 29, 2030 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re- enactment(s) thereof) and he shall not be liable to retire by rotation.

All the material documents referred to in the Notice and Explanatory Statement such as the appointment letter, statutory forms etc. are available for inspection without any fee by the members at the Company's registered office during normal business hours on working days from the date of dispatch of the notice up to the last date of voting, i.e. July 28, 2025.

The profile and specific areas of expertise of Mr. Suresh Arora and other relevant information as required under the Act, SEBI Listing Regulations and SS-2 are provided in the additional information which forms part of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, the approval of the Members is sought for the appointment of Mr. Suresh Arora as an Independent Director of the Company, as a special resolution as set out above.

Except Mr. Suresh Arora and his relatives, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 8 of the accompanying Notice.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and SEBI Listing Regulation.

The Board recommends the Special Resolution set out at Item No.8 of the accompanying Notice for the approval of the Members

Item No. 9

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of M/s Khushwinder Kumar & Co. Cost Accountant, Jalandhar (Firm Registration No. 100123) as the Cost Auditor of the Company to conduct audit of the cost records of all the Divisions of the Company for the financial year 2025-2026 on a consolidated remuneration of ₹2,00,000/- (Rupees Two Lakh Only) plus GST thereon and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for approval / ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2026.

None of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the accompanying Notice for approval of the Members.

Item No. 10

The members of the Company in their general meeting held August 12, 2021 had approved payment of commission not exceeding, in aggregate, one percent per annum of the Company's net profits calculated in accordance with the provisions of the Companies Act, 2013, to the Non-Executive Directors of the Company, for a period of five years commencing from the Financial year 2020-21.

In terms of the provisions of section 197 and Schedule V of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members is required for payment of commission to Non-Executive Directors of the Company, from the financial year 2025-26 till the financial year 2029-2030.

The Board of Directors in their meeting held on April 30, 2025 has considered and evaluated the increased role and responsibilities of the Directors and decided to take the approval of the Members pursuant to Section 197 of the Companies Act, 2013, for payment of commission not exceeding 1% of the net profits of the Company calculated in accordance with provisions of the Companies Act, 2013, for a period of five years commencing from April 1, 2025 in accordance with the recommendations of the Nomination and Remuneration Committee of the Board and approval by the Board of Directors of the Company.

All Non-Executive Directors may be regarded as concerned or interested in the resolution to the extent of the commission they may receive.

Save and except the above, none of the Directors / Key Managerial Personnel (KMP) of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice.

The Board recommends the Ordinary Resolution set forth in Item No. 10 of the Notice for approval of the Members.

By order of the Board of Directors

Rishu Chatley
Company Secretary

Date: April 30, 2025

Registered Office:
Milestone 18, Ambala Kalka Road
Village & P.O Bhankharpur
Derabassi, Dist. SAS Nagar
Mohali (Punjab) - 140201
CIN: L24231PB1975PLC047063

ADDITIONAL INFORMATION ON DIRECTOR BEING APPOINTED / RE-APPOINTED AS REQUIRED UNDER REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, IN THE ORDER OF THE ITEMS MENTIONED IN THE NOTICE

Name of the Director	Mr. Avtar Singh
DIN	00063569
Date of Birth	October 4, 1958
Age	66 Years
Date of first appointment	November 14, 1996
Qualifications	B.Sc from Panjab University, Chandigarh

Expertise in specific functional areas	Mr. Avtar Singh is a seasoned professional with over 45 years of experience in the chemicals, pharmaceuticals, and agrochemicals industries. He began his career in 1980 at Gharda Chemicals Pvt. Ltd., Mumbai, and joined Punjab Chemicals and Crop Protection Ltd. (PCCPL) in 1981. Rising through various operational roles, he was appointed Whole Time Director in 1996 and served in that capacity till September 30, 2021. During his tenure, he led key initiatives in product development, process efficiency, and cost optimization. He is an expert in chemistry, with a strong focus on quality control and in-depth knowledge of global commercial markets. He currently serves as the Joint Managing Director of Transpek Industry Limited.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	SCL Lifesciences Limited Transpek Industry Limited TML Industries Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	**SCL Lifesciences Limited** Audit Committee – Member CSR Committee – Member Nomination & Remuneration Committee – Member **Transpek Industry Limited** Finance and Capex Committee – Member Risk Management Committee – Member **TML Industries Limited** Audit Committee – Member Nomination & Remuneration Committee – Member Share Transfer Committee – Member Finance and Capex Committee – Member
Listed entities from which Director has resigned from Directorship in the last three (3) years.	Nil
Total no. of Board Meetings held during the year	6
No. of Board Meetings attended during the year 2024-2025	5
No. of shares held	Nil
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment Non-Executive Non-Independent	Non Executive Non Independent Director liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with Commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for financial year 2024-2025.

Name of the Director	Capt. Surjit Singh Chopra (Retd.)
DIN	00146490
Date of Birth	April 8, 1940
Age	85 years
Date of first appointment	August 18, 2004
Qualifications	National Defence Academy (NDA), Khadakvasla

Expertise in specific functional areas	He has served in Indian Air Force for 15 years and Air India for 26 years. He served as a Commissioned Officer in the I.A.F. from 1961 to 1976 as a pilot and took part in three wars in 1962, 1965 & 1971. He served as an Examiner and instructor and was also a member of the Air Crew Examining Board. He served in Air India as a pilot from 1976 to 2002.
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	Nil
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	N A
Listed entities from which Director has resigned from Directorship in the last three (3) years.	Nil
Total no. of Board Meetings held during the year	6
No. of Board Meetings attended during the year 2024-2025	5
No. of shares held	Nil
Relationships between Directors inter-se	Father in Law of Mr. Shalil Shashikumar Shroff, who is the Managing Director of the Company.
Terms and conditions of appointment or re-appointment Non-Executive Non-Independent	Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) as a Non-Executive Non Independent Director of the Company.
Remuneration last drawn (including Sitting fees, if any)	The Sitting fee along with Commission drawn is disclosed in report on Corporate Governance forming part of Annual Report for financial year 2024-2025.

Name of the Director	Mr. Kapil Kumar Mehan
DIN	01215092
Date of Birth	May 30, 1958
Age	66 Years
Date of first appointment	April 30, 2025
Qualifications	B.VSc, Postgraduate Diploma in Management from IIM

Expertise in specific functional areas	He has over 42 years of experience in Agri/Agri tech sectors, green technology (green ammonia), business strategy, management, business performance improvement, setting up a new business and strategic/ financial investments in the manufacturing/agribusiness sectors.
Profile	Provided in the Explanatory Statement
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	Granules India Limited Nuziveedu Seeds Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	**Granules India Limited** Nomination and Remuneration – Member Stakeholders Relationship Committee – Chairperson Risk Management Committee – Chairperson **Nuziveedu Seeds Limited** CSR Committee – Member
Listed entities from which Director has resigned from Directorship in the last three (3) years.	Nil
Total no. of Board Meetings held during the year	NA
No. of Board Meetings attended during the year 2024-2025	NA
No. of shares held	Nil
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment Non-Executive Non-Independent	Not Liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	Last Drawn: N.A. Sought to be paid: Sitting Fees for attending the Board and Committee meetings and commission on profits as per Section 198 of the Companies Act, 2013.

Name of the Director	Mr. Suresh Arora, I.P.S (Retired)
DIN	10641466
Date of Birth	September 26, 1958
Age	66 Years
Date of first appointment	April 30, 2025
Qualifications	Company Secretary, LLB, LLM

Expertise in specific functional areas	Over 41 years of extensive experience in the field of administration, management, law enforcement etc. of which over 3 years as Police Chief of the State of Punjab and 4 years as Chief Information Commissioner, Punjab. He has meticulous service record to his credit and has been decorated / awarded with various prestigious / gallantry awards for distinguished & creditable services.
Profile	Provided in the Explanatory Statement
Directorship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	Sukhjit Starch and Chemicals Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies) as on March 31, 2025	**Sukhjit Starch and Chemicals Ltd.** Audit Committee – Member Stakeholders Relationship Committee – Member
Listed entities from which Director has resigned from Directorship in the last three (3) years.	Nil
Total no. of Board Meetings held during the year	NA
No. of Board Meetings attended during the year 2024-2025	NA
No. of shares held	Nil
Relationships between Directors inter-se	None
Terms and conditions of appointment or re-appointment Non-Executive Non-Independent	Not Liable to retire by rotation
Remuneration last drawn (including Sitting fees, if any)	Last Drawn: N.A. Sought to be paid: Sitting Fees for attending the Board and Committee meetings and commission on profits as per Section 198 of the Companies Act, 2013.

Board's Report

Dear members,

Your Directors are pleased to present the 49th Annual Report on the business and operations of the Company, together with the Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2025. The performance of the Subsidiary has also been referred to wherever required.

1. FINANCIAL RESULTS

The financial performance of the Company for the year ended March 31, 2025 is as below:

(₹ in Lakh)

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations and Other Income	90195	93693	89959	93332
Earnings before Interest, Depreciation & Tax & Exceptional item (EBIDTA)	10062	11608	10046	11506
Depreciation / Amortisation	2504	2216	2480	2216
Finance Cost	1783	2084	1783	1920
Profit / (Loss) before Tax & Exceptional item	**5775**	**7308**	**5783**	**7370**
Exceptional Items	418	-	418	-
Profit / (Loss) before Tax (PBT)	**5357**	**7308**	**5365**	**7370**
Income Tax Expenses:				
Current Tax	1439	1680	1363	1655
Deferred Tax	25	270	25	270
Total Income Tax Expenses	**1464**	**1950**	**1388**	**1925**
Profit / (Loss) after Tax (PAT)	**3893**	**5358**	**3977**	**5445**
Other Comprehensive income / (expense) for the year (net of tax)	(70)	(36)	(24)	(29)
Total comprehensive income for the year	**3823**	**5322**	**3953**	**5416**
Earnings per share (EPS)				
Basic and diluted (in ₹)	31.75	43.70	32.44	44.41
Reserves (excluding Revaluation reserve)	**35245**	**31790**	**37208**	**33623**

2. OPERATIONAL PERFORMANCE

Your Directors are pleased to report that, for the financial year under review, the Company achieved a standalone income of ₹900 crore and a Profit Before Tax (PBT) of ₹54 crore. These results demonstrate robustness of the business, reflecting a slight deviation from the previous year, which recorded a standalone income of ₹933 crore and a PBT of ₹74 crore. Despite the challenging business environment, the Company has maintained a solid financial footing.

The financial year 2024-25 began on a strong note, continuing the growth momentum the company has built over in the past few years. However, as the year progressed, the chemical sector experienced a market-wide correction driven by inventory adjustments and a decline in product pricing. This led to a temporary softening in demand for certain product segments, impacting overall performance in the later quarters.

The Company's sales performance was predominantly driven by the Agro Chemicals Division, which achieved a net revenue of ₹607 crore, representing approximately 67% of total revenue, compared to ₹664 crore in the previous year. The Specialty Chemicals & Pharmaceuticals Division contributed ₹172 crore, reflecting a slight increase from ₹151 crore in the prior year. Additionally, the Industrial Chemical Division reported a revenue of ₹121 crore, marginally higher than ₹118 crore in the preceding year.

In the financial year 2024-25, the Company recorded export revenues of ₹346 crore, as against ₹484 crore in the previous year. The decline in export market was to a large extent, was made up by increase in domestic market sales. The export turnover reflects ongoing challenges in the global chemical markets, with inventory correction and soft prices.

However, the channel inventory destocking across international market is towards end of the cycle and hence, demand picked is likely to happen in coming quarter

The Company remains committed to addressing these challenges through a strategic approach that encompasses new product introduction, market diversification, cost optimization, and sustained engagement with key international stakeholders. The Company registered healthy growth in revenue from new products.

3. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES

The Company has one wholly-owned overseas subsidiary namely, SD Agchem (Europe) NV, based in Belgium. Additionally, the Company does not have any material subsidiary.

During the year, the Board of Directors conducted a comprehensive review of the subsidiary's operations. In compliance with Section 129(3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements, which are included in this Annual Report. Furthermore, a statement outlining the key financial highlights of the subsidiary, in the prescribed format AOC-1, has been annexed to the Board's Report.

SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary entered into a settlement agreement dated December 11, 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders') (erstwhile step down subsidiary till September 2017). Under the terms of settlement, a total consideration of ₹1,483 Lakhs was to be paid by SD Agchem (Europe) NV to the ex- shareholders. Consequential to the same, the Board of Directors had on December 14, 2023 provided guarantee on behalf of SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary to secure the payment obligations of SD Agchem (Europe) NV upto an amount not exceeding ₹1500 Lakhs in relation to the settlement agreement. SD Agchem (Europe) NV had paid a sum of ₹1,148 Lakhs till March 31, 2024 and during the current year the SD Agchem has paid remaining balance of ₹335 Lakhs and payment of guarantee has been fulfilled.

The Company does not have any associate companies or joint ventures within the meaning of Section 2(6) of the Companies Act, 2013.

4. CONSOLIDATED FINANCIAL STATEMENT

Pursuant to Section 136 of the Companies Act, 2013, the audited standalone and consolidated financial statements of the Company, along with the relevant information and the audited financial statements of its subsidiary, are available on the Company's website at www.punjabchemicals.com.

These documents are also available for inspection during business hours at the Company's Registered Office.

The Policy for Determining Material Subsidiaries, as approved by the Board of Directors in accordance with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is available on the Company's website and can be accessed at: https://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf.

The consolidated financial statements of the Company for the year ended on March 31, 2025 comprises the standalone financial statements of the Company and its subsidiary (together referred to as "the Group").

The consolidated revenue of the Company during the year under review stood at ₹902 crore with a profit before tax of ₹54 crore against ₹937 crore and profit before tax of ₹73 crore in the previous year.

5. DIVIDEND

The Board of Directors are pleased to recommend a dividend of ₹3/- per equity share (30%) for the financial year under review against a dividend of ₹3/- per equity shares (30%) in the previous year.

The total dividend amount to be paid for the financial year 2024-25 shall be ₹3.68 crore.

The proposed dividend on equity shares is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. Upon approval, the dividend will be disbursed to those shareholders whose names appear in the Register of Members as on the record date determined for this purpose. The record date will be Friday, July 18, 2025 for the purpose of payment of dividend for the financial year 2024-25.

The dividend recommended is in line with the dividend distribution policy of the Company and the policy is available on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf

6. OUTLOOK

The Company operates in the Performance Chemicals segment, encompassing Agrochemicals, Specialty Chemicals & Pharmaceuticals, and Industrial Chemicals. This sector has demonstrated consistent and promising growth in recent years, driven by the introduction of new chemical products and the ongoing rebalancing of global supply chains. Furthermore, supportive policy measures from the Government of India are expected to catalyze innovation and foster strategic collaborations between MNCs and Indian chemical manufacturers.

The Company is actively investing in R&D and technical capabilities, positioning itself as a preferred Contract Research and Manufacturing Services (CRAMS) partner for both domestic and international agrochemical firms. With a long-standing and successful track record in the manufacture and export of a broad portfolio of Performance Chemicals, the Company is well-equipped to capitalize on the expanding market opportunities.

Strategic initiatives are underway to develop new products, enhance production volumes, and broaden the product portfolio-either through CRAMS arrangements or direct sales. Ongoing discussions with multiple stakeholders to onboard new products and expand existing business relationships are progressing positively.

Backed by decades of industry experience and a strong track record of delivering high-quality products to both Indian and global clients, the Company is focused on strengthening partnerships through continuous innovation and the adoption of advanced manufacturing technologies.

Barring any unforeseen circumstances, the management is optimistic about the Company's growth prospects, supported by its diversified product range and commitment to technological excellence.

7. FINANCE

a. SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2025 stood at ₹12.26 crore consisting of 1,22,62,185 equity shares of ₹10/- each. During the year under review, the Company did not issue any type of shares or convertible securities or shares with differential voting rights. The Company also did not allot /grant any stock options or sweat equity or warrants to the employees. As on March 31, 2025, the Company has not issued or outstanding any instrument convertible into Equity Shares of the Company during the Financial year. Your Company has not resorted to any buy back its Equity Shares during the year under review.

b. PUBLIC DEPOSITS

The Company does not have any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

c. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

Details of loans, guarantees, and investments as covered under Section 186 of the Companies Act, 2013 are disclosed in Note Nos. 49 and 48 of the Standalone and Consolidated Financial Statements, respectively, forming part of this Annual Report.

d. TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account and not to transfer any amount to the general reserve.

e. CREDIT RATING

During the year under review, there has been no change in the credit rating of the Company from any of the credit rating agencies. However, the Company has received reaffirmation of its ratings, with Long-Term Debt being rated at CARE BBB+ with a Stable outlook, and Short-Term Debt rated at CARE A2.

8. ENVIRONMENT, SUSTAINABILITY, HEALTH AND SAFETY

At Punjab Chemicals, we are dedicated to the highest standards in Environment, Health, and Safety (EHS), ensuring a safe workplace, sustainable practices, and the well-being of our people. Our EHS policy goes beyond compliance- it's part of our core values. By maintaining strict standards, we reduce workplace incidents, improve efficiency, and keep operations running smoothly with fewer disruptions. We prioritize employee health and safety, which strengthens our safety culture and boosts satisfaction and retention. Proactive EHS practices also help us cut costs by preventing accidents, optimizing resources, and minimizing waste. Strong EHS performance enhances our reputation, meets stakeholder expectations, and builds trust. For us, EHS is key to long-term success-driving excellence, reducing risks, and supporting a sustainable future.

Our health initiatives:

At Punjab Chemicals, we prioritize the health and safety of our employees, ensuring they return home safely each day. To support this, we conduct biannual medical check-ups for employees and annual check-ups for managers, with quarterly checks for those in hazardous processes. The Company also organized health awareness programs on heart health, blood pressure, and sugar levels. Our occupational health centre offers preventive medical camps, and we have deployed an ambulance at our manufacturing units. Additionally, a cooperative society provides loans for housing, education, and personal needs, while the subsidized, FSSAI-certified canteens ensure nutritious meals. We also promote health education on diseases like hypertension and encourage yoga and healthy eating habits.

Our safety initiatives:

At Punjab Chemicals, we prioritize a safe, compliant, and resilient work environment through proactive safety measures and a strong culture of accountability. Key initiatives include automated batch charging and agitated nutsche filter dryers to reduce emissions, along with a robust Process Safety Management (PSM) program covering safety information, process validation, and regular assessments. We conduct routine HAZOP studies, risk assessments, and safety audits to ensure operational integrity. A structured incident reporting system enables timely corrective actions, while safety protocols are reinforced through regular reviews, training, and drills. Our employees undergo monthly safety training and biannual mock drills, reflecting our ongoing commitment to continuous improvement and regulatory compliance.

The Company's sites are certified to various internationally recognized management systems, demonstrating a commitment to quality, environmental responsibility, and occupational health and safety. These certifications include ISO 9001:2015 for Quality Management, ISO 14001:2015 for Environmental Management, and ISO 45001:2018 for Occupational Health and Safety.

9. RESEARCH & DEVELOPMENT AND QUALITY CONTROL

The Research & Development (R&D) function continues to play a critical role in driving innovation, operational efficiency, and sustainability within the organization. During the period under review, R&D efforts were primarily focused on the optimization of existing product processes, reduction of effluent load to support environmental compliance objectives, and the development of new products and value-added by-products. These initiatives are aligned with the Company's long-term strategic goals of enhancing product performance, reducing environmental footprint, and expanding market offerings.

Quality Control (QC) remains a core strength and a fundamental pillar of our operational excellence. The Company maintains stringent quality assurance protocols across all stages of production-from raw material procurement through to final product release. Each material and product undergoes comprehensive quality testing to ensure adherence to rigorous internal standards as well as relevant regulatory and industry specifications. This robust QC framework underpins our commitment to delivering consistent, high-quality products to our customers.

10. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

In accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant information pertaining to energy conservation, technology absorption, and foreign exchange earnings and outgo forms an integral part of this Report.

11. WELFARE ACTIVITIES AND CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company undertook various initiatives as part of its commitment to Corporate Social Responsibility (CSR). During the financial year 2024–25, the Company was required to spend ₹181 lakh towards CSR activities and has spent ₹182 Lakh. The amount was utilized for the promotion of education through the upgradation of school infrastructure and establishment of computer laboratories; healthcare initiatives including the organization of preventive medical camps, blood donation drives, and eye check-up camps in nearby areas; and rural development activities aimed at uplifting neighbouring communities. Additionally, the Company extended support to the underprivileged and differently-abled through donations. The CSR Policy of the Company is available on its website at https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf.

The detailed Annual Report on CSR activities, as mandated under the Companies Act, forms part of this Report. Further information on the CSR Committee is provided in the Corporate Governance Report, which also forms part of the Annual Report.

12. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sub-sections (9) and (10) of Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, every listed company is mandated to establish a vigil mechanism for directors and employees to report genuine concerns. In compliance with these provisions, the Company has formulated and adopted a Whistle Blower Policy as part of its vigil mechanism.

The objective of this Policy is to provide a framework through which directors, employees, and other stakeholders can raise concerns regarding unethical behavior, suspected or actual fraud, or any violation of the Company's Code of Conduct, ethics policy, or applicable laws and regulations. This mechanism reinforces the Company's commitment to maintaining the highest standards of integrity, transparency, and accountability.

The Policy includes the contact details of the Chairperson of the Audit Committee, enabling direct and confidential access for complainants. Employees and stakeholders are encouraged to report concerns directly to the Chairperson, as outlined in the Policy. The Audit Committee is responsible for reviewing the concerns raised and ensuring appropriate corrective actions are taken, where necessary.

During the financial year, the Company did not receive any complaint under the Vigil Mechanism / Whistle Blower Policy.

The detailed Vigil Mechanism and Whistle Blower Policy is available on the Company's website at the following link:https://www.punjabchemicals.com/wp-content/uploads/2024/08/Whistle-Blower-Policy-PCCPL.pdf.

13. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has implemented robust Internal Financial Controls in relation to the preparation of financial statements. These controls were thoroughly tested during the year, and no material weaknesses, either in design or operation, were identified. Further details regarding the internal control systems are outlined in the Management Discussion & Analysis section, which forms an integral part of this Annual Report.

14. DEVELOPMENT AND IMPLEMENTATION RISK MANAGEMENT POLICY

In compliance with Schedule V of the Listing Regulations, the Company has constituted a Risk Management Committee responsible for overseeing the identification, evaluation, and mitigation of risks, as well as for developing strategies to address emerging risks. The details of the Committee, including its composition and terms of reference, are outlined in the Corporate Governance Report, which forms an integral part of the Board's Report.

The Company has established a robust risk management framework and has implemented a comprehensive Risk Management Policy, which is available on the Company's official website at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Risk-Management.pdf. This policy provides for the creation and maintenance of a risk register, facilitates the identification of risks, and ensures the formulation and execution of mitigation strategies. Identified risks, both current and potential, are systematically addressed through targeted mitigation actions. The risk register is regularly reviewed and updated to ensure its continued relevance, and mitigation measures are adapted as necessary to ensure the Company's risk profile remains within defined tolerance levels. Furthermore, the Board is kept fully informed of any actual or emerging risks that could impact the Company's long-term strategic objectives and operations.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions undertaken during the financial year were executed on an arm's length basis and in the ordinary course of business. The Company has not entered into any materially significant related party transactions that could potentially conflict with the interests of the Company at large. As such, the disclosure of related party transactions in Form AOC-2 is not applicable.

Prior omnibus approval from the Audit Committee is obtained for repetitive related party transactions. Transactions executed under this omnibus approval are reviewed quarterly by the Audit Committee. Additionally the shareholders' approval has been duly obtained, wherever applicable, for all related party transactions.

Comprehensive disclosures regarding related party transactions, in accordance with Ind AS-24, including the names of related parties and the specifics of transactions with them, are provided under the Notes to the Financial Statements.

Disclosures on related party transactions are also submitted to the stock exchanges on a half-yearly basis. The Company has also revised its Related Party Transactions Policy in accordance with the recent amendments to the Listing Regulations. The revised Company's policy on related party transactions, as approved by the Board, is available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2025/03/RPT-Policy.pdf.

16. INSURANCE

The Company confirms that all of its assets, properties, and operational activities are adequately insured in accordance with applicable laws, regulatory requirements, and prevailing industry practices. Furthermore, the Company has obtained Directors and Officers Liability Insurance to provide appropriate coverage and protection for its directors and officers against liabilities arising from the performance of their official duties.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders have been passed by the Regulators, Courts or Tribunals that impact the going concern status and future operations of the Company.

18. AUDITORS' REPORTS AND AUDITORS

a. Statutory Auditors:

In accordance with the provisions of Section 139(2) of the Companies Act, 2013, read with the applicable rules made thereunder, it is mandatory to rotate the statutory auditors of a company upon the completion of two terms of five consecutive years each, with each term being subject to the approval of the shareholders.

In compliance with these requirements, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 46th Annual General Meeting ("AGM") held on August 10, 2022. They were appointed to hold office from the conclusion of the said AGM until the conclusion of the 51st AGM, to be convened in the year 2027.

It is further noted that, pursuant to the Companies (Amendment) Act, 2017, notified on May 7, 2018, the requirement for annual ratification of the auditors' appointment by the shareholders at each AGM has been dispensed with.

During the financial year under review, the Statutory Auditors have provided a confirmation to the effect that they continue to meet the independence criteria as prescribed under the Companies Act, 2013 and the Code of Ethics issued by the Institute of Chartered Accountants of India. They have also confirmed that they are not disqualified from continuing as statutory auditors of the Company.

The Statutory Auditors' Report for the financial year ended March 31, 2025, does not contain any qualification, reservation, or adverse remark. Accordingly, no further explanation or comment by the Board is required. The Auditors' Report forms part of the financial statements annexed to this Annual Report.

b. Secretarial Auditors:

M/s P.S. Dua & Associates, Company Secretaries (CP No. 3934), were appointed as the Secretarial Auditors of the Company for the financial year 2024-25, in accordance with the provisions of Section 204 of the Companies Act, 2013, and the rules framed thereunder. The Secretarial Audit Report for the financial year under review is annexed to this Report. The Report does not contain any qualifications, reservations, or adverse remarks, and therefore does not necessitate any further comments by the Board.

Pursuant to the amended provisions of Regulation 24A of the SEBI (LODR) Regulations and Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors have approved and recommended the appointment of M/s P.S. Dua & Associates, Peer Reviewed Firm of Company Secretaries in Practice (C.P. No. 3934), as Secretarial Auditors of the Company for a term of upto 5(Five) consecutive years, commencing on April 1, 2025, until March 31, 2030. Brief resume and other details of M/s P.S. Dua & Associates, Company Secretaries in Practice, are separately disclosed in the Notice of ensuing AGM.

M/s P.S. Dua & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act & Rules made thereunder and SEBI (LODR) Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI (LODR) Regulations.

Annual Secretarial Compliance Report:

Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has undertaken a Secretarial Compliance Audit for the financial year 2024-25. The audit was conducted by a qualified Practising Company Secretary to verify compliance with the applicable provisions of SEBI Regulations, circulars, and guidelines issued thereunder.

The Annual Secretarial Compliance Report, in the prescribed format, has been duly filed with the stock exchanges within the stipulated timeframe.

c. Cost Auditors:

M/s Khushwinder Kumar & Co., Cost Accountants, were appointed as the Cost Auditors of the Company for the financial year 2024-25 in accordance with the provisions of Section 148 of the Companies Act, 2013. The Company has duly maintained proper cost accounting records as prescribed by the Central Government under sub-section (1) of Section 148 of the said Act for its business operations during the year.

Based on the recommendation of the Audit Committee, the Board of Directors has re-appointed M/s Khushwinder Kumar & Co., Cost Accountants, Jalandhar (Firm Registration No. 100123), as the Cost Auditors of the Company to carry out the audit of cost records for all business divisions for the financial year 2025-26. The firm has submitted a certificate confirming their eligibility for the said re-appointment.

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 shareholders. Accordingly, a resolution seeking such ratification has been included in the Notice convening the forthcoming Annual General Meeting.

The Cost Audit Report for the financial year 2023-24 was duly filed with the Ministry of Corporate Affairs, and the Cost Audit Report for the financial year 2024-25 will be filed within the prescribed statutory timeline.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Independent Directors:

As of March 31, 2025, the Company's Board of Directors comprises three Independent Directors, including two women Independent Directors. The Independent Directors on the Board are Mrs. Aruna Rajendra Bhinge (DIN: 07474950), Mrs. Tara Subramaniam (DIN: 07654007), and Mr. Sheo Prasad Singh (DIN: 06493455).

b. Cessation:

Mr. Sheo Prasad Singh (DIN: 06493455) tendered his resignation, and consequently ceased to be an Independent Director of the Company effective April 30, 2025. The Board placed on record its deepest appreciation for Mr. Sheo Prasad Singh in the success achieved by the Company during his tenure as an Independent Director of the Company.

c. Re-appointment:

Mrs. Aruna Rajendra Bhinge was re-appointed as an Independent Director for a second term of five consecutive years, effective from April 1, 2025. The re-appointment was approved by the shareholders through postal ballot notice dated January 28, 2025.

d. Appointments:

The Board of Directors of the Company, at its meeting held on April 30, 2025, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Kapil Kumar Mehan (DIN: 01215092) and Mr. Suresh Arora (DIN: 10641466) as an Additional Directors in the capacity of Non-Executive Independent Directors, with effect from April 30, 2025 for a period of five consecutive years.

Pursuant to Regulation 17(1C)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of an Additional Director is required to be approved by the shareholders at the next general meeting or within a period of three months from the date of appointment, whichever is earlier. Accordingly, the Company proposes to seek the approval of the shareholders at the forthcoming 49th Annual General Meeting for the regularization of Mr. Kapil Kumar Mehan and Mr. Suresh Arora as Independent Directors, not liable to retire by rotation, for a first term of five consecutive years commencing from April 30, 2025.

The Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. Furthermore, all Independent Directors have duly registered themselves with the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs (IICA).

In the opinion of the Board, all Independent Directors of the Company possess the requisite qualifications, integrity, expertise, and experience, including the necessary competencies, to effectively discharge their responsibilities.

e. Retirement by Rotation:

Pursuant to the provisions of the Companies Act, 2013, Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) and Mr. Avtar Singh (DIN: 00063569), Non-Executive and Non-Independent Directors, are liable to retire by rotation at the forthcoming 49th Annual General Meeting (AGM). Being eligible, both Directors have offered themselves for reappointment.

Based on the outcome of the performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends their reappointment. The Notice convening the 49th AGM, scheduled to be held on Tuesday, July 29, 2025, includes detailed information in this regard.

f. Relationship / Transaction with Company:

The Directors of the Company had no pecuniary relationship or transactions with the Company, except as disclosed in Note No. 43 of the Standalone and Consolidated Financial Statements.

Details and brief resumes of the Directors seeking appointment or reappointment, as required under the prevailing regulations and rules, are provided in the Notice convening the 49th Annual General Meeting, which forms part of this Annual Report.

Further details regarding all Directors are included in the Corporate Governance Report, which is annexed to this Report.

g. Board Diversity:

The Company recognizes and values the critical role that board diversity plays in driving sustainable success. We believe that a truly diverse board-encompassing a wide range of perspectives, experiences, and backgrounds-enhances decision-making and fosters innovation.

Our approach to diversity includes, but is not limited to, considerations of professional skills and industry experience, cultural and geographical backgrounds, age, ethnicity, race, and gender. By leveraging these diverse attributes, we aim to strengthen the board's collective capabilities and maintain our competitive edge in a dynamic business environment.

Further details on our approach to board diversity are outlined in the Corporate Governance Report, which forms part of this Annual Report.

h. Number of meetings of the Board of Directors:

During the financial year 2024-25, the Board of Directors convened six meetings, all held within the prescribed time intervals in accordance with the provisions of the Companies Act, 2013. The scheduling of these meetings was carried out in advance, in consultation with the Directors, to ensure their effective participation. Detailed information regarding the dates and attendance of these meetings is provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

i. Annual Evaluation of Board and its Committees and of Individual Directors:

Pursuant to provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has adopted a formal framework for the annual evaluation of its own performance, that of its Committees, individual Directors, and the Chairman. The evaluation was carried out through a structured process covering key aspects such as Board composition, effectiveness, participation, decision-making, governance, and discharge of duties. Executive Directors were assessed based on leadership, expertise, and their contributions to organizational goals, while Independent Directors were evaluated on their participation, objectivity, and oversight functions. Committees were evaluated as per their terms of reference and functional effectiveness.

A separate meeting of Independent Directors was held on March 26, 2025, to review the performance of the Board, Non-Independent Directors, and the Chairman, as well as the quality and timeliness of information shared by the management. The Board's Performance Evaluation Policy is available on the Company's website at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf

j. Details of Familiarisation Programme:

The details of the familiarization programs provided to the Directors of the Company are outlined in the Report on Corporate Governance and can be accessed on the Company's website at the following link: https://www.punjabchemicals.com/wp-content/uploads/2025/03/Familarisation-Programme-2024-25.pdf.

k. Committees of the Board:

In accordance with the provisions of the Companies Act and the Listing Regulations, the Board of Directors has duly constituted the following committees to ensure effective governance and oversight:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee

Comprehensive details regarding the composition of each committee, the number of meetings held during the year, and the attendance of the respective committee members are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

l. Key Managerial Personnel ('KMP'):

During the financial year, Mr. Ashish R. Nayak resigned from the position of Chief Financial Officer (CFO) with effect from January 31, 2025. Subsequently, Mr. Vikash Khanna was appointed as the Chief Financial Officer of the Company with effect from March 26, 2025.

As on March 31, 2025, the following individuals were designated as Key Managerial Personnel of the Company in accordance with Section 2(51) of the Companies Act, 2013:

- Mr. Shalil Shashikumar Shroff – Managing Director
- Mr. Vinod Kumar Gupta – Chief Executive Officer
- Mr. Vikash Khanna – Chief Financial Officer
- Ms. Rishu Chatley – Company Secretary and Compliance Officer

20. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

As of March 31, 2025, the Board of Directors of the Company is duly constituted, comprising a balanced mix of Executive and Independent Directors, in line with applicable statutory requirements. The Board consists of nine (9) members: one (1) Executive Director, five (5) Non-Executive Non-Independent Directors, and three (3) Independent Directors.

The composition of the Board is periodically reviewed to ensure it remains aligned with the strategic needs of the Company and regulatory expectations.

The Nomination and Remuneration Committee has formulated a comprehensive Nomination and Remuneration Policy pursuant to Section 178(3) of the Companies Act, 2013. This policy outlines the criteria for determining the qualifications, positive attributes, and independence of Directors. It also provides guidance on the structure and levels of remuneration for Directors, Key Managerial Personnel (KMP), and senior management, including the appointment of individuals at one level below the KMP.

The full policy is available on the Company's website and can be accessed at the following link: https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

21. EMPLOYEES AND INDUSTRIAL RELATIONS

The Board of Directors and the Management express their sincere gratitude to all employees for their unwavering commitment, competence, and dedication to the Company's operations. The relationship between the management and employees continues to remain transparent, positive, and harmonious.

The Company places a strong emphasis on employee welfare and continues to implement various initiatives, including preventive health check-ups and medical facilities within the factory premises. These welfare schemes are well-utilized across all employee categories. Additionally, sports events are regularly organized to promote a healthy work environment and to foster a spirit of teamwork and sportsmanship.

The Board places on record its deep appreciation for the sincere efforts, loyalty, and dedication demonstrated by all employees. The management took proactive measures to safeguard employee well-being and kept them informed and protected throughout the crisis.

22. PARTICULARS OF EMPLOYEES

The disclosure in terms of the provisions of Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the name and details of employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other details of the concerned employees forms an integral part of this report.

23. PREVENTION OF SEXUAL HARASSMENT (POSH) OF WOMEN AT THE WORKPLACE

The Company is committed to fostering a secure and supportive work environment for all employees. Our goal is to provide a workplace that is free from harassment, exploitation, and intimidation, ensuring a respectful and inclusive atmosphere for all business associates. In line with this commitment, the Company has implemented a comprehensive Policy for the Prevention and Redress of Sexual Harassment, which can be accessed on our website at https://www.punjabchemicals.com/wp-content/uploads/2025/02/POSH-Policy.pdf. To effectively address and prevent instances of sexual harassment, the Company has constituted an Internal Complaints Committee (ICC) to handle and resolve complaints in accordance with legal guidelines. The ICC is established under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013. The Committee includes external members with relevant experience or from recognized NGOs, and is chaired by a senior female employee. Furthermore, over 50% of the ICC members are women, ensuring diverse perspectives and a gender-sensitive approach to complaints.

The ICC empowers employees to report any instances of sexual harassment at the workplace. The Committee is responsible for conducting thorough investigations into all complaints, ensuring a fair, transparent, and timely inquiry process. In addition to addressing complaints, the ICC also plays a key role in the prevention and prohibition of sexual harassment within the organization. For detailed information on the number of sexual harassment complaints filed, resolved, and pending during the financial year, please refer to the Business Responsibility and Sustainability Report section of this Annual Report.

24. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961. Necessary facilities and benefits, as mandated under the Act, have been extended to the eligible employees.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under sub section 3 (c) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a) in preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation/disclosure relating to material departures, if any;

b) the Directors have selected such accounting policies, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025 and of the profit and loss of the Company for the year ended on that date;

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

d) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT, BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

i. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with Regulation 34(2) of the Listing Regulations, the Management Discussion and Analysis Report is an integral part of this report. This section provides a comprehensive overview of the company's business performance, highlighting key financial and operational developments. The report delves into the current state of affairs, offering insights into the strategic direction, challenges, and opportunities faced by the company during the reporting period.

ii. CORPORATE GOVERNANCE REPORT

The Company has adhered to the Corporate Governance Code as prescribed under the Listing Regulations. The Corporate Governance Report, in accordance with Rule 34(3) read with Paragraph C of Schedule V of the Listing Regulations, is an integral part of this Report.

Additionally, the required certificate from the Practicing Company Secretary, confirming the Company's compliance with the corporate governance requirements, is attached hereto.

iii. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In accordance with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the "Business Responsibility & Sustainability Report" (BRSR) is included as an integral part of this Report.

27. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors hereby affirms that the Company has adhered to the relevant provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), with respect to the conduct of Board Meetings and General Meetings.

28. ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013, and Rule 12 of the Companies (Management and Administration) Rules, 2014, read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return in Form MGT-7 as of March 31, 2025, is available for viewing at the following link: https://www.punjabchemicals.com/wp-content/uploads/2025/06/MGT-7.pdf.

29. EVENTS AFTER BALANCE SHEET DATE

There have been no material changes or commitments affecting the financial position of the Company that have occurred between the end of the financial year to which the balance sheet pertains and the date of this Report.

30. OTHER DISCLOSURES

1. There has been no change in the nature of business of the Company during the financial year, in accordance with sub-rule 5(ii) of Rule 8 of the Companies (Accounts) Rules, 2014.

2. During the financial year 2024-25, no application was made, nor was any proceeding pending, under the Insolvency and Bankruptcy Code, 2016.

3. The Company did not enter into any one-time settlement with any bank or financial institution during the year under review.

4. During the year, neither the Statutory Auditors nor the Secretarial Auditor reported any instance of fraud committed against the Company by its officers or employees under Section 143(12) of the Companies Act, 2013, that would require disclosure in the Board's Report.

5. The equity shares of the Company continue to be listed on BSE Limited and the National Stock Exchange of India Limited.

31. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, no unclaimed dividend was due for transfer to the Investor Education and Protection Fund (IEPF) established by the IEPF Authority.

32. STATE OF AFFAIRS OF THE COMPANY

The state of affairs of the Company is detailed in a separate section of the Management Discussion and Analysis Report, which forms an integral part of this Annual Report. This disclosure is in compliance with the requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the dedicated efforts and commitment demonstrated by all employees of the Company throughout the year. The Board also extends its heartfelt gratitude to the financial institutions, banks, government authorities, customers, vendors, and shareholders for their continued support, cooperation, and trust during the year under review.

CAUTIONARY STATEMENT

Certain statements in the Board's Report and the Management Discussion and Analysis regarding the Company's objectives, expectations, or forecasts may be forward-looking as defined by applicable securities laws. Actual results may differ materially due to factors such as global and domestic market conditions, availability and cost of key materials, changes in government policies and tax laws, economic developments, and other factors relevant to the Company's operations.

For and on behalf of the Board of Directors

Mukesh Dahyabhai Patel
Chairman
DIN: 00009605

Place: Vadodara
Date : April 30, 2025

FORM AOC 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of Subsidiaries/Associate Companies /Joint Ventures

Part "A": Subsidiaries

S. No.	Name of the subsidiary	SD Agchem (Europe) NV	
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same Reporting Period	
		Current Year	Previous Year
2.	Reporting Currency	Euro	Euro
3.	Exchange rate (Closing)	92.43	90.24
4.	Share capital	7000	7000
5.	Reserves & Surplus	(8975)	(8839)
6.	Total Assets	461	428
7.	Total Liabilities	2435	2267
8.	Investments	-	-
9.	Turnover	2179	2627
10.	Profit/Loss before Taxation	(19)	(56)
11.	Tax Expenses	(71)	(24)
	Adjustment of tax relating to earlier periods	(71)	(24)
	Deferred tax	-	-
12.	Profit after Taxation	(90)	(80)
13.	Proposed Dividend	-	-
14.	% of Shareholding	100	100
15.	Country	Belgium	Belgium

Part "B": Associates and Joint Ventures

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

S. No.	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	Not Applicable
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Number	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
i)	Considered in Consolidation	
ii)	Not Considered in Consolidation	

Mukesh Dahyabhai Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil Shashikumar Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod Kumar Gupta
Chief Executive Officer
Place: Mumbai

Date: April 30, 2025

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Rishu Chatley
Company Secretary & Compliance Officer
ACS: 19932
Place: Derbassi

Annual Report on Corporate Social Responsibility (CSR)

Activities for the Financial Year 2024-25

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. A brief outline of the CSR Policy of the Company

The Company is firmly committed to its Corporate Social Responsibility (CSR) and actively undertakes initiatives aimed at fostering the sustainable and inclusive development of society and its communities. Our CSR activities are directly aligned with the goal of enhancing social welfare, with a particular emphasis on the areas surrounding our manufacturing facilities and corporate office. By prioritizing local engagement, the Company strives to create a meaningful and positive impact where it operates.

2. The Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Mukesh Dahyabhai Patel	Chairman cum Director	1	1
2.	Mr. Shalil Shashikumar Shroff	Managing Director	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Director	1	1
4.	Mrs. Aruna Rajendra Bhinge	Independent Director	1	1

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

The Company's Composition of CSR Committee, CSR Policy and CSR projects approved by the Board can be viewed at the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf

4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

-Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of Section 135: **₹9071 Lakh**

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: **₹181 Lakh**

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

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

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **₹181 Lakh**

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): **₹182 Lakh**

(b) Amount spent in administrative overheads: **Nil**

(c) Amount spent on impact assessment, if applicable: **NA**

(d) Total amount spent for the financial year [(a)+(b)+(c)]: **₹182 Lakh**

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

Total Amount spent for the Financial year (₹ in Lakh)	Amount Unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per sub section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹182 Lakh	Nil				

(f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	181
(ii)	Total amount spent for the financial year	182
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1
(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*

* Excess amount not availed for set-off

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

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance amount in unspent CSR account under subsection (6) of Section 135 (1) (in ₹)	Amount spent in the financial year (in ₹)	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency
					Amount (In ₹)	Date of Transfer		
N.A.								

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

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

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility

S. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(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
N.A.							

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

Mukesh Dahyabhai Patel
Chairman of CSR Committee
DIN: 00009605
Place: Vadodara

Shalil Shashikumar Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod Kumar Gupta
Chief Executive Officer
Place: Mumbai

Date: April 30, 2025

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24231PB1975PLC047063
2.	Name of the Listed Entity	Punjab Chemicals and Crop Protection Limited
3.	Year of incorporation	1975
4.	Registered office address	Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201
5.	Corporate address	Plot No. 645-646, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (West), Mumbai – 400 053
6.	E-mail	info@punjabchemicals.com
7.	Telephone	01762- 280086, 522250
8.	Website	www.punjabchemicals.com
9.	Financial year for which reporting is being done	April 1, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital (in ₹)	12,26,21,850
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Vinod Kumar Gupta, CEO Address: Milestone 18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali (Punjab)-140201 Email: info@punjabchemicals.com, Telephone: 01762- 280086, 522250
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)	The disclosures made in the report are on a standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/Services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical products.	100%

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.	Manufacturing of Performance Chemicals	20119,20211	100%

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	3	1	4
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	23

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

For the financial year 2025, exports comprised 38% of our total turnover.

c. A brief on types of customers

The Company serves customers in Performance Chemicals including Agrochemicals, Specialty Chemicals & Pharmaceuticals and Industrial Chemicals.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1.	Permanent (D)	372	330	88.71%	42	11.29%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	**Total Employees (D + E)**	**372**	**330**	**88.71%**	**42**	**11.29%**
			Workers			
4.	Permanent (F)	858	857	99.88%	1	0.12%
5.	Other than Permanent (G)	713	712	99.86%	1	0.14%
6.	**Total workers (F + G)**	**1571**	**1569**	**99.87%**	**2**	**0.13%**

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Differently Abled Employees			
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
			Differently Abled Workers			
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers:

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.28%	7.46%	14.74%	8.86%	1.90%	10.76%	9.43%	2.36%	11.79%
Permanent Workers	4.29%	0.00%	4.29%	6.00%	0.00%	6.00%	4.05%	0.00%	4.05%

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

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

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	SD Agchem (Europe) NV, Belgium	Subsidiary	100%	No

VI. CSR Details

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

(ii) Turnover (in ₹): **900 crore**

(iii) Net worth (in ₹): **384 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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, the Senior Leadership Team engages regularly with local community representatives to address any concerns. Contact details for all locations are available at the following link. https://www.punjabchemicals.com/contact-us/	0	0	-	0	0	-
Investors (Other than Shareholder)	Yes, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us	0	0	-	0	0	-
Shareholders	Yes, the Company has a grievance redressal mechanism for shareholders. The Company has appointed Alankit Assignments Limited as the Share Transfer Registrars / Agents. The Alankit Assignments Limited takes care of shareholders' enquiries / queries, requests and complaints.	8	1	-	7	0	-

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 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	The Share Transfer Registrars / Agents respond to enquiries / queries, requests and complaints within the framework specified / defined by SEBI. There is a dedicated email id to receive the grievances from shareholders i.e. investorhelp@punjabchemicals.com (weblink: https://www.punjabchemicals.com/investor-relations/						
Employees and workers	Yes, the Company has in place Whistle Blower Mechanism and Prevention of Sexual Harassment Policy specifying the grievance redressal mechanism. https://www.punjabchemicals.com/contact-us	0	0	-	0	0	-
Customers	Yes, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us	0	0	-	0	0	-
Value Chain Partners	Yes, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us	0	0	-	0	0	-
Other (please specify)	Yes, the contact no., address and email id of different locations have been specified on the following link. https://www.punjabchemicals.com/contact-us	0	0	-	0	0	-

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

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

S. No.	Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health and Safety	Risk	Workplace accidents, hazards, and injuries can significantly impact employee morale, productivity, financial performance, and the integrity of assets. As such, continuous efforts are being made to foster a safe and healthy work environment.	The company operates an ISO 45001 certified Occupational Health and Safety (OH&S) management system, ensuring a safe and healthy workplace for its employees while striving to achieve zero accidents and incidents in line with the standards of Environmental, Health, and Safety (EHS) management systems. This commitment is supported through regular training, raising awareness, and improving visual displays to enhance safety. The company emphasizes good housekeeping, proper maintenance practices, and routine audits to maintain a safe environment. Additionally, efforts are made to prevent pollution at all stages of manufacturing. Safety risk mitigation plans are regularly reviewed by the Risk Management Committee and the Board to ensure continuous improvement. Furthermore, comprehensive on-site and off-site emergency plans are in place, complemented by regular mock drills to enhance employee preparedness and emergency response skills.	Negative
2.	Environment and Sustainability	Risk	The environmental risks associated with emissions, climate change, and the preservation of nature and biodiversity.	The company holds ISO 14001 certification and implements effective measures to address climate change, pollution, and emission control. It utilizes an online Continuous Emissions Monitoring System connected to pollution control boards to ensure compliance with regulations. Efforts include enhancing water recycling through Zero Liquid Discharge, increasing tree planting, and improving green cover in local communities as part of its CSR initiatives. The company has installed scrubbers for emission control, provided utilities to prevent solvent vent losses, and implemented closed-loop systems for raw materials, solvents, chemicals, and bromine to minimize environmental impact.	Negative
3.	Energy efficiency	Opportunity	Implementing effective energy and waste management systems enhances a company's resource efficiency, leading to improved operational performance and contributing to topline growth	In an effort to reduce the consumption of fossil fuels and minimize environmental impact, the company is actively exploring alternative and renewable energy sources. Biomass, an eco-friendly fuel, is utilized for steam generation in the boiler, significantly contributing to a sustainable energy mix. In addition, the company prioritizes the reuse and recycling of solvents to conserve natural resources and reduce waste. To ensure the efficiency of its operations, proper preventive maintenance is conducted on key utility systems, such as the boiler and chilled water system, enabling optimal performance.	Positive

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)
				Furthermore, solvent recovery processes are maximized to facilitate the recycling of solvents, while water usage is minimized through an effective water recycling strategy. These efforts collectively contribute to a more sustainable and resource-efficient operation.	
4.	CSR	Opportunity	Developmental projects to create a positive impact and improve community relations.	The Corporate Social Responsibility (CSR) contributions made by the company towards community upliftment have a significant impact on both the local society and the company's brand. By focusing on key areas such as education, health, rural infrastructure development, sanitation, and environmental conservation, the company is not only improving the lives of community members but also strengthening its reputation and trustworthiness within the local community.	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 (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.punjabchemicals.com/company-policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N

<table>
<tr><th>Disclosure Questions (Details of P1 to P9 are provided in Section C)</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fair-trade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td colspan="9">The company has developed and implemented policies that are in full alignment with relevant national standards and regulations, including but not limited to the Factories Act, 1948, the Companies Act, 2013, and Listing Regulations. These policies are designed to ensure the company operates in compliance with the legal framework governing its business activities.

Additionally, the company is certified under internationally recognized standards, holding ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety) certifications. These certifications reflect the company's dedication to maintaining high standards in quality, environmental stewardship, and workplace safety.

Furthermore, the company adheres to essential statutes such as the Environment Protection Act, 1986, the Child Labor (Prohibition and Regulation) Act, 1996, and the Minimum Wages Act, 1946. This ensures that all business operations are conducted with full respect for labor rights and environmental sustainability.

The company's commitment extends beyond legal compliance; it strives to uphold the highest standards of honesty, integrity, governance, ethical conduct, and transparency in all business dealings. These principles guide every facet of the organization, ensuring it continues to act in a responsible and ethical manner across all its operations.</td></tr>
<tr><td>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</td><td colspan="9">The company is committed to creating long-term value for all stakeholders by aligning its business objectives with sustainability goals. We continuously work towards minimizing our environmental impact through energy-efficient initiatives and innovative, sustainable practices aimed at reducing our carbon footprint. We place a strong emphasis on the health and safety of our employees, contractors, and the surrounding communities. To this end, comprehensive control measures are implemented to maintain a safe and healthy working environment. As part of our broader environmental responsibility, we are actively engaged in addressing climate change, controlling pollution, and reducing greenhouse gas emissions.

Key recent initiatives include:
• Installation and commissioning of bromine tanks with a closed-loop handling system to ensure safe and sustainable management.
• Achieved a 5% improvement in solvent recovery for Toluene, MPC, Benzene, and Morphine, contributing to resource efficiency and waste minimization.
• Revamping of old infrastructure to enhance safety, operational efficiency, and environmental performance.

These initiatives reflect our ongoing commitment to responsible business practices and continuous improvement in sustainability performance.</td></tr>
<tr><td>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td><td colspan="9">The performance of the Company with respect to its defined commitments, goals, and targets is systematically monitored and evaluated. Each principle is subject to regular audits and reviews conducted by specialized teams and committees, all operating under the guidance and leadership of Senior Management. These periodic assessments ensure alignment with the organization's strategic objectives, compliance with applicable regulatory frameworks, and adherence to industry best practices.

In instances where specific targets are not met, root cause analyses are conducted to identify contributing factors. This process enables the development of corrective and preventive actions, reinforcing a culture of transparency, accountability, and continuous improvement.</td></tr>
</table>

Disclosure Questions (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9

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).

The Company is committed to embedding Environmental, Social, and Governance (ESG) principles into its core operations, recognizing their importance in driving sustainable and inclusive growth. Our ESG strategy emphasizes product stewardship, environmental impact reduction, and resource-efficient practices, including wastewater management and biodiversity conservation. Strong Environment, Health, and Safety (EHS) policies ensure safe, clean, and healthy workplaces for our employees and partners. We actively promote ethical business conduct through policies such as the Code of Conduct, Whistle Blower Policy, and the Prevention of Sexual Harassment (POSH) policy, fostering a transparent and respectful work environment. Through targeted CSR initiatives, we aim to support the holistic development of the communities we serve. While ESG challenges such as climate risks and evolving stakeholder expectations persist, we remain focused on continuous improvement and long-term value creation.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Mr. Shalil Shashikumar Shroff, Managing Director (DIN: 00015621) and Mr. Vinod Kumar Gupta, Chief Executive Officer, reports to Board periodically on progress made on ESG agenda of the Company.
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.	Yes- The Company has a committee of Board of Directors for Risk Management which is also responsible for making decisions on sustainability issues. The composition of the Committee is detailed in the Corporate Governance Report, which forms an integral part of the Annual Report.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Annually								

Note: In alignment with the Company's Code of Conduct, all Board-level and business meetings are led by the Managing Director and Chief Executive Officer, ensuring a continuous focus on sustainability and business responsibility. Furthermore, Directors and Senior Management are required to affirm their compliance with the Code of Conduct on an annual basis, reinforcing our commitment to ethical practices and governance.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
No. However, the policies are periodically reviewed from both a best practices and risk management perspective. Additionally, the process and adherence to these policies are regularly assessed internally by various departmental and business heads.									

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

Disclosure Questions (Details of P1 to P9 are provided in Section C)	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	All the above principles are covered by the policies								
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 /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

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:

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	6	During Board and Committee meetings, directors are provided with regular presentations on various key topics critical to the Company's operations. These topics include strategy, business performance, market outlook, organizational structure, financial results, risk management, human resources, research and development, information technology, health, safety, and environmental issues, as well as regulatory updates and whistleblower mechanisms. Furthermore, Key Managerial Personnel (KMP) have undergone training on awareness of the Prevention of Sexual Harassment (POSH) policies and emergency preparedness, ensuring that they are equipped with the necessary knowledge and skills to address these important matters effectively.	100%
Key Managerial Personnel	8		100%
Employees other than BoD and KMPs	364	Undergone training on awareness of the Prevention of Sexual Harassment (POSH) & Code of Conduct, Whistle Blower, Anti Corruption.	80%
Workers	835	Undergone training on awareness of the Prevention of Sexual Harassment (POSH) & Code of Conduct, Whistle Blower, Anti Corruption	50%

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	Nil				
Settlement					
Compounding Fee					
Punishment					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company is dedicated to conducting business in full compliance with laws, regulations, and the highest standards of integrity, ethics, and transparency. We have implemented an Anti-Bribery and Anti-Corruption Policy to prevent unethical practices in business transactions. Additionally, a Whistleblower Mechanism is in place for reporting any unethical behavior, fraud, or violations of the Company's Code of Conduct. This policy applies to all employees, including Board Members and Senior Management. The anti-corruption or anti-bribery policy is available at https://www.punjabchemicals.com/wp-content/uploads/2023/03/Anti-Bribery-and-Anti-Corruption-Policy.pdf

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

Particulars	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

Particulars	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

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:

Particulars	FY 2024-25	FY 2023-24
Number of days of accounts payables	136 Days	74 Days

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 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	25%	20%
	b. Number of trading houses where purchases are made from	72	64
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	54%	56%
Concentration of Sales	a. Sales to dealers/ distributors as % of total sales	3%	3%
	b. Number of dealers/ distributors to whom sales are made	55	58
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	68%	67%

Parameter	Metrics	FY 2024-25	FY 2023-24
Share of RPTs in	a. Purchases (Purchases with related parties/ Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties/ Total Sales)	2.29%	2.45%
	c. Loans & advances (Loans & advances given to related parties/ Total loans & advances)	99%	99%
	d. Investments (Investments in related parties/ Total Investments made)	Nil	Nil

Leadership Indicators

1. 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
	Nil	

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes. The Company is committed to the highest standards of corporate governance and ethical leadership. To this end, a comprehensive Code of Conduct for the Board has been implemented, which clearly outlines the identification, prevention, and resolution of conflicts of interest. The Board members are required to proactively disclose any potential conflicts related to matters discussed during meetings. In such cases, the concerned members abstain from voting on the relevant agenda items to ensure impartial decision-making. Additionally, a specific policy on related party transactions is in place to further reinforce transparency and accountability. For a more detailed overview, please refer to our Code of Business Conduct and Ethics for Directors and Senior Management, available at: https://www.punjabchemicals.com/code-of-conduct/.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	27%	24%	Improvement in Environmental impact parameters such as water, Air, Hazardous
Capex	54%	67%	To improve Emission absorption system, health and safety environment for workers

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, At Punjab Chemicals, we are committed to upholding the Supplier Code of Conduct, which reflects our dedication to sustainable procurement practices. Our commitment goes beyond compliance; we actively strive to enhance our environmental and social impact through a proactive, risk-based strategy designed to mitigate potential risks and promote positive outcomes.

b. If yes, what percentage of inputs was sourced sustainably?

100%

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): In compliance with the Plastic Waste Management Rules, the company has established a comprehensive procedure for the collection and segregation of plastic waste generated during operations. Additionally, the recycling and disposal of plastic waste are conducted in strict adherence to the guidelines set forth by the Central Pollution Control Board (CPCB).

b. E-Waste Management: The Company follows a standardized procedure for the handling, storage, and disposal of generated e-waste in compliance with the E-Waste (Management) Rules. Additionally, the recycling and disposal of e-waste are carried out in accordance with the guidelines set by the Central Pollution Control Board (CPCB).

c. Hazardous Waste Management: The Company adheres to established Standard Operating Procedures (SOPs) for the handling, storage, and disposal of hazardous waste in accordance with the Hazardous Waste (Management and Transboundary Movement) Rules. Disposal activities are carried out in compliance with the guidelines set forth by the Central Pollution Control Board (CPCB) and the respective State Pollution Control Boards (SPCBs). Additionally, the Company has a formal agreement with a Treatment, Storage, and Disposal Facility (TSDF) for the safe and environmentally responsible disposal of all hazardous waste generated.

d. Other Waste: The Company has established a standard operating procedure (SOP) for the handling, storage, and disposal of canteen waste, which includes its subsequent processing through vermiculture (vermi-composting).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Punjab Chemicals complies with all waste management regulations, as updated periodically and mandated by law. Additionally, the company is duly registered under the Extended Producer Responsibility (EPR) framework.

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.
Not Applicable					

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
	-	

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 2024-25	FY 2023-24
Benzene	90.02%	88.12%
Toluene	95.80%	96.37%
Denatured Spirt	91.90%	61.41%

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 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	45MT	34MT	143.34MT	34.4MT	33MT	97MT
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	1246.35MT	0	0	1149.404MT
Other waste	0	0	1000MT	0	0	1096.08MT

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

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

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chain.

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	330	97	29.39%	330	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	42	3	7.14%	41	97.62%	42	100.00%	0	0.00%	0	0.00%
Total	**372**	**100**	**26.88%**	**371**	**99.73%**	**0**	**11.29%**	**0**	**0.00%**	**0**	**0.00%**
Other than Permanent employees											
Male	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	**0**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**	**0**	**0.00%**

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

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/ A)	Number (D)	% (D/ A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
Permanent workers											
Male	857	290	33.84%	857	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0	1	100.00%	1	100.00%	0	0.00%	0	0.00%
Total	**858**	**290**	**33.80%**	**858**	**100.00%**	**1**	**0.12%**	**0**	**0.00%**	**0**	**0.00%**
Other than Permanent workers											
Male	712	0	0.00%	707	99.30%	0	0.00%	0	0.00%	0	0.00%
Female	1	0	0.00%	1	100.00%	1	100.00%	0	0.00%	0	0.00%
Total	**713**	**0**	**0.00%**	**708**	**99.30%**	**1**	**0.14%**	**0**	**0.00%**	**0**	**0.00%**

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

Particulars	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of total revenue of the company	0.64%	0.60%

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

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total Employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total Employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	11.00%	67.00%	Y	13.00%	65.00%	Y
Others -please specify	Nil	Nil	Nil	Nil	Nil	Nil

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 Company's premises and offices are fully accessible to employees and workers with disabilities.

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.

At Punjab Chemicals, our commitment to diversity, equity, and inclusion is reflected in our 'All In' initiative. We value diverse perspectives and experiences, recognizing their role in enriching our workplace and driving innovation. Guided by our Code of Conduct and the principles of Reflect, Expose and Transform, we strive to create an inclusive environment where trust, respect, and compassion thrive. Our efforts include building diverse leadership, empowering our workforce, and promoting social change through initiatives like bias-sensitization workshops and enhanced safeguards. weblink: https://www.punjabchemicals.com/code-of-conduct/

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100	100	0	0
Total	**100**	**100**	**0**	**0**

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.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

The Company maintains a comprehensive grievance redressal policy and mechanism that ensures fair and timely resolution of concerns for all categories of employees across all its locations.

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

Benefits	FY 2024-25			FY 2023-24		
	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	372	0	0.00%	362	0	0.00%
- Male	330	0	0.00%	316	0	0.00%
- Female	42	0	0.00%	46	0	0.00%
Total Permanent Workers	858	837	97.55%	853	828	97.07%
- Male	857	837	97.67%	852	828	97.18%
- Female	1	0	0.00%	1	0	0.00%

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	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	330	180	54.55%	278	84.24%	316	147	46.52%	115	36.39%
Female	42	23	54.76%	35	83.33%	46	18	39.13%	22	47.83%
Total	**372**	**203**	**54.57%**	**313**	**84.14%**	**362**	**165**	**45.58%**	**137**	**37.85%**
Workers										
Male	857	601	70.13%	701	81.80%	852	506	59.39%	320	37.56%
Female	1	0	0.00%	0	0.00%	1	0	0.00%	0	0.00%
Total	**858**	**601**	**70.05%**	**701**	**81.70%**	**853**	**506**	**59.32%**	**320**	**37.51%**

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	330	330	100.00%	316	280	88.61%
Female	42	42	100.00%	46	44	95.65%
Total	**372**	**372**	**100.00%**	**362**	**324**	**89.50%**
Workers						
Male	857	857	100.00%	852	816	95.77%
Female	1	1	100.00%	1	0	0.00%
Total	**858**	**858**	**100.00%**	**853**	**816**	**95.66%**

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?

Punjab Chemicals is fully committed to upholding the principles and requirements of ISO 45001. This commitment encompasses the provision of a safe and secure working environment for all employees, contractors, sub- contractors, visitors, and neighboring communities across our sites in Derabassi, Lalru, and Pune. We actively implement robust measures to prevent work-related injuries and illnesses, mitigate occupational health and safety risks, and continuously improve our safety performance. Our certifications in both ISO 45001 and ISO 14001 reflect our unwavering dedication to maintaining the highest standards in occupational health, safety, and environmental management.

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

The Company has a well-defined Risk Management process aimed at preventing incidents, injuries, occupational illnesses, and ensuring business continuity. Considering the hazards associated with operations and the use of hazardous chemicals, sites follow a structured approach to Hazard Identification, Risk Assessment, and Management-using both qualitative and quantitative methods. Activities, whether routine or non-routine, undergo risk evaluation through tools like HIRA, JSA, and SOPs by trained cross-functional teams. The process includes clear roles, regular monitoring, competency training, and awareness programs. Advanced safety techniques such as PHA, FMEA, LOPA, and HAZOP are applied as needed. Employees and contractors are encouraged to report unsafe conditions, which are tracked to closure. High-risk areas, such as those involving toxic and flammable chemicals, are managed through QRAs and engineering reviews by internal and external experts.

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

Yes, we actively encourage employees in all departments to report near-miss incidents using a designated register. These reports are consolidated on digital platforms to support compliance and enable comprehensive statistical analysis, managed by a centralized team of experts at each site. Every location follows specific procedures for reporting work-related hazards, injuries, unsafe conditions, and unsafe behaviors.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, employees and workers of the organization have access to non-occupational medical healthcare services. Dedicated medical professionals are available at all sites, and individuals are encouraged to consult them for any health concerns not related to occupational activities.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company is committed to maintaining high standards of Environmental, Health, and Safety (EHS) through continuous improvement across all sites. Our EHS Policy, aligned with the Group Safety Policy and Corporate Sustainability goals, is implemented company-wide. We follow globally recognized standards such as ISO 45001:2018 and established safety procedures including HIRA, JSA, and HAZOP to identify, assess, and manage risks effectively. Risk control measures are applied using the hierarchy of controls to ensure a safe working environment. Regular safety audits, inspections, and consistent communication of hazards support safe operations and protect our employees, stakeholders, and the environment.

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

	FY 2024-25			FY 2023-24		
	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	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
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.

Safety-related incidents are thoroughly investigated, and the resulting reports are shared across all sites to facilitate the implementation of corrective actions and prevent recurrence. The effectiveness of these corrective actions is verified during safety audits. Additionally, significant risks or concerns identified through health and safety risk assessments are addressed through appropriate engineering measures and systematic controls.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees	The Company provides a comprehensive compensatory package to all employees, including workers, in the event of death.
(B) Workers	

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 systematically tracks the remittance of statutory dues by its value chain partners during the routine bill processing and conducts periodic audits to ensure adherence to compliance standards.

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.

Particulars	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 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, on case to case basis.

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	The company routinely conducts customer visits before the purchase of technical products to verify that appropriate training is provided. Furthermore, our supply chain partners are committed to delivering comprehensive training to both domestic and international value chain partners to ensure the safe handling of the products.
Working Conditions	

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.

Our comprehensive supply chain assessments have identified no substantial risks related to health and safety practices or working conditions. Through diligent due diligence processes, we proactively identify and mitigate potential risks across our supply chain. All Active Pharmaceutical Ingredient (API) suppliers and third-party logistics partners undergo thorough evaluations by auditors to ensure strict compliance with our established standards.

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.

At Punjab Chemicals, we recognize the importance of engaging with stakeholders to address sustainability-related concerns. We believe that involving diverse stakeholder groups provides a comprehensive range of perspectives, which helps build trust and understanding across all parties. To identify key stakeholders, we conduct a thorough peer review process, evaluating both internal and external groups that could potentially impact or influence our business operations. This systematic approach ensures that we engage with the most relevant stakeholders, allowing us to effectively manage and address their concerns.

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
Local Communities/ NGO	No	• Regular meetings • Emails and telephonic conversations • CSR Reports	Continuous	• CSR Activities
Suppliers	No	• Emails and Meetings • Training workshop and seminars • Supplier assessment and review • Supplier grievance mechanism	Continuous	• Supplier development • Promoting local supplier • Supplier assessment • Promoting shared growth
Employees	No	• Training and Programmes • Employee engagement surveys • Performance appraisal reviews • Grievance redressal mechanism • Emails and Meetings	Continuous	• Employee health, safety and well-being initiatives. • Providing E Learning and development platforms for behavioral and skill development. • Employee engagement and • satisfaction. • Updates and communication on policies, processes, systems.
Shareholders/ Investors	No	• Annual Report • Annual General Meeting (AGM) • One-on-One Interactions • Announcement through stock exchanges • Company website • Dedicated email ID for Investor Grievances • Investor/Analyst meet • Quarterly Financial Statements	Continuous/ Need Basis	• Financial performance • Operational performance • Business outlook • CSR Programs • Corporate Governance • Material Disclosures etc.
Trade Partners	No	• Emails and Meetings	Periodically/ Need Basis	• Ensuring availability of products • Explain emerging channels of trade

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 has a Stakeholder Relationship Committee to facilitate consultation between the Board and stakeholders, ensuring their interests are protected. Management regularly engages with key stakeholders (investors, customers, suppliers, employees) to address concerns. The Board receives quarterly updates on the company's Environmental, Health, and Safety (EHS) initiatives, with feedback from these consultations incorporated into decision-making.

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 conducts community engagement studies to interact with stakeholders. Through these consultations, the Company identifies and prioritizes issues related to economic, environmental, and social matters. The feedback received from stakeholders is then integrated into the Company's policies and operational activities to ensure alignment with community concerns and expectations.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   The Company adheres to a comprehensive and targeted approach to development, with a specific focus on addressing the needs of vulnerable and marginalized stakeholder groups. Our ongoing commitment to fostering inclusive and collaborative growth is reflected in our initiatives in local communities surrounding our areas of operation. These initiatives aim to enhance the quality of life through improved access to education, healthcare, sustainable agriculture and animal husbandry practices, enhanced livelihood skills, and increased employment opportunities.

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 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	372	233	62.63%	362	190	52.49%
Other than permanent	0	0	0	0	0	0
Total Employees	**372**	**233**	**62.63%**	**362**	**190**	**52.49%**
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	**0**	**0**	**0**	**0**	**0**	**0**

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

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees Permanent										
Male	330	0	0.00%	330	100.00%	316	0	0.00%	316	100.00%
Female	42	0	0.00%	42	100.00%	46	0	0.00%	46	100.00%

Category	FY 2024-25					FY 2023-24				
	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)
Other than Permanent										
Male	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Workers Permanent										
Male	857	80	9.33%	777	90.67%	852	90	10.56%	762	89.44%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%
Other than Permanent										
Male	712	0	0.00%	712	100.00%	558	0	0.00%	558	100.00%
Female	1	0	0.00%	1	100.00%	1	0	0.00%	1	100.00%

3. Details of remuneration/salary/wages:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakh)
Board of Directors (BoD)*	6	8.00	2	4.00
Key Managerial Personnel**	3	386.00	1	27.00
Employees other than BoD and KMP***	290	5.00	38	6.00
Workers***	788	4.00	1	4.00

* The Independent Directors and Non-Executive Non-Independent Directors are entitled to Sitting Fees and Commission as per the statutory provisions. Only Non-Executive Directors are included in the Board of Directors.

** KMPs include Managing Director along with CEO, CFO and CS of the Company.

*** The Median salary of the staff/workers is arrived by taking into account the gross salary of the employees/workers who worked through the year. The employees who joined or left in any part of the year have not been considered for computing the median.

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

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	5.81%	5.42%

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, a Human Rights Policy is in place, and a designated individual/committee is responsible for overseeing and addressing related impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has established a standardized mechanism to address grievances related to human rights issues, consistent with its broader grievance redressal procedures. Grievances are typically submitted via email, letter, telephone, or other communication channels, and are initially registered by the HR and Admin departments at the respective locations. A preliminary sanity check is conducted to assess the validity of the complaint. For complaints falling under the purview of the Code of Conduct Committee, a more in-depth investigation is initiated. The investigation is carried out either internally or externally, depending on the severity of the issue. The designated investigator gathers relevant data, validates the information, analyzes the findings, and provides observations and recommendations. The investigation report is subsequently reviewed by the CEO, who ensures that appropriate actions are taken based on the recommendations. All actions taken are documented and filed for record-keeping purposes. Additionally, the Audit Committee conducts periodic reviews to ensure the effectiveness and compliance of the grievance redressal process.

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

	FY 2024-25			FY 2023-24		
	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 Labor	0	0	-	0	0	-
Forced Labor/ Involuntary Labor	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human Rights related issues	0	0	-	0	0	-

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

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on 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.

To safeguard the rights and well-being of individuals who report discrimination or harassment, strict measures are in place to prevent any adverse consequences to the complainant. The confidentiality of the complainant is rigorously protected throughout the entire process. All investigations are carried out with the highest level of discretion and sensitivity to ensure that the identity of the complainant is not inadvertently disclosed. These protocols reflect our unwavering commitment to maintaining a respectful, safe, and supportive environment for all parties involved.

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

Yes, At our organization, we conduct thorough due diligence to ensure full compliance with recognized human rights standards. We are committed to integrating human rights principles into all aspects of our operations, including our business agreements, contracts, and our overarching Code of Conduct. These principles are communicated proactively across internal teams and external stakeholders, reinforcing our dedication to transparency, accountability, and ethical business practices. Through this approach, we foster a culture where respect for human rights is embedded in every partnership and decision we make.

10. Assessments for the year:

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

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

There were no significant risks or audit concerns identified in the assessments conducted for the financial year 2024-2025; therefore, no corrective actions are required at this time.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

While no formal grievances or complaints related to Human Rights principles have been reported, we remain committed to fostering a safe and respectful work environment. As a proactive measure, we have introduced specific policies-including a revised leave policy and comprehensive travel guidelines-aimed at enhancing the safety and comfort of our female employees both at the workplace and during their commute.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Our human rights due diligence framework comprehensively covers all employees and workers on the Company's payroll. The scope of our assessments includes, but is not limited to, the right to freedom of association, the prohibition of forced and child labour, adherence to the Prevention of Sexual Harassment (POSH) policy, and other relevant human rights considerations. This ensures alignment with both national regulations and international human rights standards.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the re requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises are fully accessible to persons with disabilities, in compliance with the requirements outlined in the Act.

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	The company is committed to fostering responsible partnerships through the implementation of a comprehensive supplier assessment process. This rigorous evaluation encompasses critical areas including Environmental, Health and Safety (EHS) compliance, Corporate Social Responsibility (CSR), Anti-Bribery Due Diligence (ABDD), cybersecurity measures, and financial stability.
Discrimination at workplace	
Child labour	
Forced labour/involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the Environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through sources (C) other	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**0**
From non-renewable sources		
Total electricity consumption (D)	42074168954	37439583157
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	802706320	1098902130
Total energy consumed from non-renewable sources (D+E+F)	**42876875274**	**38538485287**
Total energy consumed (A+B+C+D+E+F)	**42876875274**	**38538485287**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	4.76	4.13
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Total energy consumed / Revenue from operations adjusted for PPP) *	98.43	94.51
Energy intensity in terms of physical output Total energy consumed/Total Production in MT converted to KG	1047	1100
Energy intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

* The intensity adjusted for PPP has been stated following the guidelines set forth in SEBI's circular dated December 20, 2024, which outlines Industry Standards Forum guidance for BRSR Core. The PPP factor has been sourced from IMF database i.e. https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC/IND.

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.**

   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
i. Surface water	13225m3	15584m3
ii. Groundwater	102478m3	100909m3
iii. Third party water	N.A.	N.A.
iv. Seawater / desalinated water	N.A.	N.A.
v. Others	N.A.	N.A.
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	115703m3	116493m3
Total volume of water consumption (in kilolitres)	115703m3	116493m3
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000013	0.000012
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000266	0.000286
Water intensity in terms of physical output	0.002824	0.003325
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-**No**

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

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kilolitres)	Not Applicable	Not Applicable
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

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

   Yes, the Company has implemented a Zero Liquid Discharge (ZLD) system. All generated effluent is directed to a Multiple Effect Evaporator (MEE) for thermal decomposition. The resulting condensate is subsequently recovered and recycled for use in the cooling towers, ensuring complete reuse of wastewater and compliance with ZLD principles.

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

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	MT	4.78	3.30
Sox	MT	1.91	3.42
Particulate matter (PM)	MT	1.23	3.53
Persistent organic pollutants (POP)	-	0	0

Parameter	Please specify unit	FY 2024-25	FY 2023-24
Volatile organic compounds (VOC)	-	0	0
Hazardous air pollutants (HAP)	-	0	0
Others – please specify	-	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. No

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2293.35MT	2125.67MT
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs SF6, NF3, if available)	Metric tonnes of CO2 equivalent	0	0
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	0.00000025	0.00000023
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.00000526	0.00000521
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	0.00005597	0.00006067
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

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

Yes, the company has implemented a system aimed at reducing carbon emissions. As part of this initiative, the company utilizes rice husk as a sustainable fuel source in its boilers for steam generation. This approach contributes to a reduction in greenhouse gas emissions by replacing traditional fossil fuels with a renewable biomass alternative.

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

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	165.10MT	164.66MT
E-waste **(B)**	0.07MT	8.52MT
Bio-medical waste **(C)**	0.0008MT	0.271MT
Construction and demolition waste **(D)**	Nil	Nil
Battery waste **(E)**	Nil	Nil
Radioactive waste **(F)**	Nil	Nil
Other Hazardous waste Please specify, if any. **(G)**	Nil	Nil
Other Non-hazardous waste generated **(H)**. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Nil	Nil
Total (A + B + C + D + E + F + G + H)	**165.170MT**	**173.451MT**

Parameter	FY 2024-25	FY 2023-24
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000018	0.000000019
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000379	0.000000425
Waste intensity in terms of physical output	0.000004031	0.000004951
Waste intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable

Parameter	FY 2024-25	FY 2023-24
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	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1216.56MT	954.05MT
(ii) Landfilling	1235.76MT	1079.304MT
(iii) Other disposal operations	1.050MT	1096.97MT
Total	**2453.37MT**	**3130.324MT**

Note: Indicate if any independent assessment / evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented a comprehensive waste management strategy that focuses on waste minimization, segregation, and safe disposal. We reduce hazardous and toxic chemical usage through plant modifications and source reduction. Waste recovery and recycling are prioritized, along with treatment methods such as destruction, detoxification, and neutralization for non-reusable waste. Continuous process reviews further optimize waste reduction, ensuring sustainable production while maintaining environmental responsibility and regulatory compliance.

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:

The company's manufacturing facility and office are strategically located in areas that are distanced from ecologically sensitive zones. We are committed to environmental stewardship by minimizing our environmental footprint and maximizing value for all stakeholders.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the financial year, the Company has not undertaken any projects requiring an Environmental Impact Assessment (EIA) under applicable environmental laws and regulations. Accordingly, no EIA was conducted during the reporting period.

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. During the reporting period, the Company remained in full compliance with all applicable environmental laws, regulations, and guidelines in India, including but not limited to the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, the Environment (Protection) Act, and the rules framed thereunder. The Company holds a valid Consent to Operate, issued by the relevant State Pollution Control Board, and there were no instances of non-compliance reported during the period under review.

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- Derabassi, Lalru and Pune

(ii) Nature of operations- Manufacturing of Agrochemicals, Specialty Chemicals & Pharmaceuticals and Industrial Chemicals.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kilolitres)		
(i) Surface water	13225m3	15584m3
(ii) Groundwater	102478m3	100909m3
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	**115703m3**	**116493m3**
Total volume of water consumption (in kilolitres)	**115703m3**	**116493m3**
Water intensity per rupee of turnover (Water consumed / turnover)	0.000013	0.000012
Water intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	0	0
Total Scope 3 emissions per rupee of turnover	MT/₹	0	0
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Not Applicable	Not Applicable	Not Applicable

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.-No

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable. The entity's business operations are not located within or in proximity to any ecologically sensitive areas as identified in Question 11 of the Essential Indicators. Consequently, there are no significant direct or indirect impacts on biodiversity in such zones. As such, no specific prevention or remediation activities are required in this context.

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:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Integrated Waste Management	i) Conversion of hazardous waste into usable materials, including: Spent Acetic Acid, Spent Poly Aluminium Chloride, Spent Hydrochloric Acid (HCl), Spent N-Methyl-2-pyrrolidone (NMP), Spent Potassium Chloride (KCl) Solution, Spent Oxalic Acid (Layer), and Spent Morpholine (Layer).	Conservation and efficient utilization of raw materials and natural resources.
		ii) Installation of scrubbers in boilers to mitigate air pollution.	Effective air pollution control.
		iii) Adoption of Mechanical Vapor Recompression Evaporation (MVRE) technology to significantly reduce steam consumption.	Enhanced sustainability through reduction in natural resource consumption.

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

Yes, the Company has a comprehensive Business Continuity and Disaster Management Plan in place. It includes a structured command system to effectively address Environment, Health, and Safety (EHS) emergencies. A global business continuity framework and impact assessment guide the development of disaster recovery strategies, covering life safety, cyber threats, product crises, customer service, revenue protection, regulatory compliance, and reputation management. These plans are periodically reviewed and updated based on function-specific assessments conducted across the country, ensuring preparedness and resilience in safeguarding operations, employees, customers, and the broader community during any crisis.

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.

We conduct regular due diligence to assess risks across our value chain, ensuring operational resilience and compliance. During the reporting period, no significant environmental impacts or violations related to human rights, health, or safety were identified. We remain committed to proactive risk management and continuous improvement in our sustainability practices.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental.

The company is committed to fostering responsible partnerships and applies a comprehensive supplier assessment framework. This framework encompasses evaluations across critical domains, including Environmental performance, Health and Safety (EHS), Corporate Social Responsibility (CSR), Anti-Bribery and Corruption Due Diligence (ABDD), cybersecurity resilience, and financial stability. Through this rigorous approach, the company ensures that its value chain partners align with its sustainability and ethical standards.

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.

The Company holds active membership in five recognized trade and industry chambers/associations.

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	CHEMEXIL-Basic Chemicals, Cosmetics & Dyes Export Promotion Council	National
2	PHDCCI-PHD Chamber of Commerce and Industry	National
3	BCCI-Bombay Chamber of Commerce and Industry	National
4	Crop Care Federation of India	National
5	The Council of EU Chamber of Commerce in India	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not applicable, as no instances of anti-competitive conduct were identified during the reporting period		

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

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
1.	The Company actively engages with a range of trade and industry associations to represent the interests of the sector in dialogues with governmental bodies and regulatory authorities. Our approach to policy advocacy is grounded in transparency, responsibility, and alignment with the broader national interest, ensuring that our contributions support sustainable and inclusive economic development.	We maintain active representation across key industry and business associations, and regularly engage in critical sectoral discussions to contribute to the advancement of the broader industry	No	NA	NA

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.**

   No Social Impact Assessments (SIA) were conducted during the reporting period.

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

   Not Applicable

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

   The Company is committed to fostering strong relationships with the communities we serve. Our management team efficiently handles incoming grievances, emails, and requests, ensuring they are promptly and appropriately redirected to the relevant department for timely resolution. We prioritize addressing concerns with professionalism and diligence to maintain transparency and uphold the trust of the community.

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

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	6.96%	5.11%
Directly from within India	59.23%	64.14%

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 2024-25	FY 2023-24
Rural	-	-
Semi-urban	-	-
Urban	100%	100%
Metropolitan	-	-

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

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
Nil	NA

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

No such projects have been undertaken.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

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

Not Applicable

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
-	-	-	-	-

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
-	-	-

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 Healthcare Projects (Medical and Eye Check-up Camps)	1250	100% beneficiaries form rural areas
2.	Rural Development Projects	1700	100% beneficiaries form rural areas
3.	Education Projects	11500	100% beneficiaries form rural areas
4.	Environment Projects	12000	100% beneficiaries form rural areas

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.

The Company has a structured process for handling consumer complaints and feedback. Product-related issues are managed by our quality team, who ensure prompt resolution, including product replacements if necessary. Complaints regarding personnel, supply, or service matters are directed to specialized teams, who provide tailored solutions. This approach ensures efficient resolution and maintains our commitment to customer satisfaction and operational excellence.

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

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

	FY 2024-25			FY 2023-24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

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

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

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

Yes. The policy can be accessed at the following link: https://www.punjabchemicals.com/wp-content/uploads/2023/06/Security-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable as no such instances were recorded during the reporting period.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Not Applicable

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

Leadership Indicators

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

   Information regarding our products and services is available on our official website. For detailed insights, please visit: www.punjabchemicals.com.

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

   We prioritize consumer safety by providing clear packaging and labels that include essential details such as usage instructions, composition, effects, and storage guidelines. To enhance accessibility, we incorporate QR codes linking to detailed product safety and usage information. Additionally, we emphasize the importance of purchasing products only from authorized distributors to avoid risks associated with unverified online platforms. This approach reflects our commitment to transparency, consumer trust, and upholding the integrity of our brand.

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

   The Company ensures that consumers are promptly notified of any potential disruptions or discontinuations of essential services through multiple communication channels, including email notifications 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. 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. Our product labels provide detailed information that goes beyond local legal requirements, including hazard warnings, safe handling instructions, and contact details for both manufacturing sites and the registered office. We also conduct surveys to assess consumer satisfaction with our key products/services and primary operational locations.

Form No. MR-3

Secretarial Audit Report

for the Financial Year ended March 31, 2025

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

To,
The Members
Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Punjab Chemicals and Crop Protection Limited** (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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 March 31, 2025 (the period under review) 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 the Company for the Financial Year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 and the rules made 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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

- There was no Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment, during the period under review as informed to us by the management of the Company.

(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 (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable to the Company during the period under review.

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- Not Applicable to the Company during the Review Period.

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable to the Company during the Review Period.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client - Not applicable to the Company during the period under review.

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable to the Company during the period under review.

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

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

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

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

We further report that we have relied on the representations/ filings made with Stock Exchanges, Ministry of Corporate Affairs ["MCA"], and other documents provided by the Company, its officers and certify on the examination of the same on test check basis that the Company has complied with the following laws applicable specifically to the Company as identified and confirmed by the management:

(i) The Boilers Act, 1923;

(ii) The Poisons Act, 1919;

(iii) Insecticides Act, 1968;

(iv) Drugs and Cosmetics Act, 1940;

(v) The Environment (Protection) Act, 1986;

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

(vii) The Water (Prevention & Control of Pollution) Act, 1974; and

(viii) The Air (Prevention & Control of Pollution) Act, 1981.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all the Directors to schedule the Board meetings, and agenda and detailed notes on agenda were sent at least 7 (seven) days in advance except for the meetings which were conducted at shorter notice, in compliance with the provisions of the Companies Act, 2013. Further, 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.

Decisions were taken by majority, while the dissenting members' views, if any, were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the financial year under review:

1. The Company has taken shareholders approval by passing special resolution through postal ballot for:

    a) Re-appointment of Mrs. Aruna Rajendra Bhinge (DIN: 07474950) as a Non-Executive and Independent Director to hold office for a second term of five consecutive years with effect from April 1, 2025 till March 31, 2030.

    b) Appointment of Mr. Shivshankar Shripal Tiwari (DIN: 00019058), related party as an Advisor and his remuneration

Name of Company Secretary in Practice: - **P.S. Dua**
FCS No. 4552
C P No. 3934

Place: Ludhiana
Date: April 30, 2025

Peer Review Certificate No. 1296/2021
UDIN: F004552G000394425

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.

Annexure A to Secretarial Audit Report

To,
The Members,
Punjab Chemicals and Crop Protection Limited
Milestone 18, Ambala Kalka Road,
Village & P.O. Bhankharpur,
Derabassi, Mohali, Punjab –140201.
(CIN: L24231PB1975PLC047063)

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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. Wherever required, we have obtained and relied on 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 procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in Practice: - **P.S. Dua**
FCS No. 4552
C P No. 3934
Place: Ludhiana Peer Review Certificate No. 1296/2021
Date: April 30, 2025 UDIN: F004552G000394425

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY

a) Steps taken for Conservation of Energy and Impact:

- Operational – Partial Automation in select plant for better controls, Modifications, Changes in Process Parameters, changes in design and manpower optimisation.
- Installation of FRP light weighted Cooling tower fans in place of conventional Aluminium fans.
- Installation of VFD in Chilled Water, Brine Water & Oxalic Cooling Tower Pump and select reactors.
- Installation of Energy Efficient IE4 Three phase AC Induction motor in place of conventional motors.
- Installation of Energy Efficient LED lights in place of conventional lights.
- Multifunction meters installed in individual plants to monitor Power consumption & efficiencies.
- Vortex Flow meters have been installed in individual plants to monitor the steam consumption.
- Boilers revamped to improve their efficiencies.
- Efficiency monitoring program for chillers implemented.
- Power factor improved from 0.992 to 0.998.
- Installation of New N2 Generation system for better efficiency & Recovery.
- Focused on recycling of water resulting in the reduction of water treatment.
- Solvent recovery systems improved. Old heat exchangers were replaced for better efficiency.
- Older power cables have been replaced by new standard XLPE power cables for better efficiency.

b) Steps taken by the Company for utilizing alternate sources of energy:

Energy Audit was conducted and implementation of the suggestions received to save energy are in progress.

c) Capital investment on energy conservation equipment's:

The Company regularly monitors the energy consumption and make necessary investments by installing energy efficient equipment's, wherever required. The capital investment on energy conservation equipment's was ₹5.50 Crore.

Above efforts and monitoring helps in energy conservation and to save cost.

B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

- **Development of In-House Technology:**

  We successfully developed in-house technology for selected new products, driven by specific market trends and as per customer requirements. This proactive approach has strengthened our innovation capabilities and reduced dependency on external sources.

- **Improvement in Product Quality:**

  Product quality has been significantly enhanced by implementing stringent control measures to reduce impurities. These improvements were carried out in accordance with the quality standards and specifications laid down by our customers, ensuring better compliance and satisfaction.

- **Advancement in Reaction Chemistry:**

  We have developed reaction chemistry under cryogenic and under pressure conditions as a forward-looking initiative. This advanced process is intended for future scale-up and implementation at the plant level, potentially enabling the production of high-purity and complex compounds.

(ii) Benefits derived as a result of the above efforts, e.g. Product improvement and cost reduction, product development, import substitution:

- **Product Improvement:**

  The control of impurities in line with customer specifications has resulted in significantly enhanced product quality. This has improved customer satisfaction, reduced rejection rates, and strengthened our position in both domestic and international markets.

- **Cost Reduction:**

  Development of in-house technology has reduced reliance on external sources and minimized technology licensing costs. Additionally, improved process efficiencies and better quality control have contributed to lowering production costs.

- **New Product Development:**

  Our in-house R&D efforts enabled the successful development of new products tailored to specific market and customer demands. This has opened up new business opportunities and enhanced our product portfolio.

(iii) Technology imported during the last 3 years:

Over the past three years, no external technologies have been imported. Instead, our focus has been on learning from customer requirements and market demands. By closely analyzing customer feedback and identifying specific demands, we have successfully developed and refined in-house technologies tailored to meet these needs. This approach has enabled us to build self-reliance and innovate solutions that are directly aligned with market trends and customer expectations.

(iv) The expenditure incurred on Research and Development:

(₹ In lakhs)

	2024-25	2023-24
Capital Expenditure	49	18
Revenue Expenditure	415	388
Total R&D Expenditure	464	406
Total R&D expenditure as % age of total turnover	0.52%	0.44%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In lakhs)

	2024-25	2023-24
Foreign Exchange Earned	34583	48422
Foreign Exchange Outgo	19022	12927

For and on behalf of the Board of Directors

Mukesh Dahyabhai Patel
Chairman
DIN: 00009605

Place: Vadodara
Date: April 30, 2025

Disclosure of Managerial Remuneration

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2024-25 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary is as under:

Name of Director/ Key Managerial Personnel	Designation	Ratio to median remuneration	% increase/decrease in remuneration
Mr. Shalil Shashikumar Shroff	Managing Director	97.23x	7.22%
Mr. Mukesh Dahyabhai Patel	Director	2.98x	-20.79%*
Capt. Surjit Singh Chopra (Retd.)	Director	0.6x	-28.36%*
Mrs. Aruna Rajendra Bhinge	Independent Director	1.23x	-10.42%*
Mr. Sheo Prasad Singh	Independent Director	0.94x	-17.58%*
Mr. Shivshankar Shripal Tiwari	Director	8.15x	14.72%
Mr. Avtar Singh	Director	0.57x	-40.79%*
Mr. Vijay Dilbagh Rai	Director	2.87x	-20.61%*
Mrs. Tara Subramaniam	Independent Director	1.02x	37.29%
Mr. Vinod Kumar Gupta	Chief Executive Officer	-	17.97%**
Mr. Ashish R Nayak	Chief Financial Officer upto January 31, 2025	-	***
Mr. Vikash Khanna	Chief Financial Officer w.e.f. March 26, 2025	-	***
Mrs. Rishu Chatley	Company Secretary	-	28.57%

*Percentage decrease in remuneration to non-executive directors is due to decline in profits in the financial year 2024-25 resulting payment of commission less than 2023-24.

** Also received a performance based incentive, which has not been considered for the percentage calculation.

*** Since the remuneration is only for part of the year (current/previous), the percentage increase in remuneration is not comparable and hence not stated.

2. The percentage increase/decrease in the median remuneration of employees in the financial Year: 13.11%

3. The number of permanent employees on the roll of the Company.

As on March 31, 2025	As on March 31, 2024
1230	1215

4. Average percentile increase already made in the salaries of employees other than the managerial remuneration in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average increase in salary of employees (other than managerial personnel)	8.14%
Average increase / decrease in remuneration of managerial personnel	10.51%

During the year, the Chief Executive Officer has also received a performance based incentive, which has been excluded from the calculation of the percentile increase in managerial remuneration.

5. Affirmation that the remuneration is as per the remuneration policy of the Company.

Remuneration paid to Directors, KMP's and other employees during the year is as per the Remuneration Policy of the Company.

Note:

1. The Median salary of the staffs joined or left in any part of the year have not been considered for computing the median.
2. No Stock option was granted to Directors.
3. The remuneration includes sitting fees, professional fees paid to Mr. Shivshankar Shripal Tiwari, and commission payable to the Non-Executive Directors, as well as salary and commission for the Executive Director. The commission pertains to the financial year 2024–25 and will be paid during the financial year 2025-26.

Statement showing the detail of employees drawing aggregate remuneration exceeding one crore and two lakh rupees as per Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014).

Employee name, designation and age	Educational Qualification	Remuneration (₹ In Lakhs.)	Date of joining and experience	Previous employment and designation	Relation with any other Director/ Manager
Shalil Shashikumar Shroff - Managing Director 60 years	Management Diploma from U.S.A. and B.Com	386	January 15,1992 36 years	STS Chemicals Limited, Director	Son in law of Capt. S.S. Chopra (Retd.), Director
Vinod Kumar Gupta - Chief Executive Officer 55 years	Chemical Engineer, IIT Bombay & Post Graduate Program in Management for Executives, IIM Ahmedabad	447	February 8, 2021 33 years	Archean Chemicals Industries Private Limited - CEO	Not Applicable

The Board has recommended / approved a Commission of ₹85 lakh (within the ceiling provided in the Companies Act, 2013) to Mr. Shalil Shashikumar Shroff, Managing Director for the year 2024-25 in accordance with remuneration approved by the shareholders of the Company and shall be paid in the financial year 2025-26, which has been included in his remuneration.

The CEO's remuneration for the year also includes a performance based incentive linked to the appreciation of the Company's share price awarded under his appointment terms.

Report on Corporate Governance

[In terms of Regulation 34(3) read with Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations")]

OUR CORPORATE GOVERNANCE PHILOSOPHY

At Punjab Chemicals and Crop Protection Limited ("the Company"), we are committed to upholding the highest standards of corporate governance, anchored in the principles of integrity, transparency, accountability, and fairness. We recognize that robust corporate governance is fundamental to sustainable growth and plays a critical role in fostering trust among our shareholders, employees, customers, and the broader community. Our governance framework is designed to align management and shareholder interests while ensuring full compliance with applicable legal and regulatory requirements.

We view corporate governance as an ethically driven process, deeply rooted in our core values and designed to enhance the organization's ability to create long-term value. It entails making principled decisions, operating with integrity, and consistently meeting the expectations of our stakeholders. For us, governance is not merely a compliance obligation-it is a strategic imperative that reinforces the foundation of our operations.

The Company remains steadfast in its commitment to defining, adopting, and upholding best-in-class governance practices across all levels of the organization. Our approach is guided by the belief that effective governance is not just a set of procedures, but a reflection of our corporate values and ethical standards. Through this philosophy, we have established a reputation for leading with integrity and maintaining exemplary standards of compliance and ethical conduct.

Our corporate governance framework is supported by key documents, including the Company's Code of Conduct and Ethics, corporate governance guidelines, and committee charters. These instruments serve as critical tools in maintaining high governance standards and ensuring operational and ethical alignment throughout the organization.

Additionally, our Board and management practices, as well as our internal audit and control systems, are meticulously structured to reflect and reinforce the principles embedded in our governance framework. These mechanisms collectively ensure that we remain responsive to stakeholder expectations while continually strengthening our governance standards.

CORPORATE GOVERNANCE GUIDELINES

The Company has implemented a robust governance framework designed to support sustained performance and long-term value creation. These Corporate Governance Guidelines, formulated by the Board of Directors, provide a structured approach for both the Board and management in executing the Company's strategic objectives while responsibly addressing the interests of all stakeholders. The guidelines are fully aligned with the Company's Memorandum and Articles of Association, the charters of its Board committees, and all applicable Indian laws and regulations, ensuring a transparent, accountable, and compliant corporate governance structure.

BOARD OF DIRECTORS

Role of the Board of Directors

The primary role of the Board is to act as trustees, safeguarding and enhancing shareholder value. As fiduciaries, the Board is entrusted with the responsibility to ensure that the Company establishes clear objectives that are aligned with the interests of shareholders and its long-term growth. In addition, the Board is responsible for exercising effective oversight to ensure that the Company is managed efficiently, meeting the expectations of stakeholders and societal norms. The Board must also monitor the effectiveness of the Company's governance practices, making adjustments as necessary to ensure ongoing compliance and improvement. It is charged with providing strategic direction to the Company, while also ensuring robust oversight of Management. The Board exercises independent judgment on corporate matters, ensuring objectivity and transparency. To mitigate conflicts of interest, a sufficient number of non-executive directors are assigned to specific tasks where such conflicts may arise, thereby ensuring independent decision-making. Moreover, the Board plays a critical role in reviewing and guiding the Company's corporate strategy, major initiatives, risk management policies, annual budgets, and business plans. It sets performance objectives, monitors progress and corporate performance, and oversees significant capital expenditures, acquisitions, and divestitures, ensuring alignment with the Company's strategic goals.

Composition of Board

The Company acknowledges the critical role that Board diversity plays in driving sustained success. A genuinely diverse Board brings together a broad range of perspectives, experiences, and competencies, including but not limited to differences in thought, industry and regional expertise, cultural and geographical background, age, ethnicity, race, gender, and professional skills. This diversity enhances decision-making and strengthens the Company's ability to maintain its competitive edge.

The composition of the Company's Board is in full compliance with Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("the Act"). The Board comprises a well-balanced mix of professionalism, domain knowledge, and extensive experience, enabling it to provide effective oversight and strategic direction to the Company.

As of the date of this Report, the Board consists of eleven members: one Executive Director (Managing Director), five Non-Executive Non-Independent Directors, five Non-Executive Independent Directors, including two Independent Women Directors, and two Additional Independent Directors w.e.f. April 30, 2025. The Chairperson of the Board is a Non-Executive Director.The Managing Director also serves as the Promoter Director. In alignment with the provisions of the Act, five of the Non-Executive Directors are subject to retirement by rotation at the Annual General Meetings. Further, the number of Directorships, Committee Memberships, and Chairmanships held by each Director is within the limits prescribed under the Listing Regulations and the Act.

The Composition and Category of Directors, their attendance at the Board Meetings and the last Annual General Meeting (AGM) held during the year 2024-25 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on March 31, 2025 are as follows:

Name of the Director	Category	Attendance		No. of other directorships and Committee memberships / chairmanships			Directorship in other listed entities and category of directorship*	No. of Shares
		Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanship		
Mr. Mukesh Dahyabhai Patel Chairman (DIN: 00009605)	Non Independent/ Non- Executive	6	Yes	1	-	-	-	400
Mr. Shalil Shashikumar Shroff Managing Director (DIN: 00015621)	Promoter /Executive	6	Yes	-	-	-	-	2,30,581
Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490)	Non-Independent/ Non- Executive	5	Yes	-	-	-	-	Nil
Mr. Vijay Dilbagh Rai (DIN: 00075837)	Non Independent/ Non- Executive	6	Yes	1	1	-	-	Nil
Mrs. Aruna Rajendra Bhinge (DIN: 07474950)	Independent Woman Director/ Non- Executive	6	Yes	3	3	-	i. Laurus Labs Limited (Independent Director) ii. Mahindra EPC Irrigation Limited (Independent Director	Nil
Mr. Sheo Prasad Singh (DIN: 06493455)	Independent/ Non-Executive	6	Yes	-	-	-	-	Nil
Mr. Avtar Singh (DIN: 00063569)	Non Independent/ Non- Executive	5	Yes	3	2	-	Transpek Industry Limited (Joint Managing Director)	Nil
Mr. Shivshankar Shripal Tiwari (DIN: 00019058)	Non Independent/ Non Executive	6	Yes	-	-	-	-	33,469
Mrs. Tara Subramaniam (DIN: 07654007)	Independent Woman Director/ Non-Executive	5	Yes	6	7	2	i. Restaurant Brands Asia Limited (Independent Director) ii. Vascon Engineers Limited (Independent Director) iii. Tips Industries Limited (Independent Director) iv. Delta Crop Limited (Independent Director) v. Nisus Finance Services Co Limited	Nil

*Excludes Directorship in private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013.

Notes:

(a) Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than "the Company".

(b) Mr. Shalil Shashikumar Shroff, Managing Director and Capt. Surjit Singh Chopra (Retd.) are related to each other. None of the other Directors are related inter-se.

(c) None of the Directors have received any loans and advances from the Company during the year.

(d) The Managing Director is paid remuneration as approved by the members of the Company within the overall ceiling prescribed under the Companies Act, 2013. Other Non Executive Directors are paid sitting fees for attending the Board and Committee Meetings in addition to the Commission in case of sufficient net profit calculated as per the provisions of the Companies Act, 2013.

(e) The Company has no convertible instruments. None of the Directors hold any convertible instruments of the Company.

(f) The Board of Directors have noted the declarations received from the Independent Directors pursuant to the Companies Act, 2013 and Listing Regulations with regard to their independence and are of the opinion that the Independent Directors fulfils the conditions of independence and are independent of the Management of the Company.

(g) Mr. Sheo Prasad Singh (DIN: 06493455) tendered his resignation, and consequently ceased to be an Independent Director of the Company effective April 30, 2025.

(h) The Board of Directors of the Company, at its meeting held on April 30, 2025, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Kapil Kumar Mehan (DIN: 01215092) and Mr. Suresh Arora (DIN: 10641466) as an Additional Directors in the capacity of Non-Executive Independent Directors, with effect from April 30, 2025 for a period of five consecutive years, subject to the approval of shareholders.

Familiarisation Programme

Pursuant to the provisions of the Act and Regulation 25(7) of the Listing Regulations, the Company conducted familiarisation programmes during the year for its Independent Directors and other Directors. These sessions included periodic presentations by senior management, covering the Company's operations, strategic plans, risk factors, and new initiatives, while also inviting feedback and suggestions from the Board. Additionally, Directors were briefed on their roles, responsibilities, and duties as and when required.

The details of familiarization programmes imparted to Independent Directors are also disclosed on the Company's website at: https://www.punjabchemicals.com/wp-content/uploads/2025/03/Familarisation-Programme-2024-25.pdf.

Directors and Officers Insurance ('D&O')

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has taken adequate D&O insurance for directors, officers and employees of the Company.

Core Skills/Expertise/Competencies available with the Board

The Board of Directors regularly evaluates its composition to ensure it maintains the right balance of skills, experience, independence, and industry knowledge. This process is critical for ensuring that the Board can effectively oversee the company's governance and strategic initiatives.

The collective experience of the Board Members forms a diverse portfolio of expertise, allowing for informed decision-making and effective oversight. The Directors possess relevant and proven skills that align with the company's strategic needs, particularly in managing and guiding the affairs of "the Company". Their backgrounds equip them to address the company's key business challenges, drive growth, and ensure sustainable success.

In terms of Listing Regulations, the Board of Directors has identified the following skills, expertise, and competencies as essential for the effective functioning of the Board, considering the nature of the business and the industry in which it operates:

- Global business and Economics
- Management and Leadership
- Strategy and Growth
- Crop Protection Products
- Finance
- Risk, Compliance and Governance

These skills, expertise, and competencies are collectively available within the Board as a whole.

In the table below, the specific areas of expertise of individual Board members are as under:

Areas/Director	Global business and Economics	Management and Leadership	Strategy and Growth	Crop Protection Products	Finance	Risk, Compliance and Governance
Mr. Mukesh Dahyabhai Patel	√√	√√	√√	√√	√√	√√
Mr. Shalil Shashikumar Shroff	√√	√√	√√	√√	√√	√√
Capt. Surjit Singh Chopra (Retd.)	√	√	√√	√	√	√√
Mr. Vijay Dilbagh Rai	√√	√√	√√	√√	√√	√√
Mrs. Aruna Rajendra Bhinge	√√	√√	√√	√√	√	√√
Mr. Sheo Prasad Singh	√	√	√	√	√√	√√
Mr. Avtar Singh	√√	√√	√√	√√	√	√√
Mr. Shivshankar Shripal Tiwari	√√	√√	√√	√√	√	√√
Mrs. Tara Subramaniam	√√	√√	√√	√√	√√	√√

Note: (√√) Possess the skill and has core expertise; (√) Possess the skill

Information to Board/ Committee Members

Throughout the year, board and committee meetings were scheduled with due notice, ensuring that all members were well-informed in advance. Relevant information, including detailed agenda items, was provided promptly to facilitate thorough discussions. This approach enabled the directors and committee members to make informed decisions and offer strategic guidance to management. The company also ensures continuous access to necessary information for the board members, empowering them to request any additional details required for their review and approval.

Board/Committee Meetings and Procedures

The Board has constituted various Committees to govern specific areas of operations/functions. All Board and Committee meetings are held in compliance with Secretarial Standard-1 (SS-1) issued by The Institute of Company Secretaries of India ["ICSI"].

The Company has moved to a regime of paperless Board and Committee meetings. All the board/committee meetings were held through physically as well as video conferencing as allowed under law.

Scheduling and selection of agenda items for Board and Committee meetings

The Board/Audit Committee annually holds at least four prescheduled meetings. Additional Board/Committee meetings may be convened to address the Company's specific needs. In case of business exigencies or urgency, resolutions are passed by circulation. Every quarter, the Board notes compliances of all laws applicable to the Company.

In the Board/Committee meeting, various business heads/ service heads are invited to make presentation on their respective areas.

The Chairman of the Board and Company Secretary, in consultation with other concerned members of the senior management, finalize the agenda for Board/Committee meetings. The agenda is circulated to the Directors well in advance along with all material information pertaining to the agenda items for facilitating meaningful and focused discussions at the meeting.

The broad matters considered by the Board, inter-alia include:

Annual operating plans, capital budgets and updates therein.; Quarterly and annual consolidated and standalone results & financial statements of the Company; Capital/corporate restructuring; mergers and acquisitions related matters; Dividend/bonus related matters; Regular business/function updates; Update from Chairperson of Board Committees; Compliance related matters; Regulatory updates; Human Resource related matters.

The Directors are provided with the facility to participate in Board and Committee meetings via video conferencing (VC), ensuring flexible participation. They attended these meetings either through the VC facility or in person, depending on the circumstances, If the need arises. The Board's/ Committee's approval is taken by passing resolutions through circulation or by calling Board/Committee meetings at short notice, as permitted by law.

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under SS-1. The minutes after considering comments of directors, are entered in the minutes book within 30 days from the conclusion of the meeting. The minutes thereafter are signed by the Chairperson of the next meeting. Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/ divisions. Action taken on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/ Committees for noting.

Board Meetings

The Board duly met 6 (Six) times during the year and the gap between the two meetings did not exceed 120 days. The necessary quorum was present for all the meetings. The details of the meetings held are as follows:

Date	Board Strength	No. of Directors present	No. of Independent Directors Present*
May 6, 2024	9	9	5
June 24, 2024	9	9	5
August 1, 2024	9	9	5
October 28, 2024	9	8	2
January 28, 2025	9	9	3
March 26, 2025	9	7	3

* Mr. Mukesh Dahyabhai Patel and Mr. Vijay Dilbagh Rai, who were previously Non-Executive Independent Directors, have been re-designated as Non-Independent Non-Executive Directors. This change took effect from August 2, 2024, followed by approval at the 48th AGM of the Company.

During the year under review, all Board meetings were duly convened with the requisite quorum.

Independent Directors Role

As trustees of shareholders, Independent Directors play a pivotal role in upholding corporate governance norms and ensuring fairness in decision making. Being experts in various fields, they also bring independent judgement on matters of strategy, risk management, controls and business performance. The Directors' Report contains the disclosures regarding fulfilment of the requisite independence criteria by Company's Independent Directors.

Independent Directors and their meeting

The Independent Directors are appointed by the Board to provide their independent judgement on the affairs of the Company. The Independent Directors are appointed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the law and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Securities and Exchange Board of India [Listing Obligations and Disclosures Requirements] Regulations, 2015 ["Listing Regulations]" and the Companies Act, 2013 ("Act") regarding independence and are independent of the management. Further, pursuant to the

Ministry of Corporate Affairs (MCA) notification dated October 22, 2019, all the Independent Directors are registered on the Independent Directors databank maintained by the Indian Institute of Corporate Affairs ('IICA').

During the year under review, the following changes have been made in the composition of the Board of Directors:

1. Mr. Mukesh Dahyabhai Patel (DIN: 00009605) and Mr. Vijay Dilbagh Rai (DIN: 00075837), who were previously Non-Executive Independent Directors, have been re-designated as Non-Independent Non-Executive Directors with effect from August 2, 2024.

2. Mrs. Aruna Rajendra Bhinge (DIN: 07474950) was re-appointed as an Independent Director for a second term of five consecutive years, effective from April 1, 2025. The re-appointment was approved by the shareholders through postal ballot notice dated January 28, 2025.

3. Mr. Sheo Prasad Singh (DIN: 06493455) tendered his resignation, and consequently ceased to be an Independent Director of the Company effective April 30, 2025.

4. The Board of Directors of the Company, at its meeting held on April 30, 2025, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Kapil Kumar Mehan (DIN: 01215092) and Mr. Suresh Arora (DIN: 10641466) as an Additional Directors in the capacity of Non-Executive Independent Directors, with effect from April 30, 2025 for a period of five consecutive years, subject to the approval of the shareholders.

At the time of appointment, each Independent Director is issued a formal letter of appointment containing the terms of appointment, roles, duties and code of conduct among other items. The draft letter of appointment is available on the website of the Company under Investors section at https://www.punjabchemicals.com/wp-content/uploads/2022/04/Draft-letter-of-appointment.pdf

During the year under review, the Independent Directors met on March 26, 2025, where all the Independent Directors were present. The meeting was conducted to enable the independent directors to discuss the affairs of the Company, outcome of the board/committee evaluation and put forth their views to the Board.

Code of Conduct

The Company has a Code of Conduct which expresses Company's commitment to conducting business ethically. The Code explains what it means to act with integrity and transparency in everything the Company does and in accordance with its unique culture and values. The Code sets expectations for all those who work with the Company. The Code acts as a guideline for Employees, Customers and Suppliers, Communities/Environment, Governments and Shareholders. The Code of Conduct is available on Company's website at https://www.punjabchemicals.com/wp-content/uploads/2022/03/CODE-OF-CONDUCT-TO-REGULATE-MONITOR-AND-REPORT-f.pdf

As required under Clause D of Schedule V pursuant to Regulation 34(3) of the Listing Regulations, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management as laid down by the Company for the year ended March 31, 2025. A declaration to this effect from the Managing Director forms part of this Report.

Succession Planning / Policy

The Company believes succession plans should be proactive and rigorous to identify and secure the best possible talent to oversee and manage the organisation.

The succession planning process of the Board and the senior management is managed by the Nomination and Remuneration Committee ("NRC") and reviewed by the Board. The Nomination and Remuneration Committee ensures orderly / structured succession in appointments to the Board and senior management. The Company strives to maintain an appropriate balance of skills, experience and continuity in the Board.

The Succession Policy is placed on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2020/07/Succession-Policy.pdf.

Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, Independent Directors are independent in terms of Listing Regulations.

Appointment/ Re-appointment of Directors

As required under Regulation 36 (3) of the Listing Regulations, particulars of the Director seeking appointment/reappointment are given in the Explanatory Statement to the Notice of the Annual General Meeting (AGM).

BOARD COMMITTEES

The Board Committees are set up by the Board of Directors, each of which operates in accordance with its specific terms of reference that define the scope and responsibilities of the respective Committee. At present, the Board is supported by five Committees: the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Risk Management Committee, and the Corporate Social Responsibility Committee. These Committees function under the direct oversight of the Board, ensuring that each Committee effectively fulfils its designated role in alignment with the Company's governance framework and objectives.

The terms of reference of all the Committees are revised on a periodic basis to enhance the effectiveness of the Committees and to benchmark it with the best global practices in governance.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors is entrusted with the responsibility of overseeing the Company's financial reporting process and internal control systems. Its composition, quorum, powers, roles, and scope are aligned with the provisions of Section 177 of the Act and Regulation 18 read with Part C of Schedule II of the Listing Regulations. All members of the Audit Committee are financially literate and possess expertise in areas such as Finance, Taxation, Economics, Risk Management, and International Finance. The Committee operates in accordance with its charter, which clearly defines its authority, responsibilities, and reporting framework.

The broad terms of reference of Audit Committee as adopted by the Board, inter-alia, are as under:

The Committee is responsible for overseeing the Company's financial reporting process and ensuring that disclosures in the financial statements are accurate, adequate, and credible. It reviews financial statements, results, and the auditor's report in consultation with management prior to their submission to the Board for approval. The Committee also recommends the appointment and remuneration of statutory auditors, while assessing their independence and the effectiveness of the audit process. Additionally, it approves payments for any other services rendered by the statutory auditors. It plays a critical role in overseeing matters related to insider trading, including providing direction on penal actions for any violations of Insider Trading Regulations. The Committee is also entrusted with approving or modifying related party transactions, scrutinizing inter-corporate loans and investments, and conducting valuations of undertakings or assets when necessary. Furthermore, it reviews the effectiveness of the vigil mechanism or whistle blower policy to ensure ethical conduct and transparency within the organization.

During FY 2024-25, the Audit Committee met Five times i.e. May 6, 2024, August 1, 2024, October 28, 2024, January 28, 2025 and March 26, 2025.

The composition of the Committee consists of four directors, three of whom are independent, and one is non-independent. The details of meetings held and attended by the Directors during the financial year 2024-25 are as under:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mrs. Aruna Rajendra Bhinge	Non-Executive / Independent	Chairperson	5	5
2.	Mrs. Tara Subramaniam	Non-Executive / Independent	Member	5	4
3.	Mr. Vijay Dilbagh Rai	Non-Executive / Non Independent	Member	5	5
4.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	5	5

Effective from August 2, 2024, the following changes have been made to the constitution of the Committee:

- Mrs. Aruna Rajendra Bhinge, has been nominated as the Chairperson of the Committee.
- Mr. Mukesh Dahyabhai Patel, Non-Executive Non-Independent Director, ceased as the member and Chairperson of the Committee. During his tenure, he was required to attend two meetings, both of which he duly attended.

The composition of the Committee is in compliance with the Act and the Listing Regulations. All the members of the Audit Committee are financially literate.

Company Secretary of the Company acts as the Secretary to the Audit Committee in conformity with Section 177 of the Act and Regulation 18(1) of the Listing Regulations.

The Audit Committee meetings are attended by the Managing Director, Chief Executive Officer, Chief Financial Officer and the Statutory Auditors of the Company, whenever required. The Internal Auditors and Cost Auditors of the Company are also invited to the meetings, as and when required. The Committee also invites such executives, as it considers appropriate to seek any clarification.

During the year, the Committee reviewed the key audit findings covering operational, financial, compliances, internal financial controls and reporting system. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee meetings are placed before the Directors in the next meeting of the Board. During the year, all the recommendations made by the Audit Committee were accepted by the Board. The Chairperson of the Committee was present at the previous AGM held on August 2, 2024.

NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of Nomination and Remuneration Committee as adopted by the Board, inter alia, are as under:

The Committee is responsible for formulating the criteria for determining qualifications, positive attributes, and the independence of a Director. It also recommends to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP), and other employees. Additionally, the Committee is tasked with recommending the appointment, re-appointment, or removal of any Director or senior management personnel of the Company, including decisions related to their remuneration. It approves the criteria for effective evaluation of the performance of the entire Board, its committees, and individual directors. Furthermore, the Committee reviews human resource-related matters such as talent management and succession planning.

Composition and Attendance at the meetings

The Board has constituted Nomination and Remuneration Committee ("NRC") consisting of four directors, three of whom are Independent Directors and one is Non-Independent director. The composition of the Committee complies with the requirements of Regulation 19 of the Listing Regulations and Section 178(1) of the Companies Act, 2013."

During the year, all the recommendations made by the NRC were accepted by the Board. Mr. Vijay Dilbagh Rai, Chairperson of the Nomination and Remuneration Committee till August 2, 2024 was present at the last AGM held on August 2, 2024. The Committee met three (3) times during the financial year on May 6, 2024, January 28, 2025 and March 26, 2025.

The details of meetings attended by the Directors during the financial year 2024-25:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mrs. Aruna Rajendra Bhinge	Non-Executive / Independent	Chairperson	3	3
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Non Independent	Member	3	3
3.	Mr. Sheo Prasad Singh	Non-Executive / Independent	Member	3	3
4.	Mrs. Tara Subramaniam	Non-Executive / Independent	Member	3	2

Effective from August 2, 2024, the following changes have been made to the constitution of the Committee:

- Mrs. Aruna Rajendra Bhinge, has been nominated as the Chairperson of the Committee
- Mr. Vijay Dilbagh Rai, Non-Executive Non-Independent Director, ceased as the member and Chairperson of the Committee. During his tenure, he was required to attend one meeting, which he duly attended.
- Mrs. Tara Subramaniam, has been appointed as the member of the Committee.

The Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The minutes of the meetings of the Committee are circulated to all members of the Board for their review. The Nomination and Remuneration Policy is formulated in compliance with Section 178(3) and (4) of the Companies Act, 2013, has been published on the Company website at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Nomination-and-Remuneration-Policy.pdf.

Performance Evaluation and Criteria for Evaluation

The Board of Directors has undertaken its annual evaluation of its own performance, as well as that of the board committees and individual Directors, in compliance with the provisions of the applicable Act and Listing Regulations. The performance of the Board was assessed following input from all Directors, with the evaluation criteria encompassing aspects such as board composition and structure, the effectiveness of board processes, the quality of information provided, and the overall functioning of the Board, among other relevant factors.

The performance of the committees was assessed by the Board following consultations with committee members, considering various criteria such as the composition of the committees, the effectiveness of committee meetings, and other relevant factors. These evaluation criteria align with the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India (SEBI) on January 5, 2017, which serves as a framework for such assessments.

In a separate meeting of Independent Directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee has reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, among others.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

REMUNERATION OF DIRECTORS

The Board, based on the recommendations of the Nomination and Remuneration Committee, has established and implemented a policy for the selection and appointment of Directors, senior management, and their remuneration. This policy outlines the criteria for selecting Directors and senior management, emphasizing the individual's expertise, experience, and integrity. Additionally, the policy considers the independent nature, as well as the personal and professional standing of candidates, to ensure diversity in the composition of the Board.

Remuneration to the Managing Director

The Board / Nomination and Remuneration Committee is empowered to determine the remuneration of the Managing Director, contingent upon approval from the members and any other necessary approvals, as required. The remuneration structure includes components such as salary, commission, perquisites, and allowances, all in accordance with applicable laws and regulations.

Annual increments are determined by the Board based on recommendations from the Nomination and Remuneration Committee. These increments are primarily influenced by the individual's contribution to the Company's growth and financial performance. Additionally, factors such as industry trends and inflation are also taken into account during the decision-making process.

During the year under review, the remuneration paid to the Managing Director was in compliance with the provisions set forth in the Companies Act, 2013, and as approved by the shareholders.

Remuneration to Non-Executive Directors

Non-Executive Directors are entitled to a sitting fee of ₹15,000 for each meeting of the Board or its committees they attend. Additionally, they may receive a commission if the Company has sufficient and adequate Net Profit available. The commission is determined by the Board, taking into account the norms, roles, and contributions of each Director. The allocation of the commission is decided by the Chairman of the Company and requires approval from the Board of Directors. The Company may pay a commission not exceeding 1% of the net profit to all Non-Executive Directors. The commission for the financial year ending March 31, 2025, will be paid to the Non-Executive/Independent Directors, subject to tax deductions, after receiving approval from the members at the forthcoming Annual General Meeting and the adoption of the financial statements by the Members.

The Company has not granted any stock options to the Directors.

Details of Remuneration paid to Directors

The Directors' remuneration and sitting fees paid in respect of the Financial Year 2024-25 are given below:

Name of Director	Sitting fees for Board /Other Committees Meetings	Salaries and other perquisites benefits	Other Commission/ Professional Fees	Total
Mr. Mukesh Dahyabhai Patel	2.85	-	9.00	11.85
Mr. Shalil Shashikumar Shroff	-	301.00	85.00	386.00
Capt. Surjit Singh Chopra (Retd.)	0.90	-	1.50	2.40
Mr. Vijay Dilbagh Rai	2.40	-	9.00	11.40
Mrs. Aruna Rajendra Bhinge	2.40	-	2.50	4.90
Mr. Sheo Prasad Singh	2.25	-	1.50	3.75
Mr. Avtar Singh	0.75	-	1.50	2.25
Mr. Shivshankar Shripal Tiwari	1.35	-	31.00	32.35
Mrs. Tara Subramaniam	2.55	-	1.50	4.05
TOTAL	**15.45**	**301.00**	**142.50**	**458.95**

Notes:

a. There are no stock options, fixed component and performance linked incentives along-with the performance criteria to the Directors.

b. The commission of ₹41.50 lakhs has been approved for the Non-Executive Directors for the financial year 2024-25. This amount will be distributed among them following the adoption of the financial statements at the upcoming Annual General Meeting, and it has been included in the table above.

c. The Board has recommended and approved a commission of ₹85 lakh to Mr. Shalil Shashikumar Shroff, the Managing Director of the Company, for the financial year 2024-25, in accordance with the remuneration approved by the shareholders of the Company. This commission will be paid and distributed during the financial year 2025-26 and is included in the overall remuneration of the Managing Director.

d. The Company has no pecuniary relationship / transaction with any of the Non-Executive Directors other than those disclosed elsewhere in this Annual Report.

Service Contracts, Severance fees and notice period for the Managing Director

Name	Period of Contract	Severance fees / notice period
Mr. Shalil Shashikumar Shroff, Managing Director	5 years from January 15, 2024 to January 14, 2029 and remuneration for a period of three (3) years from January 15, 2024 to January 14, 2027.	The contract may be terminated by either party by giving the other party ninety days' notice in writing or such shorter notice as may be mutually agreed between the Managing Director and the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The broad terms of reference of Stakeholders Relationship Committee as adopted by the Board, inter-alia, are as under:

The statutory compliance review relating to shareholders focuses on addressing grievances such as issues with transfer/transmission of securities, non-receipt of annual reports, dividends, and notices, as well as the issuance of new or duplicate certificates. It also involves ensuring effective shareholder voting rights, overseeing dividend payments, and managing unclaimed amounts transferred to the Investor Education and Protection Fund (IEPF). Additionally, compliance with the transfer of shares to the IEPF under the Companies Act, 2013 is monitored. The review includes efforts to reduce unclaimed dividends, ensure timely receipt of shareholder communications, and improve investor services by overseeing the Registrar and Share Transfer Agents' performance. Recommendations are made to enhance the quality of these services.

Composition and Attendance at the meetings

Pursuant to the provisions of Section 178(5) of the Companies Act, 2013, read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Committee of Directors, known as the Stakeholders Relationship Committee, has been constituted by the Board of Directors. This Committee comprises four Directors, with the Chairperson being a Non-Executive, Non-Independent Director of the Company. During the financial year 2024-25, four (4) meetings of the Committee were held on May 6, 2024, August 1, 2024, October 28, 2024 and January 28, 2025.

The composition of the Committee and detail of meetings attended by the Directors during the financial year 2024-25:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Non Independent	Chairperson	4	4
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	4	4
3.	Mr. Vijay Dilbagh Rai	Non-Executive / Non Independent	Member	4	4
4.	Mrs. Tara Subramaniam	Non-Executive / Independent	Member	4	3

The Chairperson of the Committee was present at the previous AGM held on August 2, 2024.

Name, designation and address of Compliance Officer

Ms. Rishu Chatley
Company Secretary and Compliance Officer
Punjab Chemicals and Crop Protection Limited
Registered Office: Milestone 18, Ambala Kalka Road
Village & PO Bhankharpur, Derabassi
Dist. SAS Nagar, Mohali (Punjab)-140201
Tel: 01762- 280086, 522250 Tel: + 91 22 6665 2700
Email: investorhelp@punjabchemicals.com

The details of shareholders' complaints received and disposed off during the year under review are as follows:

Particulars	Number of Complaints
Pending at the beginning of the financial year	0
Received during the financial year	8
Disposed off during the financial year	7
Pending at the end of the financial year	1

The complaints were majorly relating to IEPF, dividend, etc.

OTHER COMMITTEES

a) RISK MANAGEMENT COMMITTEE

The broad terms of reference of Risk Management Committee as adopted by the Board, inter-alia, are as under:

Framing risk management plan and policy and reviewing it periodically, at least once in two years; Review of cyber security risks, data privacy, environmental, social, and governance (ESG) related risks, other internal and external risks; Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; Evaluate its own performance annually; Review the adequacy of its Charter annually.

Composition and attendance at the meeting

The Risk Management Committee is comprised of four (4) Directors and the Chief Executive Officer of the Company including one (1) Independent Director. The composition of the Committee is in compliance with the Listing Regulations. The Company Secretary acts as the Secretary to the Committee.

During the financial year under review, 3 (three) meetings of the Risk Management Committee were held on May 6, 2024, October 28, 2024 and March 26, 2025.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2024-25 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Chairperson	3	3
2.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Non Independent	Member	3	3
3.	Mr. Shivshankar S Tiwari	Non-Executive / Non Independent	Member	3	3
4.	Mrs. Tara Subramaniam	Non-Executive / Independent	Member	3	2
5.	Mr. Vinod Kumar Gupta	Chief Executive Officer	Member	3	3

b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The broad terms of reference of the Corporate Social Responsibility (CSR) Committee, as adopted by the Board, include the formulation and recommendation of the CSR policy to the Board, recommending the budget to be allocated for CSR expenditures, and overseeing the monitoring of CSR activities. Additionally, the committee is responsible for approving the Corporate Social Responsibility Report.

Composition and Attendance at the meeting

The Board of the Company has constituted a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprises of four Directors. During the financial year under review, 1 (one) meeting of the Corporate Social Responsibility Committee was held on May 6, 2024.

The composition of the Committee and details of meetings attended by the Directors during the financial year 2024-25 are:

Sr. No.	Name of Director	Category	Position	No. of Committee Meetings	
				Held	Attended
1.	Mr. Mukesh Dahyabhai Patel	Non-Executive / Non Independent	Chairperson	1	1
2.	Mr. Shalil Shashikumar Shroff	Executive / Non Independent	Member	1	1
3.	Capt. Surjit Singh Chopra (Retd.)	Non-Executive / Non Independent	Member	1	1
4.	Mrs. Aruna Rajendra Bhinge	Non-Executive / Independent	Member	1	1

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company at https://www.punjabchemicals.com/wp-content/uploads/2023/03/CSR-Policy.pdf. A Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF PREVIOUS FINANCIAL YEAR

As on the date of this Report, the Company comprised of following Members in the Senior Management:

1. Mr. Shalil Shashikumar Shroff, Managing Director
2. Mr. Vinod Kumar Gupta, Chief Executive Officer
3. Mr. Ashish Ramdas Nayak, Chief Financial Officer (upto January 31, 2025)
4. Mr. Vikash Khanna, Chief Financial Officer (w.e.f March 26, 2025)
5. Ms. Rishu Chatley, Company Secretary and Compliance Officer
6. Mr. Yash Vardhan Tripathi, Asstt. Vice President HR and Admin

During the financial year, Mr. Ashish R. Nayak resigned from the position of Chief Financial Officer (CFO) with effect from January 31, 2025. Subsequently, Mr. Vikash Khanna was appointed as the Chief Financial Officer of the Company with effect from March 26, 2025.

GENERAL BODY MEETINGS

Location and Time of the last three Annual General Meetings and Special Resolutions passed

Year	Location	Day, Date and Time	Special Resolutions
2021-22	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:30 a.m.	Wednesday, August 10, 2022	1. To revise the terms of remuneration of Mr. Shalil Shashikumar Shroff (DIN: 00015621), Managing Director.
2022-23	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:00 a.m.	Friday, August 4, 2023	1. Continuation of directorship of Capt. Surjit Singh Chopra (Retd.) (DIN: 00146490) as a Non Executive Non Independent Director of the Company, who has already attained the age of 75 years.
2023-24	Registered Office of the Company, Milestone –18, Ambala Kalka Road, Bhankharpur, Derabassi through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility at 10:00 a.m.	Friday, August 2, 2024	1. Continuation of Directorship of Mr. Mukesh Dahyabhai Patel (DIN: 00009605) as Non- Executive Non-Independent Director of the Company beyond the age of 75 years. 2. Continuation of Directorship of Mr. Vijay Dilbagh Rai (DIN: 00075837) as Non-Executive Non- Independent Director of the Company beyond the age of 75 years.

EXTRAORDINARY GENERAL MEETING

No extraordinary general meeting of the members was held during the year

Postal Ballot

During the year under review, the Company has passed two special resolutions through postal ballot through Remote e-voting.

S.No.	Resolution	Voting in favour of the resolution (%)	Voting against the resolution (%)
1.	Re-appointment of Mrs. Aruna Rajendra Bhinge (DIN: 07474950) as a Non-Executive and Independent Director to hold office for a second term of five consecutive years with effect from April 1, 2025 till March 31, 2030.	98.23	1.77
2.	Appointment of Mr. Shiv Shankar Shripal Tiwari (DIN: 00019058), Non-Executive and Non-Independent Director as an advisor of the Company for a period of three years with effect from January 1, 2025 to December 31, 2027 and payment of advisory service fees.	99.95	0.05

Procedure for Postal Ballot

1. In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, the postal ballot notice dated January 28, 2025 was dispatched on February 3, 2025 containing resolutions together with the explanatory statement and remote e-voting instructions through electronic mode to all those Members whose e-mail address were registered with the Company/ Registrar and Share Transfer Agent ("RTA") or Depository/ Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on January 24, 2025. The Company also published notice in the newspapers declaring details of completion of dispatch on February, 4, 2025 as mandated under the Act and applicable rules.

2. Members were requested to cast their vote only through remote e-voting facility provided by Central Depository Services (India) Limited ('CDSL') between Wednesday, February 5, 2025, at 9:00 A.M. IST and Thursday, March 6, 2025, at 5.00 P.M. IST (both days inclusive) on the resolutions mentioned in the postal ballot notice.

3. The Scrutinizer, Mr. P. S. Dua (Membership No. 4552, COP No. 3934), Practising Company Secretary, Ludhiana submitted his report on March 7, 2025, after completion of the scrutiny.

4. The result of the postal ballot was announced by the Company Secretary & Compliance Officer duly authorised by the Chairman for this purpose on March 7, 2025. The last date of remote e-voting i.e. March 6, 2025, was taken as the date of passing the resolutions.

5. The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.punjabchemicals.com and on the website of CDSL at www.evotingindia.com and was also communicated to the Stock Exchanges.

Details of special resolution proposed to be transacted through postal ballot

No special resolution is proposed to be conducted through postal ballot as on date of this Annual Report.

MEANS OF COMMUNICATION

a. All price-sensitive information and matters that are material to shareholders are promptly disclosed to the respective Stock Exchanges where the Company's securities are listed. Submissions to the Exchanges are made through their respective electronic filing systems, ensuring timely and accurate communication. Additionally, this information is uploaded on the Company's official website for easy access by shareholders and other stakeholders.

b. The Company promptly disseminates its un-audited quarterly, half-yearly, and audited quarterly and annual financial results to the Bombay Stock Exchange ["BSE Limited"/BSE] and National Stock Exchange of India Ltd. ["NSE"] (collectively referred to as the "Stock Exchanges") immediately following approval and acknowledgment by the Board of Directors. These financial results are subsequently published in The Financial Express (all editions in English), Jansatta (Chandigarh Edition in Hindi), and Rozana Spokesman (Chandigarh Edition in Punjabi).

c. The quarterly results, Shareholding Pattern, quarterly/half yearly/annual compliances and all other material events or information as detailed in Regulation 30 of the Listing Regulations, are filed electronically with National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online portal. These communications are also posted on the Company's website www.punjabchemicals.com.

   The Financial Results, Statutory Notices and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website.

d. Management Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Date, Time and Venue :	Tuesday, July 29, 2025 at 10:00 am (IST) at Derabassi through Video Conferencing (VC/OAVM) In accordance with the General Circulars issued by the MCA.
Financial Year :	2024-25
Record Date :	Friday, July 18, 2025
Dividend payment date :	The Dividend, if approved by the shareholders at AGM, will be paid within stipulated time.

b) Listing on Stock Exchanges

1. BSE Limited (BSE), 1st Floor, New Trading Wing, P.J. Towers, Dalal Street, Fort, Mumbai-400 001. (Scrip Code-506618)	2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051. (Scrip Code-PUNJABCHEM)

The Company has paid the Annual Listing fees to the Stock Exchanges.

Demat ISIN Number in National Securities Depositories Limited & Central Depository Service (India) Limited: INE277B01014

c) During the financial year ended March 31, 2025, securities of the Company have not been suspended from trading on any of the stock exchanges where they are listed.

d) Registrar and Share Transfer Agent (RTA)

M/s Alankit Assignments Ltd., 4E/2, Jhandewalan Extension, New Delhi-110055 is the Registrar and Share Transfer Agent "RTA" of the Company.

e) Unclaimed Dividend

Section 124 of the Companies Act, 2013, along with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016 ("the Rules"), as amended, stipulates that companies are required to transfer any dividend that remains unclaimed or unencashed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). This provision ensures that unclaimed dividends are directed toward the IEPF, a fund established to promote investor awareness and protect the interests of investors.

Further, the Rules stipulate that shares for which dividends have remained unclaimed or unencashed for a period of seven consecutive years or more must be transferred to the Investor Education and Protection Fund (IEPF).

To ensure shareholders are well-informed and to safeguard their rights, the Company regularly sends reminders to shareholders to claim any unclaimed dividends or shares before they are transferred to the Investor Education and Protection Fund (IEPF). Shareholders should be aware that both the unclaimed dividends and the corresponding shares, along with any benefits arising from these shares, once transferred to the IEPF, can be claimed from the IEPF following the procedure outlined in the relevant Rules. No claim shall lie in respect thereof with the Company.

f) Shares Transferred to Investor Education and Protection Fund ["IEPF"]

During the year, no shares were due for transfer to the Investor Education and Protection Fund ["IEPF"] in respect of Unclaimed Dividend.

g) Share Transfer Process

Effective April 1, 2019, SEBI (Securities and Exchange Board of India) implemented a regulation that prohibits the physical transfer of shares in listed companies, mandating that all share transfers must be conducted through the dematerialized (demat) mode. However, this regulation does not prevent investors from holding shares in physical form. In light of this, we encourage shareholders who still hold their shares in physical form to dematerialize them. Additionally, shareholders with shares in dematerialized form are requested to register their email addresses, bank account details, and mobile numbers with their depository participants to ensure seamless communication. Shareholders holding shares in physical form are required to provide their PAN, nomination details, contact information, bank account details, and specimen signatures for their respective folios, to facilitate effective correspondence and receipt of relevant communications. Shareholders may contact the Registrar and Transfer Agent ["RTA"] at info@alankit.com and also refer details at https://www.punjabchemicals.com/ dividend-shareholders-information/

Requests for dematerialisation of shares are processed and confirmation thereof is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) within the statutory time limit from the date of receipt of Share Certificates provided the documents are complete in all respects.

A summary of transfer / transmission of shares, among others, so approved by the Company Secretary is placed before the Stakeholders Relationship Committee and thereafter in the Board Meeting.

h) Secretarial Audit and Annual Secretarial Compliance Report

a. A Company Secretary in practice conducts a quarterly Reconciliation of Share Capital Audit to ensure that the total admitted capital aligns with the records maintained by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as well as the total issued and listed capital. The primary objective of this audit is to verify that the total issued and paid-up capital corresponds with the aggregate of shares in both physical form and dematerialized form, which are held with NSDL and CDSL. This process guarantees that the company's share capital is accurately reflected and reconciled between various registers and depositories.

b. Mr. P. S. Dua of M/s P. S. Dua & Associates, Practising Company Secretaries, has conducted a Secretarial Audit of the Company for the financial year 2024-25. Their Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013, the Rules made thereunder, its Memorandum and Articles of Association, and the Listing Regulations. The Secretarial Audit Report forms an integral part of the Board's Report.

c. In accordance with SEBI Circular No. CIR/CFD/CMD1/27/2019, dated February 8, 2019, the Company has obtained the Annual Secretarial Compliance Report from M/s P. S. Dua & Associates, Practising Company Secretaries. This report confirms that the Company has complied with the SEBI Regulations, Circulars, and Guidelines issued thereunder, which are applicable to the Company. Additionally, the report contains no observations or adverse remarks.

i) Distribution of Shareholding as on March 31, 2025

From-To	No. of Shareholders		No. of Shares	
Number of Shares	Number	%	Number	%
1-500	20113	95.58	1014168	8.26
501-1000	482	2.29	350432	2.86
1001-2000	221	1.05	318393	2.60
2001-3000	89	0.42	219242	1.79
3001-4000	29	0.14	97827	0.80
4001-5000	21	0.10	96012	0.78
5001-10000	43	0.20	319612	2.61
10001 & above	46	0.22	9846499	80.30
TOTAL	**21044**	**100**	**12262185**	**100.00**

j) Categories of Shareholders as on March 31, 2025

Sr. No.	Category	No. of Shares Held	Percentage of Shareholding (%)
A.	**Shareholding of Promoter and Promoter Group**		
1)	Indian	4808890	39.22
2)	Foreign	-	-
	Total Shareholding of Promoter and Promoter Group	**4808890**	**39.22**
B.	**Public Shareholding**		
1)	**Institution:**		
a)	Mutual Funds	786	0.01
b)	Financial Institutions/Banks	1229	0.01
c)	Foreign Portfolio Investors	375179	3.06
d)	Alternate Investment Funds	64804	0.53
e)	NBFCs registered with RBI	450	0.00
	Sub total (B) (1)	**442448**	**3.61**
2)	**Non-Institutions**		
a)	Private Corporate Bodies	4052768	33.05
b)	Directors & their Relatives	41069	0.33
c)	Indian Public	2400519	19.58
d)	NRIs	85833	0.70
e)	Trust	4160	0.03
f)	HUF	213988	1.75
g)	IEPF	103012	0.84
h)	Clearing member	4165	0.03
i)	Unclaimed or Suspense or Escrow Account	10260	0.08
j)	LLP	95073	0.78
	Sub Total (B) (2)	**7010847**	**57.17**
	Total Public Shareholding (B)(1)+(B)(2)	**7453295**	**60.78**
	TOTAL	**12262185**	**100.00**

Distribution of Shareholding

k) Dematerialisation of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories viz. NSDL and CDSL.

Percentage of shares held in:

Physical form: 0.73%

Electronic form with NSDL: 88.09%

Electronic form with CDSL: 11.18%

The Company's shares are regularly traded on the BSE and NSE.

l) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any other convertible instruments, conversion dates and likely impact on equity

None

m) Commodity price risk or foreign exchange risk and hedging activities

The export of finished goods significantly exceeds the import of raw materials and other materials, creating a natural hedge for the company. As a result, the company has not engaged in any hedging activities, nor has it participated in commodity price or foreign exchange risk management during the financial year 2024-25.

n) Plant locations

Indian manufacturing locations:

Agro Chemicals Division: Milestone-18, Ambala Kalka Road, Village & PO Bhankharpur Derabassi, Distt. SAS Nagar, Mohali (Punjab) - 140201

Specialty Chemicals & Pharmaceuticals Division: Villages Kolimajra & Samalheri, PO Lalru, Distt. SAS Nagar, Mohali (Punjab) - 140501

Industrial Chemical Division: Site No. I & II, H.A. Ltd., Compound Pimpri, Pune (Maharashtra) - 411019

Overseas Subsidiaries: SD Agchem (Europe) NV Uitbreidingstraat 84/B3, 2600, Berchem (Antwerp), Belgium

o) Address for Correspondence

1. **Investor Correspondence:** For shares held in physical form Alankit Assignment Ltd, 4E/2, Jhandewalan Extension, New Delhi-110055, Tel: 011-42541234, 011- 42541953, Fax: 011-23552001, E-mail: info@alankit.com

   For shares in Demat form to the Depository Participants viz. NSDL and CDSL

2. **Any query on Annual Report/other matters relating to the Company**

   Registered Office & Works: Milestone-18, Ambala Kalka Road, Village & PO Bhankharpur, Derabassi, Distt. SAS Nagar (Mohali) - 140201 Tel: 01762-280086/280094, Fax: 01762-280070 E-mail: info@ punjabchemicals.com

   Corporate Office: Plot No. 645-46, 5th Floor, Oberoi Chambers II, New Link Road, Andheri (W), Mumbai-400053. Ph: 022-26747900 (30 lines), Fax: 022-26736013, 26736193 Email: enquiry@ punjabchemicals.com

3. **Compliance Officer**

   Ms. Rishu Chatley, Company Secretary

4. **Exclusive e-mail ID for the grievance redressal mechanism:** investorhelp@punjabchemicals.com

5. **Corporate website:** www.punjabchemicals.com

6. **Nomination Facility:** Members are allowed to nominate any person to whom they desire to have

the shares transmitted in the event of death. Desirous Members may approach the Company or to the Registrar & Share Transfer Agents of the Company, for the shares held in physical form and to the respective Depository Participant for shares held in demat form, for availing the same facility.

p) Credit Rating

During the year under review, there has been no change in the credit rating of the Company from any of the credit rating agencies. However, the Company has received reaffirmation of its ratings, with Long-Term Debt being rated at CARE BBB+ with a Stable outlook, and Short-Term Debt rated at CARE A2.

OTHER DISCLOSURES

a) Related Party Disclosures

All related party transactions entered into during the financial year 2024-25 were conducted on an arm's length basis, in the ordinary course of business, and in full compliance with the relevant provisions of the Act and the Listing Regulations. The Company did not engage in any materially significant related party transactions with Promoters, Directors, Key Managerial Personnel, or other designated individuals that could potentially conflict with the interests of the Company. Appropriate disclosures, as required by the Accounting Standards (IND AS 24), have been made in the Financial Statements. For detailed related party disclosures in accordance with the Accounting Standards and Listing Regulations, please refer to Note No. 44 of the Standalone and Consolidated Financial Statements. Additionally the shareholders' approval has been duly obtained, wherever applicable, for all related party transactions. The Company has also revised its Related Party Transactions Policy in accordance with the recent amendments to the Listing Regulations. The revised policy on related party transactions as approved by the Board is uploaded on the Company's website https://www.punjabchemicals.com/wp-content/uploads/2025/03/RPT-Policy.pdf.

b) Statutory Compliance, Strictures and Penalties

The Company has fully complied with the requirements set forth by the Stock Exchanges, SEBI, and other statutory authorities regarding capital market regulations over the last three years. During this period, no strictures or penalties have been imposed on the Company by any of these authorities. However, during the year under review the Settlement Commission, Principal Bench, Customs, Central Excise & Service Tax Settlement Commission, Department of Revenue, Ministry of Finance on January 8, 2024 has imposed Penalty of ₹20 lakh on Company under Section 127C (5) of the Customs Act, 1962 for inadvertent misclassification of goods. The Company has paid the penalty and the Company maintains that this was not significant or material in nature.

c) Vigil Mechanism / Whistle Blower Policy

The Company has implemented a Whistleblower Policy and Vigil Mechanism to establish a formal channel for Directors, employees, and external stakeholders to report concerns regarding unethical behavior, potential fraud, or violations of the Company's Conduct or Ethics Policy. This policy ensures protection against any victimization of employees who use the mechanism and allows direct access to the Chairman of the Audit Committee. We strongly encourage all employees and stakeholders to utilize this platform to voice any concerns they may have. The Company remains dedicated to upholding the highest ethical standards and fostering a work environment that promotes transparency and integrity.

The said policy is placed on the website of the Company https://www.punjabchemicals.com/wp-content/uploads/2024/08/Whistle-Blower-Policy-PCCPL.pdf and no personnel of the Company have been denied access to the Audit Committee.

d) IND-AS

The Company adopted Indian Accounting Standards (Ind-AS) effective from April 1, 2017, with a transition date of April 1, 2016. As a result, the financial results of the Company for all quarters and annual periods have been prepared in accordance with the recognition and measurement principles set forth in Ind-AS.

e) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Not Applicable

f) A Certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority

The Company has taken the required certificate from M/s P.S. Dua & Associates, Company Secretary in Practice.

g) Total fees for all services paid by the listed entity and its subsidiaries, to the Statutory Auditor (Standalone payment)

The detail of payment of total fees to the Statutory Auditor is as under:

	Amount in Lakh
Statutory Audit	29
Limited Review	16
Total	**45**

h) Policy on Prevention of Sexual Harassment at Workplace

The Company prioritize the dignity of every individual and are dedicated to fostering a safe, respectful, and inclusive work environment for all employees. We firmly believe that it is our duty to maintain a workplace free from discrimination, intimidation, and abuse, safeguarding the integrity and dignity of our workforce. This commitment is essential to promoting a harmonious work atmosphere, ensuring that the workplace remains free from conflicts or disruptions caused by such incidents.

In accordance with our commitment, we have ensured full compliance with the Sexual Harassment at the Workplace (Prevention, Prohibition, and Redressal) Act, 2013 (the "Sexual Harassment Act"). We have set up an Internal Complaints Committee (ICC) as mandated by the Act, and have introduced a comprehensive 'Policy for the Prevention of Sexual Harassment' (POSH) that is applicable to all employees across Punjab Chemicals and its subsidiary company.

The POSH (Prevention of Sexual Harassment) policy upholds strict confidentiality and acknowledges the fundamental right to privacy of every individual. It establishes a clear and accessible channel for employees to report any instances of sexual harassment to the Internal Complaints Committee. The Company ensures that all employees have sufficient means to raise any concerns related to this issue. During the year under review, no complaints were received under the POSH policy.

We remain committed to fostering a respectful and secure workplace for everyone, and encourage all employees to approach the designated committee should they ever feel the need to report any concerns.

i) The policy for determining 'material' subsidiaries can be viewed at https://www.punjabchemicals.com/wp-content/uploads/2018/07/Policy-for-determining-Material-Subsidiary.pdf.

j) Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

k) Non Mandatory requirements

The Company has complied with the following non mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

i. **Chairman of the Board:** The Chairman of the Company is a Non-Executive Non-Independent Director.

ii. **Shareholder Rights:** The Company does not send the half yearly results to the households of the shareholders of the Company. However they are published in English newspapers circulated all over India and in a Hindi and Punjabi newspaper (circulated in Punjab and Chandigarh) and are also posted on the website of the Company www.punjabchemicals.com.

iii. **Qualified Opinion:** Not Applicable.

iv. **Reporting of Internal Auditors:** The Internal Auditor reports to the Managing Director and also has direct access to the Chairman, Audit Committee.

l) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year

Not Applicable

m) Disclosure by the Company and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which Directors are interested

Necessary disclosures relating to loans and advances in the nature of loans to firms/companies in which Directors are interested are provided in the financial statements in Note No.43

n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Not Applicable

MARKET CAPITALISATION AND PRICE-EARNINGS RATIO

	As on March 31, 2025	As on March 31, 2024
a. Closing Price (BSE)	929.25	982.50
b. Market Capitalisation	1139.46	1204.76
c. Price-Earnings Ratio	28.65	22.12

UNCLAIMED SHARES

Pursuant to Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts:

Sr. No.	Particulars	No. of shareholders	No. of shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year as on April 1, 2024.	223	10330
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	2	101
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	1	70
(iv)	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year as on March 31, 2025	222	10260

The voting right on these outstanding shares (lying in the suspense account) shall remain frozen till the rightful owner of such shares claim the shares.

INFORMATION PURSUANT TO CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF LISTING REGULATIONS

In terms of Regulation 30 read with Paragraph 5A of Part A of Schedule III of the SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the Company has secure the payment obligations of SD Agchem (Europe) NV upto an amount ₹15 crores in relation to a settlement agreement dated December 11, 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders) (erstwhile step down subsidiary till September 2017) and the particulars of the same can be viewed at following link of Company's website https://www.punjabchemicals.com/wp-content/uploads/2023/12/intimation30.pdf.

CEO/CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, a Certificate duly signed by Mr. Shalil Shashikumar Shroff, Managing Director, Mr. Vinod Kumar Gupta, Chief Executive Officer, and Mr. Vikash Khanna, Chief Financial Officer, was placed before the Board of Directors along with the financial statements for the year ended March 31, 2025 at its meeting held on Wednesday, April 30, 2025 forms part of this report.

GENERAL

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) of the Listing Regulations.

DECLARATION

As per Clause D of Schedule V, in accordance with Regulation 34(3) of the Listing Regulations, the Members of the Board of Directors and Senior Management Personnel have confirmed their compliance with the Code of Conduct for the Board of Directors and Senior Management, as established by the Company, for the financial year ending March 31, 2025.

On behalf of the Board of Directors
Punjab Chemicals and Crop Protection Limited

Shalil Shashikumar Shroff
(DIN: 00015621)
(Managing Director)

Place: Mumbai
Date: April 30, 2025

Compliance Certificate

Pursuant to Regulation 17 (8) of Listing Regulations

We, Shalil Shashikumar Shroff, Managing Director, Vinod Kumar Gupta, Chief Executive Officer and Vikash Khanna, Chief Financial Officer do hereby certify:

a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

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

  ii) Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that:

  i) There has not been any significant changes in internal control over financial reporting during the year under review;

  ii) There has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  iii) There has not been any instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting during the year.

Shalil Shashikumar Shroff
Managing Director
(DIN: 00015621)

Place: Mumbai
Date: April, 30, 2025

Vinod Kumar Gupta
Chief Executive Officer

Place: Mumbai

Vikash Khanna
Chief Financial Officer

Place: Derabassi

Corporate Governance Compliance Certificate

[Pursuant to Regulation 34(3) and Schedule V Para E of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Punjab Chemicals and Crop Protection Limited
(CIN: L24231PB1975PLC047063)

1. We have been approached by Punjab Chemicals and Crop Protection Limited ("Company") to examine the compliance with the conditions of corporate Governance by the Company, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, for the financial year ended on March 31, 2025.

2. Management's Responsibility

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. The management shall devise adequate systems, internal controls and processes to monitor and ensure the same.

3. Our Responsibility

Our responsibility is limited to conduct an examination of the systems, internal controls and processes adopted by the Company and implementation thereof to monitor and ensure with the conditions of Corporate Governance and report thereon.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on March 31, 2025.

5. Disclaimer

5.1 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5.2 The report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No.3934
Peer Review Certificate No. 1296/2021
UDIN: F004552G000449777

Place: Ludhiana
Date: April 30, 2025

Certificate of Non-Disqualification of Directors

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

To,
THE MEMBERS OF
PUNJAB CHEMICALS AND CROP PROTECTION LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Punjab Chemicals and Crop Protection Limited having CIN L24231PB1975PLC047063 (hereinafter referred to as 'the Company') and having registered office at Milestone 18, Ambala Kalka Road, Bhankharpur, Derabassi, Dist. SAS Nagar, Mohali-140201 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below and who were on the Board of Directors of the Company as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Particulars	DIN	Date of appointment in Company
1.	Mr. Mukesh Dahyabhai Patel	00009605	February 19, 1985
2.	Mr. Shalil Shashikumar Shroff	00015621	January 1, 1998
3.	Capt. Surjit Singh Chopra (Retd.)	00146490	August 18, 2004
4.	Mr. Vijay Dilbagh Rai	00075837	February 28, 1985
5.	Mrs. Aruna Rajendra Bhinge	07474950	May 29, 2018
6.	Mr. Sheo Prasad Singh	06493455	May 28, 2015
7.	Mr. Avtar Singh	00063569	November 11, 1996
8.	Mr. Shivshankar Shripal Tiwari	00019058	May 28, 2015**
9.	Mrs. Tara Subramaniam	07654007	August 3, 2023

** Mr. Shivshankar Shripal Tiwari ceased to be the Whole-Time Director of the Company w.e.f. May 5, 2015 and was appointed as an Additional Director on the same date i.e. May 5, 2015 by the Board of Directors and was regularized as Director in the 39th Annual General Meeting of the Company held on September 9, 2015.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. S. Dua & Associates
(Company Secretaries)

P.S. Dua
FCS No. 4552
C. P. No.3934
Peer Review Certificate No. 1296/2021
UDIN: F004552G000449744

Place: Ludhiana
Date: April 30, 2025

Independent Auditor's Report

To
The Members of
Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Punjab Chemicals and Crop Protection Limited** (the "Company") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter

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.

Revenue Recognition

See Note 2(h) and 28 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognizes revenue from sales of products and services when control over goods is transferred / services are rendered to customer based on specific terms and conditions of contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as:- • revenue is a key performance indicator; and • there is a presumed fraud risk of revenue being overstated through manipulation of the timing and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions. • We performed substantive testing by obtaining independent confirmations of transactions from certain customers selected on quantitative and qualitative basis to verify accuracy and existence of the revenue being recognized in the correct accounting period. Further for remaining population, we performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including customer purchase orders, invoices, gate outward register, customer acceptances, shipping documents (as applicable) and subsequent receipts in the bank statements (where applicable) to assess whether these are recognized accurately in the appropriate period in which control is transferred or services are provided.

The key audit matter	How the matter was addressed in our audit
	• We tested journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items. • We tested, on a sample basis which are selected based on statistical sampling with respect to discounts and returns to assess whether these have been recorded accurately in the relevant period. • We selected specific samples for revenue transactions recorded during specified period around the year end date and checked whether revenue has been recognized in the correct reporting period by examining the underlying documents and terms of arrangement. • We assessed the adequacy of presentation and disclosures in the financial statements with respect to the requirement of applicable financial reporting framework including Ind AS 115.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 43(a) to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 41(ii) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of accounts including third party software used for payroll process, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded except, that audit trail (edit log) facility at the application layer for certain fields/ tables relating to accounting software was not enabled during the period April to September 2024. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention except for the period where audit trail was not enabled.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIX3758

Place: Gurugram
Date: 30 April 2025

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in phased manner over the period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held-indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease Agreement for Industrial Building at H.A.Limited Compound,Pimpri, Pune,Maharashtra	-	Excel Phospho Chem (Sole Proprietor)	No	19 years	Excel Phospho Chem was merged with STS Chemicals and STS Chemical was merged with Punjab Chemicals and Crop Protection in 2005. As informed by the Company Civil Appeal is pending in respect of eviction notice in the district court, Pune under the Public Premises Act, 1971. Also refer note 43(a)(iii) of the financial statements. Next hearing is expected to be in July 2025.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third party, has been physically verified by the management during the year.For stocks lying with third party at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company for the quarters ended on 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024 respectively. For quarter ended 31 March 2025 such quarterly returns or statements were not due as on reporting date.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investment in or provided guarantee or security or granted any advances in the nature of loans (secured or unsecured) to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to its employees during the year. The requisite information on loans to employees is stated in paragraph (iii)(a) below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to employees as below:

Particulars	Interest bearing loan to employees (Amount in INR lakhs)
Aggregate amount of Loan granted during the year	20
Balance outstanding as at balance sheet date	11

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the loans granted during the year, are not prejudicial to the interest of the Company. Further, the Company has not made investments or provided guarantee or given security or granted advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. In case of advances in the nature of loan of Rs. 523 lakhs (net) (refer note 48 to the financial statements) given to SD Agchem (wholly owned subsidiary) the terms are repayable on demand. As informed to us, the Company has not demanded repayment of the advance in the nature of loan during the year. Thus, there has been no default on the part of the party to whom the advance has been given.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amounts for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following advance in the nature of loans, to its related party as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

Particulars	Related Party (Wholly Owned Subsidiary)
Aggregate of advances in nature of loan	
- Repayable on demand	Rs. 523 lakhs (net) (refer note 48 to the financial statements)
Percentage of advances in nature of loan to the total loans	100%

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided guarantees or securities, as specified under section 185 of the Companies Act, 2013. According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of loans given by the Company, in our opinion the provisions of Section 186 of the Act have been complied. Further, the Company has not made any investments or provided guarantee or security during the year as specified under Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of income taxes, labour welfare fund and professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount disputed (Amount in INR lakhs)*	Amount deposited (Amoun t in INR lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	594	214	Assessment Years 2008-2009, 2009-2010 and 2017-2018	Income Tax Appellate Tribunal (ITAT)	
Income Tax Act, 1961	Income Tax	16,186	53	Assessment Years 2007-2008, 2011-2012 to 2016-2017 and 2018-2019 to 2021-2022	Commissioner of Income tax (Appeals)	
Central Excise Act, 1944	Service Tax	1	-	1999-2000	High Court	
The Punjab Sales Tax Act, 2005	Sales Tax	11	-	2004-2005	High Court	
Central Goods and Service Tax Act 2017	Goods and Service Tax	4,496	-	2017 to 2022	High Court	

* amount as per demand orders including interest and penalty, wherever indicated in the order.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2025.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Further, the Company does not hold any investment in any associate or joint venture (as defined under. the Act) during the year ended 31 March 2025.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 54 (ix) to the financial statements.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIX3758

Place: Gurugram
Date: 30 April 2025

Annexure B to the Independent Auditor's Report on the standalone financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Punjab Chemicals and Crop Protection Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIX3758

Place: Gurugram
Date: 30 April 2025

Standalone Balance Sheet

as at 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,791	23,026
Right of use assets	4	1,087	214
Capital work-in-progress	3	1,302	1,154
Intangible assets	5	265	370
Intangible assets under development	5	104	60
Financial assets			
- Investments	6	157	144
- Other financial assets	7	471	443
Other tax assets (net)	8	442	649
Other non-current assets	9	88	164
Total non-current assets		**27,707**	**26,224**
Current assets			
Inventories	10	22,237	13,265
Financial assets			
- Investments	6	226	645
- Trade receivables	11	25,133	20,723
- Cash and cash equivalents	12	1,270	617
- Bank balances other than above	13	494	363
- Loans	14	2,087	2,037
- Other financial assets	7	2,108	1,318
Other current assets	15	2,169	1,656
		55,724	**40,624**
Assets classified as held for sale	16	**30**	**30**
Total current assets		**55,754**	**40,654**
Total Assets		**83,461**	**66,878**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	37,208	33,623
Total equity		**38,434**	**34,849**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	6,098	5,256
- Lease liabilities	20	879	15
Provisions	21	1,280	1,226
Deferred tax liabilities (net)	22	806	791
Other non-current liabilities	23	-	7
Total non-current liabilities		**9,063**	**7,295**
Current liabilities			
Financial liabilities			
- Borrowings	19	9,595	6,802
- Lease liabilities	20	217	210
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	1,078	553
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	19,011	11,164
- Other financial liabilities	25	4,394	4,263
Other current liabilities	26	409	526
Provisions	21	502	548
Current tax liabilities (net)	27	758	668
Total current liabilities		**35,964**	**24,734**
Total liabilities		**45,027**	**32,029**
Total equity and liabilities		**83,461**	**66,878**
Material accounting policies	2.1		
Notes to the standalone financial statements	3-55		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive officer

Rishu Chatley
Company Secretary & Compliance officer
Membership No. : 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Mumbai
Date: 30 April 2025

Standalone Statement of Profit and Loss

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
INCOME			
Revenue from operations	28	89,838	93,055
Other income	29	121	277
Total income		**89,959**	**93,332**
EXPENSES			
Cost of materials consumed	30	58,737	55,281
Purchases of stock-in-trade	31	307	271
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	(5,271)	1,692
Employee benefits expense	33	9,509	8,782
Finance costs	34	1,783	1,920
Depreciation and amortization expense	35	2,480	2,216
Other expenses	36	16,631	15,800
Total expenses		**84,176**	**85,962**
Profit before tax and exceptional item		**5,783**	**7,370**
Exceptional items	37	418	-
Profit before tax		**5,365**	**7,370**
Tax expense	38		
Current tax		1,363	1,655
Deferred tax charge		25	270
Total tax expense		**1,388**	**1,925**
Profit for the year		**3,977**	**5,445**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		(46)	(44)
- Fair value change on equity investments through other comprehensive income		13	6
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		12	11
- Fair value change on equity investments through other comprehensive income		(3)	(2)
Other comprehensive (loss) for the year (net of tax)		**(24)**	**(29)**
Total comprehensive income for the year		**3,953**	**5,416**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		32.44	44.41
Diluted (Rs.)		32.44	44.41
Material accounting policies	2.1		
Notes to the standalone financial statements	3-55		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive officer
Place: Mumbai
Date: 30 April 2025

Rishu Chatley
Company Secretary &
Compliance officer
Membership No. : 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Standalone Statement of Cash Flow

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2025	Year ended 31.03.2024
A. Cash flow from operating activities		
Profit before tax	**5,365**	**7,370**
Adjustments for:		
Depreciation and amortization expense	2,480	2,216
Liability no longer required written back	(10)	(20)
Interest income	(55)	(129)
Amortization of contractual liabilities	-	(31)
Finance cost	1,783	1,920
Unrealized foreign exchange (gain) (net)	(62)	(16)
Advances written off	24	19
Loss/(gain) on sale of property, plant and equipment (net)	2	(52)
Gain on fair valuation of investments	(31)	(33)
Property, plant and equipment written off	16	45
Rental income	(4)	(2)
Expected credit loss on trade receivables written back	(19)	-
Operating cash flow before working capital changes	**9,489**	**11,287**
Changes in working capital:		
(Increase) in trade receivables	(4,337)	(6,344)
(Increase)/decrease in inventories	(8,971)	3,559
(Increase)/decrease in other current and non-current assets	(523)	1,188
(Increase) in current and non-current other financial assets	(744)	(520)
(Increase) in current and non-current loans	(1)	(43)
Increase/(decrease) in trade payables and other liabilities	8,387	(2,791)
Increase/(decrease) in other current financial liabilities	78	(250)
(Decrease) in long-term and short-term provisions	(38)	(626)
Cash generated from operating activities	**3,340**	**5,460**
Income tax paid (net)	(1,077)	(2,540)
Net cash generated from operating activities (A)	**2,263**	**2,920**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(3,150)	(3,324)
Proceeds from sale of property, plant and equipment	31	190
Purchase of other investments	(300)	(501)
Proceeds from other investments	750	-
Movement in other bank balances (net)	(131)	(92)
Investment in fixed deposits	(117)	4
Proceeds from fixed deposits	32	-
Interest received	66	136
Rental income	4	2
Net cash flows (used in) investing activities (B)	**(2,815)**	**(3,585)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	2,621	396
Repayments of non-current borrowings	(1,244)	(852)
Payment of lease liabilities (Principal)	(293)	(290)
Payment of lease liabilities (Interest)	(60)	(39)
Proceeds from current borrowings (net)	2,258	3,632
Payment of dividend	(364)	(366)
Finance cost paid	(1,713)	(1,944)
Net cash flows generated from financing activities (C)	**1,205**	**537**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**653**	**(128)**
Cash and cash equivalents at the beginning of the year	**617**	**745**
Cash and cash equivalents at the end of the year	**1,270**	**617**

Standalone Statement of Cash Flow

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31.03.2025	Year ended 31.03.2024
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	1,264	602
Cash on hand	6	15
	1,270	**617**

2. The above statement of cash flow has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).

3. **Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities**

	As at 31 March 2025	As at 31 March 2024
Borrowings at the beginning of the year (current and non-current borrowings)	**12,058**	**8,882**
Proceeds from non-current borrowings	2,621	396
Repayment of non-current borrowings	(1,244)	(852)
Proceeds from current borrowings (net)	2,258	3,632
Borrowings at the end of the year (current and non-current borrowings)	**15,693**	**12,058**

4 **Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the year:**

	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year	**225**	**515**
Additions	1,164	-
Accreditation of interest	60	39
Payment of lease liabilities	(353)	(329)
Balance as at end of the year	**1,096**	**225**

5. During the year, the Company paid in cash Rs. 182 (previous year: Rs.181) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 46).

Material accounting policies	2.1
Notes to the standalone financial statements	3-55

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive officer

Rishu Chatley
Company Secretary & Compliance officer
Membership No. : 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Mumbai
Date: 30 April 2025

Standalone Statement of Changes in Equity

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

	Note	
Balance as at 1 April 2024	17	**1,226**
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2025	17	**1,226**
Balance as at 1 April 2023		**1,226**
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2024		**1,226**

b. Other Equity :

	Reserves and surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
Balance as at 1 April 2024	**309**	**5,707**	**28**	**21**	**19**	**27,518**	**21**	**33,623**
Total comprehensive income for the year ended 31 March 2025								
- Profit for the year	-	-	-	-	-	3,977	-	3,977
- Other comprehensive (income) (net of tax)	-	-	-	-	-	(34)	10	(24)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,943**	**10**	**3,953**
Transactions with owners of the Company								
Contributions and distributions								
- Final equity dividend for the financial year 2023-2024 (Amount Rs. 3 per share)	-	-	-	-	-	(368)	-	(368)
Total Contributions and distributions for the year	**-**	**-**	**-**	**-**	**-**	**(368)**	**-**	**(368)**
Balance as at 31 March 2025	**309**	**5,707**	**28**	**21**	**19**	**31,093**	**31**	**37,208**
Balance as at 1 April 2023	**309**	**5,707**	**28**	**21**	**19**	**22,474**	**17**	**28,575**
Total comprehensive income for the year ended 31 March 2024								
- Profit for the year	-	-	-	-	-	5,445	-	5,445
- Other comprehensive (income) (net of tax)	-	-	-	-	-	(33)	4	(29)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,411**	**4**	**5,416**

Standalone Statement of Changes in Equity

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Reserves and surplus						Other comprehensive income	Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	
Transactions with owners of the Company								
Contributions and distributions								
- Final equity dividend for the financial year 2022-2023 (Amount Rs. 3 per share)						(368)	-	(368)
Total Contributions and distributions for the year	**-**	**-**	**-**	**-**	**-**	**(368)**	**-**	**(368)**
Balance as at 31 March 2024	**309**	**5,707**	**28**	**21**	**19**	**27,518**	**21**	**33,623**

Note : Refer to note 18 for nature and purpose of other equity

Material accounting policies	2.1
Notes to the standalone financial statements	3-55

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Anurag Maheshwary
Partner
Membership No. : 506533

Mukesh D Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive officer

Rishu Chatley
Company Secretary & Compliance officer
Membership No. : 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Gurugram
Date: 30 April 2025

Place: Mumbai
Date: 30 April 2025

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

Note 1. Reporting entity

Punjab Chemicals and Crop Protection Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)- 140201.

The Company is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Basis of preparation

(i) Statement of compliance

These standalone financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The standalone financial statements for the year ended 31 March 2025 were approved for issue by the Company's Board of Directors on 30 April 2025.

(ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These standalone financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Equity securities at FVOCI	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(h) and 28 - revenue recognition: whether revenue is recognized over time or at a point in time;
- Note 2(c) and 20 - lease term: whether the Company is reasonably certain to exercise extension options

Assumptions and estimation uncertainties

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

- Note 2(b) and 3 - Assessment of useful life and residual value of Property, plant and equipment.
- Note 2(l) and 43- Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 2(j) and 42 - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 2(f) - Impairment of financial assets.
- Note 2(e) - Valuation of inventories.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 41(a).

Note 2.1. Material Accounting Policies

(a) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A "debt instrument" is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Investments in subsidiaries

Equity investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through"arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest methodInterest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Property, plant and equipment ("PPE")

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and or accumulated impairment loss, if any.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work- in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5,10,15,17 - 25 Years
Building - Office	60 Years	28,30,50 & 58 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	10 - 15 Years
Vehicles	8 Years	5 & 8 Years
Furniture and fittings	10 Years	3, 5 &10 Years
Computers	3 Years	3 & 5 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(c) Leases

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.

Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture and fixture and leasehold land. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

(d) Intangible assets

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

- Computer software	3 - 5 Years
- Product registrations (including task charges, task force studies and other related expenses)	10 Years
- Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(e) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of work-in- progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(f) Impairment

Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the trade receivable, borrower or issuer;
- the breach of contract such as a default or being past due for 3 years or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 3 years past due.

The Company considers a financial asset to be in default when:

- the Trade receivable is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 3 years past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the trade receivables do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(h) Revenue from contract with customers

Revenue is measured based on the consideration specified in the contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

Sale of products

The Company recognises revenue generally at the point in time when the products are delivered or dispatch to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer in accordance with terms of the contract.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. No element of financing is deemed present as the sales are made against the receipt of advance, letter of credit or with an agreed credit period ranging from 30 to 180 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Trade receivables are measured at transaction price.

The Company disaggregates revenue from contracts with customers by geography.

<u>Use of Judgement in Revenue Recognition</u>

a) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Sale of services

Sale of services includes processing charges in respect of job work services provided by the Company. Revenue in respect of sale of services is recognized over time or at a point in time in accordance with the terms of the contract.

Export incentives

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(i) Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(j) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

<u>Defined contribution plans</u>

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Company makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Company to the plan during the year is charged to Statement of Profit and Loss.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI.

Other long-term employee benefits

Compensated absences

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognised / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(l) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(m) Commitments

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 reporting date.

(n Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(o) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(r) Share Capital

Incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

(s) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Computers	Total
Balance as at 1 April 2023	**5,395**	**3,505**	**18,182**	**379**	**1,234**	**181**	**261**	**29,137**
Additions	-	642	2,276	27	459	38	32	3,474
Disposals /other adjustments	-	59	631	-	90	27	7	814
Balance as at 31 March 2024	**5,395**	**4,088**	**19,827**	**406**	**1,603**	**192**	**286**	**31,797**
Balance as at 1 April 2024	5,395	4,088	19,827	406	1,603	192	286	31,797
Additions	-	219	2,102	432	150	60	29	2,992
Disposals /other adjustments #	-	9	152	-	81	-	1	243
Balance as at 31 March 2025	**5,395**	**4,298**	**21,777**	**838**	**1,672**	**252**	**314**	**34,546**

Accumulated depreciation

	Freehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Computers	Total
Balance as at 1 April 2023	**-**	**791**	**5,726**	**180**	**573**	**53**	**159**	**7,482**
Depreciation for the year	-	164	1,490	28	151	36	51	1,920
Disposals /other adjustments	-	56	506	-	44	18	7	631
Balance as at 31 March 2024	**-**	**899**	**6,710**	**208**	**680**	**71**	**203**	**8,771**
Depreciation for the year	-	173	1,625	43	176	36	32	2,085
Disposals /other adjustments #	-	11	59	-	30	0	1	101
Balance as at 31 March 2025	**-**	**1,061**	**8,276**	**251**	**826**	**107**	**234**	**10,755**
Carrying amounts (net)								
As at 31 March 2024	**5,395**	**3,189**	**13,117**	**198**	**923**	**121**	**83**	**23,026**
As at 31 March 2025	**5,395**	**3,237**	**13,501**	**587**	**846**	**145**	**80**	**23,791**

Plant and equipments includes other adjustment amounting Rs. 93 (net) in relation to reimbursement to capex incurred under a customer arrangement.

Notes:

a. Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organization grant scheme.

b. Refer note 19(c) for information on property, plant and equipment pledged as security by the Company.

c. Refer note 43(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d. The Company has capitalized the following expenses to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company. The capitalisation rate used for interest capitalisation is 8.80%.

	Year Ended 31 March 2025	Year Ended 31 March 2024
Salaries, wages and bonus	203	123
Power and fuel	69	39
Finance costs	77	48
Research and development	49	18
	398	**228**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress (Contd.)

e. Capital work in progress

	Building	Plant and equipment *	Total
Balance as at 1 April 2023	**264**	**1,591**	**1,855**
Additions	280	1,653	1,933
Disposals /other adjustments	-	-	-
Capitalisations	320	2,314	2,634
Balance as at 31 March 2024	**224**	**930**	**1,154**
Additions	74	2,456	2,530
Disposals /other adjustments	-	-	-
Capitalisations	74	2,308	2,382
Balance as at 31 March 2025	**224**	**1,079**	**1,302**

* This also includes electrical installations

Capital-work- in progress ageing schedule as at 31 March 2025

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress#	1,135	167	-	-	1,302
Total	**1,135**	**167**	**-**	**-**	**1,302**

Capital-work- in progress ageing schedule as at 31 March 2024

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress#	1,154	-	-	-	1,154
Total	**1,154**	**-**	**-**	**-**	**1,154**

#There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 4: Right of use asset

	Leasehold Land	Building	Plant & Machinery	Furniture and fixtures	Total
Balance as at 1 April 2023	3	278	178	16	475
Additions	-	-	-	-	-
Depreciation for the year	-	181	79	1	261
Balance as at 31 March 2024	**3**	**97**	**99**	**15**	**214**
Balance as at 1 April 2024	3	97	99	15	214
Additions	-	1,164	-	-	1,164
Depreciation for the year	-	211	79	1	291
Balance as at 31 March 2025	**3**	**1,050**	**20**	**14**	**1,087**

Notes:

a. The Company has also taken on leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred Rs. 44 (previous year Rs. 47) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term is Rs. 397 (previous year Rs. 376).

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset (Contd.)

c. During the earlier year, following lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A.Limited Compound Pimpri, Pune, Maharashtra	-	Excel Prospho Chem (Sole Proprietors)	No	19 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in respect of eviction notice at District Court, Pune under the Public Premises Act 1971. Next hearing is expected to be in July 2025. Also refer to note 43(a) (iii) of the financial Statements.

Note 5: Intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2023	204	722	320	1,246
Additions - acquired	269	62	-	331
Disposals	-	-	-	-
Balance as at 31 March 2024	**473**	**784**	**320**	**1,577**
Balance as at 1 April 2024	473	784	320	1,577
Additions - acquired	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2025	**473**	**784**	**320**	**1,577**
Accumulated amortisation				
Balance as at 1 April 2023	185	671	316	1,172
Amortisation for the year	26	9	-	35
Disposals	-	-	-	-
Balance as at 31 March 2024	**211**	**680**	**316**	**1,207**
Balance as at 1 April 2024	211	680	316	1,207
Amortisation for the year	90	15	-	105
Disposals	-	-	-	-
Balance as at 31 March 2025	**301**	**695**	**316**	**1,312**
Carrying amounts (net)				
As at 31 March 2024	**262**	**104**	**4**	**370**
As at 31 March 2025	**172**	**89**	**4**	**265**

Note:

a. As at 31 March 2025, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2025	As at 31 March 2024
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.05 to 8 years
Technical know how	0 to 1 years	0 to 1 years

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Intangible assets and intangible assets under development *(Contd.)*

b. **Intangible assets under development**

	Computer Software	Product registrations	Total
Balance as at 1 April 2023	**-**	**100**	**100**
Additions	269	18	287
Disposals	-	-	-
Capitalisations	269	58	327
Balance as at 31 March 2024	**-**	**60**	**60**
Additions	7	37	44
Disposals	-	-	-
Capitalisations	-		-
Balance as at 31 March 2025	**7**	**97**	**104**

c. **Intangible assets under development ageing schedule as on 31 March 2025:**

Intangible assets under development#	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	37	15	-	45	97	Refer note (a) below
Computer Software	7	-	-	-	7	Refer note (b) below
Total	**44**	**15**	**-**	**45**	**104**	

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

Intangible assets under development#	Amount in intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	15	-	2	43	60	Refer note (a) below
Total	**15**	**-**	**2**	**43**	**60**	

Note:

(a) These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

(b) These projects are under implementation and expected to be completed in the near term basis which these will be capitalised as computer software.

#There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 6: Investments

A. Non- current investments

	As at 31 March 2025	As at 31 March 2024
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2024: 187) equity shares of Rs. 10 each fully paid-up	0.43	0.49
- Canara Bank 63 (31 March 2024: 63) equity shares of INR 10 each fully paid-up	0.28	0.37
	0.71	**0.86**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 6: Investments (Contd.)

	As at 31 March 2025	As at 31 March 2024
Unquoted equity shares		
Subsidiary companies (at cost)		
- SD Agchem (Europe) N.V. 16,612 (31 March 2024: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2024: 84,375) equity shares of INR 10 each fully paid-up	148	135
- Mohali Green Environment Private Limited 70,000 (31 March 2024: 70,000) equity shares of INR 10 each fully paid-up	8	8
- SVC Cooperative Bank Limited 100 equity shares (31 March 2024: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
	2,751	**2,738**
Impairment in value of investments		
Subsidiary Companies :		
- SD Agchem (Europe) N.V 16,612 (31 March 2024: 16,612) equity shares of Euro 615 each fully paid-up	2,595	2,595
	2,595	**2,595**
Total non-current investments	**157**	**144**
Aggregate book value of quoted investments ^	0.71	0.86
Aggregate market value of quoted investments ^	0.71	0.86
Aggregate value of unquoted investments	2,751	2,738
Aggregate amount of impairment in value of non-current investments	2,595	2,595

^ Value of investment is less than Rs. 1 lakh(previous year: less than Rs. 1 lakh).

B. Current investments

	As at 31 March 2025	As at 31 March 2024
Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
5569.34 (31 March 2024: 17335.77) units of INR 3,971.49 in Nippon India Mutual Fund.	222	641
29,723.54 (31 March 2024: 29,723.54) units of INR 14.94 in Bandhan Mutual Fund.	4	4
Total current investments	**226**	**645**
Aggregate book value of quoted investments	226	645
Aggregate market value of quoted investments	226	645

Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Security deposits	403	923	393	68
Deposits with remaining maturity of less than 12 months#	-	67	-	-
Deposits with remaining maturity of more than 12 months#	68	-	50	-
Interest receivable	-	16	-	26
Export incentive recoverable	-	154	-	173
Due from customer (refer note 53)	-	530	-	509
Recoverable from government authorities (Refund)	-	265	-	391
Other receivable (includes claim recoverable etc.)	-	153	-	151
	471	**2,108**	**443**	**1,318**

Refer note 40(b) for information about credit risk and market risk of other financial assets.

These deposits include restricted bank deposits Rs. 130 (31 March 2024: Nil) pledged as margin money.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 8: Other tax assets (net)

	As at 31 March 2025	As at 31 March 2024
Advance income-tax and tax deducted at source (net of provision of Rs. 1,988 (31 March 2024: Rs. 1,456)	442	649
	442	**649**

Note 9: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Capital advances		
- to others considered good	88	158
- Prepaid expenses	-	6
	88	**164**

Note 10: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2025	As at 31 March 2024
Raw materials	(a),(b)	9,838	6,353
Work-in-progress	(b)	4,064	3,230
Finished goods	(a),(b)	6,937	2,500
Stores and spares	(b)	1,114	982
Packing material	(b)	284	200
		22,237	**13,265**
Notes:			
(a) Includes goods-in-transit:			
- raw materials		1,843	626
- finished goods		2,477	550

(b) Refer note 19(C) for hypothecation of current assets against term loan.

Note 11: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Trade receivables	23,412	19,504
Trade receivables from related party (refer note 44)	1,787	1,304
Less: expected credit loss allowance	(66)	(85)
	25,133	**20,723**
Break-up of trade receivables:		
Trade receivable considered good - Secured	-	-
Trade receivable considered good - Unsecured	25,168	20,777
Trade receivable which have significant increase in credit risk	8	8
Trade receivable - credit impaired	23	23
Total	**25,199**	**20,808**
Less: expected credit loss allowance		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(35)	(54)
- Trade receivables which have significant increase in Credit risk	(8)	(8)
- Trade Receivables – credit impaired	(23)	(23)
Total trade receivables	**25,133**	**20,723**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 11: Trade receivables (Contd.)

Trade receivables ageing schedule:

As at 31 March 2025	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	5	17,080	6,969	551	437	-	126	25,168	35	25,133
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	**5**	**17,080**	**6,969**	**551**	**437**	**-**	**157**	**25,199**	**66**	**25,133**

As at 31 March 2024	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1,360	11,704	7,148	9	28	403	125	20,777	54	20,723
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-		-	-	-
Total	**1,360**	**11,704**	**7,148**	**9**	**28**	**403**	**156**	**20,808**	**85**	**20,723**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

Refer note 19(C) for hypothecation of current assets against term loan.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- Current accounts	1,264	602
Cash on hand	6	15
	1,270	**617**

Note 13: Bank balances other than above

	As at 31 March 2025	As at 31 March 2024
Deposit accounts with maturity of less than 12 months#	482	353
Balance in unclaimed dividend accounts	12	10
	494	**363**

#These deposits include restricted bank deposits Rs. 459 (31 March 2024: Rs. 290) pledged as margin money.

Note 14: Loans

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Advances recoverable from related party (refer note 44 and 48)				
- considered good	-	2,076	-	2,027
- considered doubtful	-	16	16	24
Less: expected credit loss allowance	-	(16)	(16)	(24)
Loans to employee	-	11	-	10
	-	**2,087**	**-**	**2,037**

Refer note 40(b) for information about credit risk and market risk of loans.

Refer note 19(C) for hypothecation of current assets against term loan.

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Recoverable from/ balances with government authorities		
- considered good	1,101	673
Advances for supply of goods and services	438	350
Export benefit receivable on advance license	320	204
Prepaid expenses	279	266
Contract assets	30	161
Others	1	2
	2,169	**1,656**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Assets classified as held for sale

	As at 31 March 2025	As at 31 March 2024
Assets classified as held for sale	30	30
	30	**30**

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2025. There is no impairment loss or cumulative income or expenses included in OCI in relation to the Asset Accordingly, in the earlier year the Asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

Note 17: Equity Share capital

(i) Details of share capital

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of Rs. 100 each	20,000	20	20,000	20
	1,98,20,000	**2,000**	**1,98,20,000**	**2,000**
Issued Shares				
Equity shares of Rs. 10 each	1,22,77,218	1,228	1,22,77,218	1,228
	1,22,77,218	**1,228**	**1,22,77,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	1,22,62,185	**1,226**	**1,22,62,185**	**1,226**

(ii) Reconciliation of number of shares outstanding at the beginning and end of the year

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

(iii) Rights, preference and restriction attached to shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

(iv) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 17: Equity Share capital *(Contd.)*

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2025

During the five years immediately preceding 31 March 2025, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

(vi) Promotors Shareholdings

S. no.	Promoter's name	As at 31 March 2025		As at 31 March 2024		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Salil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shraey Gupta	35,340	0.29	35,340	0.29	-
6	Ishika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
	Total	**48,08,890**	**39.22**	**48,08,890**	**39.22**	**-**

Note 18: Other equity

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010.

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Company has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The company transfers amounts there from to retained earnings when the relevant equity securities are derecognised.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings

A. Non-current borrowings

	Note	As at 31 March 2025	As at 31 March 2024
Secured			
From Banks			
Term loan	(a) & (b)	4,661	2,926
Working capital term loan (ECLGS Scheme)	(c)	1,156	1,500
Vehicle finance scheme	(d)	484	499
		6,301	**4,925**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(e)	1,625	1,632
		1,625	**1,632**
Total non current borrowings (including current maturities)		**7,926**	**6,557**
Less : Current maturities of non-current borrowings		1,828	1,301
		6,098	**5,256**

Notes:

(a) Term loan from SVC Co-operative Bank Ltd. amounting to Rs. 2,161 (31 March 2024: Rs. 2,926) carrying interest rate of 9.75% p.a. (31 March 2024: 10.85%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 34 (31 March 2024: 46) equal monthly installments.

(b) Term loan from HDFC Bank Ltd. amounting to Rs. 2,500 (31 March 2024: Nil) carrying interest rate of 8.75% p.a. (31 March 2024: Nil) is secured by First Pari Passu charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and First Pari Passu charge with SVC Co-operative Bank Ltd. on moveable fixed assets including plant and machinery situated at Derabassi, Punjab. The loan is repayable in 60 (31 March 2024: Nil) equal monthly installments.

(c) Working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to Rs. 1,156 (31 March 2024: Rs. 1,500) carrying interest rate of 9.25% p.a. (31 March 2024: 9.25%) is secured by 100% guarantee coverage from National Credit Guarantee Trustee Company Limited (NCGTC) and 2nd charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 36 (31 March 2024: 48) equal monthly installments.

(d) Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to Rs. 484 (31 March 2024: 499) carrying interest rate of 8.90% to 10.90% (31 March 2024: 8.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 24 to 54 (31 March 2024: 36 to 45) equal monthly installments.

(e) Inter-corporate deposits amounting to Rs. 1,625 (31 March 2024: INR 1,632) is carrying interest rate of 11.50% p.a (31 March 2024: 12.75% to 16.50% p.a).

B. Current borrowings

		As at 31 March 2025	As at 31 March 2024
Loans repayable on demand			
- from banks (secured)	(a), (b), (c)	7,767	5,501
Others			
- Current maturities of non-current borrowings		1,828	1,301
		9,595	**6,802**
		15,693	**12,058**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings *(Contd.)*

Notes:

(a) Cash credit amounting to Rs. 4,745 (31 March 2024: 3,995) from SVC Co-operative bank Ltd. carrying interest rate of 9.35% p.a. (31 March 2024: 9.90%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

(b) Working capital demand loan/ Cash credit amounting to Rs. 3,022 (31 March 2024: 1,506) from Yes Bank Ltd. carrying interest rate of 8.75% / 8.90% p.a. (31 March 2024: 8.85% p.a) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property of the Company (excluding SVC co-operative bank).

(c) Cash credit amounting to Rs. Nil (31 March 2024: Nil) from HDFC bank Ltd. carrying interest rate of 9.00% p.a. (31 March 2024: Nil) is secured by First Pari Passu charge with SVC Bank and Yes Bank on the current assets of the company (present and future), on movable fixed assets First Pari Passu with Yes Bank Ltd, present and future, by way of hypothecation on all movable fixed assets including plant and machinery situated at industrial plot/property situated at Lalru, Punjab and on factory land and building first Pari Passu with Yes Bank Ltd by way of EM/registered mortgage on land and building situated at Lalru, Punjab.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment	22,720	21,900
Inventory	22,237	13,265
Other current assets (including financial assets)	33,547	27,419
	78,504	**62,584**

Note 20: Lease liabilities

	As at 31 March 2025	As at 31 March 2024
Non-current		
Total non current lease liability (including current maturities)	1,096	225
Less : Current maturities of non-current lease liabilities	217	210
Total non current lease liability	**879**	**15**
Current		
Current maturities of non-current lease liabilities	217	210
	217	**210**

* Current and non-current classification of lease liabilities is based on contractual maturities.

Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period:

	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the period	**225**	**515**
Additions	1,164	-
Accreditation of interest	60	39
Payment of lease liabilities	(353)	(329)
Balance as at end of the period	**1,096**	**225**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Lease liabilities *(Contd.)*

(a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 3 to 5 years with no restriction placed upon the Company for entering into said lease.

(b) Lease from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.15 (31 March 2024 : Rs.73) carrying interest rate of 7.09% (31 March 2024: 7.09%) for purchase of machineries. The lease liabilities is repayable in 3 (31 March 2024 : 15) equal monthly instalments.

Information about leases for which the Company is a lessee is presented below:

(i) The following are the amounts recognised in statement of profit and loss:

	Year ended 31 March 2025	Year ended 31 March 2024
Interest on lease liabilities	60	39
Expenses relating to short-term leases	44	47
	104	**86**

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2025	As at 31 March 2024
Non-current lease liabilities	879	15
Current maturities of lease liabilities	217	210
	1,096	**225**

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 9.75% (previous year 11.25%)

(iv) As at 31 March 2025, the Company has a lease liability balance of Rs. 1,096 (previous year Rs. 225).

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2025	As at 31 March 2024
Less than one year	314	219
One to five years	1,048	16
Total	**1,362**	**235**

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.

(vi) There are no leases not yet commenced to which the Company is committed.

Note 21: Provisions

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 42)				
Liability for gratuity	854	283	816	355
Liability for compensated absences	426	219	410	193
	1,280	**502**	**1,226**	**548**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Deferred tax

	As at 31 March 2025	As at 31 March 2024
Deferred tax assets on account of:		
- Expenses allowable on payment basis	413	292
- Expected credit loss allowance	45	50
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	57	57
- Others	10	10
Deferred tax asset (A)	**531**	**415**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,283	1,152
- Right of use assets	54	54
Deferred tax liability (B)	**1,337**	**1,206**
Deferred tax (liability) (net) (A - B)	**(806)**	**(791)**

Movement in temporary differences:

2023-2024	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets:				
- Expenses allowable on payment basis	424	(141)	9	292
- Expected credit loss allowance	55	(5)	-	50
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	130	(73)	-	57
- Others	10	-	-	10
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,035)	(117)	-	(1,152)
- Right of use assets	(120)	66	-	(54)
	(530)	**(270)**	**9**	**(791)**

2024-2025	As at 1 April 2024	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2025
Deferred tax assets:				
- Expenses allowable on payment basis	292	112	9	413
- Expected credit loss allowance	50	(5)	-	45
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	57	(0)	-	57
- Others	10	-	-	10
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,152)	(131)	-	(1,283)
- Right of use assets	(54)	-	-	(54)
	(791)	**(24)**	**9**	**(806)**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 23: Other non-current liabilities

	As at 31 March 2025	As at 31 March 2024
Contractual Liabilities	-	7
	-	7

Note 24: Trade payables

	As at 31 March 2025	As at 31 March 2024
(a) Total outstanding dues of micro enterprise and small enterprises (Refer note 52)	1,078	553
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19,011	11,164
	20,089	**11,717**

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Trade payables ageing schedule as at 31 March 2025:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	475	595	7	1	-	1,078
Total outstanding dues of creditors other than micro enterprises and small enterprises	233	12,614	6,016	17	3	128	19,011
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**233**	**13,089**	**6,611**	**24**	**4**	**128**	**20,089**

Trade payables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	253	283	17	-	-	553
Total outstanding dues of creditors other than micro enterprises and small enterprises	184	7,077	3,712	16	63	112	11,164
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**184**	**7,330**	**3,995**	**33**	**63**	**112**	**11,717**

Also refer to note-52

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 25: Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
Unpaid dividend #	13	9
Interest bearing security deposits from customers	62	61
Security deposit from employees	42	31
Due to subsidiaries (refer note 44 and 48)	1,553	1,516
Due to customer (refer note 53)	1,107	1,063
Employee related liabilities	1,053	1,017
Capital creditors of micro enterprise and small enterprises (refer note 52)	248	35
Capital creditors other than micro enterprise and small enterprises	28	277
Others (includes interest provision for MSME vendor etc.)	288	254
	4,394	**4,263**

#not due for deposit to investor education and protection fund

Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Note 26: Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance from customers	39	93
Contractual Liabilities	-	118
Deferred government grant	2	2
Statutory dues	368	313
	409	**526**

Note 27: Current tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Provision for income tax (net of advance tax of Rs. 7,019 (31 March 2024: Rs. 9,335))	758	668
	758	**668**

Note 28: Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products		
Finished goods	85,759	86,509
Traded goods	592	914
Sale of services	1,734	3,461
Other operating revenues:		
Scrap sales	610	523
Export incentive	1,143	1,476
Product development charges	-	172
	89,838	**93,055**

Notes to the Standalone Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations *(Contd.)*

Revenue disaggregation by geography (location of destination of shipment) is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Geography:		
India	53,502	42,462
Outside India		
Europe (including united kingdom)	23,701	34,111
Japan	3,081	4,800
Israel	1,647	4,403
USA	1,336	379
Latin America	1,481	2,610
Others	3,337	2,119
Total	**88,085**	**90,884**

Information about major customers:

Revenue from 2 customer of the Company amounting to Rs. 42,549 (previous year: Rs. 38,469) and Rs. 5,968 (previous year: Rs. 12,725) respectively, constitute more than 10% of the total revenue of Company.

Changes in Unbilled revenue are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	1,360	891
Invoices raised during the year	(1,360)	(891)
Revenue recognised during the year (yet to be invoiced)	5	1,360
Balance at the end of the year	**5**	**1,360**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	88,145	90,925
Reductions towards variable consideration components*	(60)	(41)
Revenue recognised	**88,085**	**90,884**

*The reduction towards variable consideration comprises of trade discount.

Contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables	25,128	19,363
Trade receivables-Unbilled	5	1,360
Contract Liabilities- Current	39	93

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

Notes to the Standalone Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations *(Contd.)*

Timing of revenue recognition:

	Year ended 31 March 2025	Year ended 31 March 2024
Product transferred at a point in time	88,085	74,698
Products and services transferred over time	-	16,186
Revenue from contracts with customers	**88,085**	**90,884**

Note 29: Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on financial assets measured at amortised cost		
- on fixed deposits	37	20
- others	18	109
Amortization of contractual liabilities	-	31
Expected credit loss on trade receivables written back	19	-
Liability no longer required written back	10	20
Rental income	4	2
Gain on fair valuation of investments	31	33
Gain on sale of property, plant and equipment (net)	-	52
Others	2	10
	121	**277**

Note 30: Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Inventory of raw material at the beginning of the year	6,353	8,308
Add: Purchases of raw materials (chemicals)	62,222	53,326
Less: Inventory of raw material at the end of the year	(9,838)	(6,353)
	58,737	**55,281**

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Chemicals	307	271
	307	**271**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock		
Work-in-progress	3,230	4,175
Finished goods	2,500	3,247
Stock-in-trade	-	-
	5,730	**7,422**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade *(Contd.)*

	Year ended 31 March 2025	Year ended 31 March 2024
Less:		
Closing stock		
Work-in-progress	4,064	3,230
Finished goods	6,937	2,500
Stock-in-trade	-	-
	11,001	**5,730**
	(5,271)	**1,692**

Note 33: Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	8,030	7,544
Contribution to provident and other funds	899	682
Staff welfare expenses	580	556
	9,509	**8,782**

Note 34: Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense on financial liabilities measured at amortized cost	1,643	1,511
Interest expenses on lease liabilities	60	39
Other borrowing cost (delay in custom duty payments,delay in MSME vendor payment, income tax provision, etc.)	80	370
	1,783	**1,920**

Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment	3	2,084	1,920
Depreciation of right of use assets	4	291	261
Amortization of intangible assets	5	105	35
		2,480	**2,216**

Note 36: Other expense

	Year ended 31 March 2025	Year ended 31 March 2024
Stores and spares consumed	397	312
Power and fuel	6,403	6,567
Repairs and maintenance	2,064	1,710
Sub-contracting charges	1,197	976
Rent	44	47
Rates and taxes	74	83
Insurance charges	247	247
Traveling and conveyance	799	767

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 36: Other expense *(Contd.)*

	Year ended 31 March 2025	Year ended 31 March 2024
Commission on sales	44	26
Packing expenses	645	771
Freight and handling expenses	1,335	1,117
Job work expenses	228	299
Legal and professional fees (refer note (a) below)	458	528
Charity and donations (other than political parties)	10	20
Corporate Social Responsibility expenditure (refer note 46)	182	181
Advances written off	24	19
Property, plant and equipment written off	16	45
Loss on sale of plant, property and equipment (net)	2	-
Marketing and promotional expenses	232	248
Exchange loss on foreign exchange fluctuations	79	49
Pollution control expenses	718	443
Factory Maintenance and housing charges	315	278
Quality control expenses	171	167
IT and communication expenses	144	122
Miscellaneous expenses	803	778
	16,631	**15,800**

(a) Payments to the statutory auditor (excluding taxes as applicable):

	Year ended 31 March 2025	Year ended 31 March 2024
As auditor		
Statutory audit	29	27
Limited review	16	15
Others	9	6
Reimbursement of expenses	2	2
	56	**50**

Note 37: Exceptional item

		Year ended 31 March 2025	Year ended 31 March 2024
Litigation settlements	(a)	418	-
		418	**-**

(a) During the year, the Company has received demand order from Department of Goods and Services tax (Government of Maharashtra) office of the Dy. commissioner of state tax relating to FY 2019-20 of Rs. 769 including interest and penalty on account of non-payment of Goods and Service Tax on transfer of leasehold right by the Company in that year. Company, after taking view of the their legal counsel has decided to avail benefit of Amnesty Scheme u/s 128A of CGST Act, 2017 and paid Rs. 418 towards full and final settlement of the above demand order. Considering the amount being material for the interim period, the same has been shown as exceptional item in the statement of profit and loss account.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 38: Tax expense

a) Amount recognized in statement of profit and loss

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax:		
- Current year	1,374	1,655
- Adjustments in respect of current tax of previous year	(11)	-
	1,363	**1,655**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	25	270
	25	**270**
Total tax expense recognised	**1,388**	**1,925**

b) Reconciliation of effective tax rate

	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before income tax	**5,365**	**7,370**
Tax at India's statutory tax rate of 25.168% (31 March 2024: 25.168%)	1,350	1,855
Effect of expense that are non-deductible expenses in determining taxable profits	50	50
Effect of change in estimate related to previous year	(11)	-
Others	(1)	20
Income tax expense recognised in the statement of profit and loss	**1,388**	**1,925**

c) Income tax expense recognised in other comprehensive income

	Year ended 31 March 2025	Year ended 31 March 2024
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	12	11
Equity investments through other comprehensive income- net change in fair value	(3)	(2)
Total income tax recognised in other comprehensive income	**9**	**9**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	9
	9	**9**

Note 39: Earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
Profit after tax for basic and diluted EPS per share	3,977	5,445
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of Rs. 10 each)	**32.44**	**44.41**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (a) : Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2025			As at 31 March 2024		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets								
Non current								
Investment in quoted equity shares	(a)	1	-	-	0.71	-	-	0.86
Investment in unquoted equity shares - Others	(a)	3	-	-	156	-	-	143
Other financial assets	(b)		-	471	-	-	443	-
Current								
Investment	(a)	1	226	-	-	645	-	-
Trade receivables	(c)		-	25,133	-	-	20,723	-
Cash and cash equivalents	(c)		-	1,270	-	-	617	-
Other bank balances	(c)		-	494	-	-	363	-
Loans	(c)		-	2,087	-	-	2,037	-
Other financial assets	(c)		-	2,108	-	-	1,318	-
Total financial assets			**226**	**31,563**	**157**	**645**	**25,501**	**144**
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(d)		-	7,926	-	-	6,557	-
Lease liability	(d)			879			15	
Current								
Borrowings	(c)		-	7,767	-	-	5,501	-
Lease liability				217			210	
Trade payables	(c)		-	20,089	-	-	11,717	-
Other financial liabilities	(c)		-	4,394	-	-	4,263	-
Total financial liabilities			**-**	**41,272**	**-**	**-**	**28,263**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	143	137
Re-measurement recognized in OCI	13	6
Balance at the end of the year	**156**	**143**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b) : Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024
- Investments	383	789
- Trade receivables	25,133	20,723
- Cash and cash equivalents	1,270	617
- Other bank balances	494	363
- Loans	2,087	2,037
- Other financial assets	2,579	1,761

Trade receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

The Company's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Within India	17,265	12,396
Outside India	7,868	8,327

The carrying amount of the Company's most significant customer is Rs. 8,998 (31 March 2024: Rs. 8,374).

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b) : Financial risk management *(Contd.)*

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross carrying amount	Expected credit loss allowance	Carrying amount
31 March 2025			
Less than 6 Months	24,054	-	24,054
More than 6 Months	1,146	66	1,080
	25,200	**66**	**25,134**
31 March 2024			
Less than 6 Months	20,212	-	20,212
More than 6 Months	596	85	511
	20,808	**85**	**20,723**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as at the beginning of the year	85	103
Provision made during the year	-	-
Amounts written back	(19)	(18)
Balance as at the end of the year	**66**	**85**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 1,270 at 31 March 2025 (31 March 2024: Rs.617). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Company will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Contractual Cash Flows				
	Carrying Amount	**Total**	**Less than 1 year**	**1 to 5 years**	**> 5 years**
As at 31 March 2025					
Borrowings (including current maturities)	15,693	15,707	9,600	6,107	-
Lease liabilities	1,096	1,362	314	1,048	
Trade and other payables	20,089	20,089	19,933	156	-
Other financial liabilities	4,394	4,394	4,394	-	-
	41,272	**41,552**	**34,241**	**7,311**	**-**
As at 31 March 2024					
Borrowings (including current maturities)	12,058	12,077	6,807	5,270	-
Lease liabilities	225	235	219	16	
Trade and other payables	11,717	11,717	11,717	-	-
Other financial liabilities	4,263	4,263	4,263	-	-
	28,263	**28,292**	**23,006**	**5,286**	**-**

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

A reasonably possible change of 0.50% in raw material prices during the year would have affected the profit or loss by the amounts shown below.

Particulars	Profit or Loss		Equity, net of tax	
	Increased	**Decreased**	**Increased**	**Decreased**
Year ended 31 March 2025	295	(295)	220	(220)
Raw material price (0.50% movement)				
Year ended 31 March 2024	278	(278)	207	(207)
Raw material price (0.50% movement)				

(b) Interest rate risk

Interest rate risk is the risk that the 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 borrowings with floating interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2025	As at 31 March 2024
Fixed rate borrowings	7,940	6,576
Floating rate borrowings	7,767	5,501
Total borrowings (gross of transaction cost)	**15,707**	**12,077**

Interest rate sensitivity analysis

A reasonably possible change of 0.50% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2025				
Interest rate (0.5% movement)	39	(39)	10	(10)
Year ended 31 March 2024				
Interest rate (0.5% movement)	28	(28)	7	(7)

c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Company's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in indian currency	Amount in foreign currency	Amount in indian currency	Amount in foreign currency
Trade receivable	EUR	2,055	22	2,879	32
	USD	6,045	71	4,550	55
	GBP ^	-	-	18	0
Trade payable	EUR	113	1	108	1
	USD	3,579	42	3,223	39
Advances recoverable from related party	EUR	2,076	22	2,018	22
Due to subsidiaries	EUR	1,553	17	1,516	17

^ amount is less than Rs. 1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2025 and 31 March 2024 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (2% movement)	(49)	49	(37)	37
EURO (2% movement)	(49)	49	(37)	37
GBP (2% movement)	-	-	-	-
31 March 2024				
USD (2% movement)	(26)	26	(20)	20
EURO (2% movement)	(66)	66	(49)	49
GBP (2% movement)	(0)	0	(0)	0

Note 41: Capital management

(i) Risk management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's debt to equity ratio was as follows.

	As at 31 March 2025	As at 31 March 2024
Total debt	15,693	12,058
Total equity	38,434	34,849
Debt to equity ratio	**0.41**	**0.35**

(ii) Dividends

	Year ended 31 March 2025	Year ended 31 March 2024
Final dividend for the year ended 31 March 2024 of Rs. 3.00 (31 March 2023: Rs. 3.00) per fully paid equity share *	368	368
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 3.00 (31 March 2024: Rs. 3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2025	As at 31 March 2024
Non-current		
Liability for gratuity	854	816
Liability for leave encashment	426	410
	1,280	**1,226**
Current		
Liability for gratuity	283	355
Liability for leave encashment	219	193
	502	**548**
	1,782	**1,774**

For details about the related employee benefit expenses, refer to note 33.

B. Defined contribution plan

a. Provident fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2025	Year ended 31 March 2024
Amounts included in contribution to provident and other funds (refer note 33)		
Provident Fund	505	451
Superannuation Fund	223	202
ESI contribution	29	29
Gratuity fund (contribution to LIC)	142	-
	899	**682**

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

(a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

Particulars	As at 31 March 2025	As at 31 March 2024
b) Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	2,285	2,180
Interest cost	165	161
Current service cost	140	137
Past service cost	-	-
Benefits paid	(330)	(236)
Actuarial loss/(gain) recognised in other comprehensive income		
- from changes in financial assumptions	36	20
- from changes in demographic assumptions	-	-
- from experience adjustments	6	23
Balance at the end of the year	**2,302**	**2,285**
c) Reconciliation of the present value of plan assets		
Balance at the beginning of the year	1,115	392
Expected Interest Income	77	28
Contributions paid by the employer	223	879
Benefits paid	(250)	(184)
Balance at the end of the year	**1,165**	**1,115**

Particulars	As at 31 March 2025	As at 31 March 2024
d) Amount recognized in statement of profit and loss		
Total service cost	140	137
Interest cost on benefit obligation	85	132
Amount recognized in statement of profit and loss	**225**	**269**
e) Remeasurements recognised in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	42	43
Loss on plan assets (excluding interest income)	4	1
Total Actuarial loss for the year	**46**	**44**

f) Plan assets

100% of the plan assets are managed by LIC

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

g) Actuarial assumptions

(i) Economic assumptions: The principal assumptions arc the discount rate and salary growth rate The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	6.98%	7.23%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.04	17.93

(ii) Demographic assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(71)	75	(67)	71
Future salary growth rate (0.5% movement)	73	(70)	69	(66)
Attrition rate (0.5% movement)	6	(6)	6	(6)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2025	As at 31 March 2024
Within 1 year	283	355
1-2 year	243	202
2-3 year	233	218
3-4 year	245	205
4-5 year	189	223
5-10 years	1,111	1,082

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2025	As at 31 March 2024
Weighted average duration of the defined benefit plan (in years)	14.50	14.36
Expected employers contribution for next year	242	234

Note 43: Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the company not acknowledged as debts

	Note	As at 31 March 2025	As at 31 March 2024
Income Tax matters	(i)	1,265	1,255
Sales tax matters		11	11
Service tax matters		1	1
GST matters	(ii)	598	-
		1,875	**1,267**

Notes:

(i)

Assessment Year	Remarks	As at 31 March 2025	As at 31 March 2024
2008-09	The case is pending with ITAT	18	44
2009-10	The case is pending with ITAT	298	299
2013-14	The case is pending with CIT(A)	21	25
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	113	121
2016-17	The case is pending with CIT(A)	4	12
2017-18	The case is pending with ITAT	684	640
2018-19	The case is pending with CIT(A)	65	52
		1,265	**1,255**

(ii) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled on 20 May 2025.

Further, on 1 May 2023, the Company had received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of Rs 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company has obtained the stay from high court for further action by office of central goods and service tax commissioner.

The Company believes, basis legal advice/ Kerala High Court Judgement, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the earlier year.

During the current year, central government has issued a circular in which it is clarified that Exporters who have taken the refund in contravention of rule 96(10) of CGST rules can now pay the GST amount on concerned imports along with interest and in that case the refund already taken under rule 96(10) will not be considered as non compliance of GST rules. Considering the above circular, the company based on its best estimate computed the interest liability of Rs. 598 as at year end in case there is adverse high court ruling in order to regularise the refund taken of INR 4,496 as per GST rules.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Contingent liabilities and commitments (to the extent not provided for) *(Contd.)*

(iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal in the Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be on 28 July 2025. While the management expects there could be considerable delay in final settlement of the matter and on settlement if decided in the favour of plantif there will be reasonable amount of time allowed to shift the facility or to negotiate commercial settlement with the lessor. Therefore management does not expect significant financial implications at this stage and will be able to make alternate arrangements to mitigate business disruptions, if any.

(b) Other Commitments

	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	265	210

Notes:

(1) The Company has extended comfort letters to provide continued financial support to its wholly-owned subsidiary to ensure that the subsidiary is able to meet its debts, commitments and liabilities as they fall due and it continues as going concerns.

SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary entered into a settlement agreement dated 11 December 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders') (erstwhile step down subsidiary till September 2017). Under the terms of settlement, a total consideration of INR 1,483 was to be paid by SD Agchem (Europe) NV to the ex- shareholders. Consequential to the same, the Board of Directors had on 14 December 2023 provided guarantee on behalf of SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary to secure the payment obligations of SD Agchem (Europe) NV upto an amount not exceeding Rs.1500 in relation to the settlement agreement. SD Agchem (Europe) NV had paid a sum of Rs. 1,148 till 31 March 2024 and during the current year the SD Agchem has paid remaining balance of Rs. 335 and payment of guarantee has been fulfilled.

Note 44: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Subsidiary	S D Agchem (Europe) NV

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Entities in which KMP's are interested	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil ShashiKumar Shroff HUF
	Akola Chemicals India Limited
Key managerial personnel	Mr. Shalil ShashiKumar Shroff (Managing Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Mr. Ashish Ramdas Nayak (Chief Financial Officer) (upto 31 January 2025)
	Mr. Vikash Khanna (Chief Financial Officer) (w.e.f. 26th March, 2025)
	Mrs. Rishu Chatley (Company Secretary & Compliance officer)
	Mr. Sheo Prasad Singh (Non Executive Independent Director)
	Mrs. Aruna Rajendra Bhinge (Non Executive Independent Director)

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Related party disclosures *(Contd.)*

Description of Relationship	Name of the Party
	Mrs Tara Subramaniam (w.e.f. 3 August 2023) (Non Executive Independent Director)
	Mr Mukesh Dahyabhai Patel (Non Executive Non-Independent Director)
	Mr. Vijay Dilbagh Rai (Non Executive Non-Independent Director)
	Mr. Shivshankar Shripal Tiwari (Non Executive Non-Independent Director)
	Mr. Avtar Singh (Non Executive Non-Independent Director)
	Capt. Surjit Singh Chopra (Retd.) (Non Executive Non-Independent Director)
Relatives of key managerial personnel	Ms. Malvika Shraey Gupta
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2025	Year ended 31 March 2024
a. Sale of goods			
SD Agchem (Europe) N.V.	Subsidiary	1,943	2,259
Akola Chemicals India Limited	Entities in which KMP's are interested	118	23
b. Payment of lease liabilities			
Shroff Family Master Trust	Entities in which KMP's are interested	225	208
Salil ShashiKumar Shroff HUF	Entities in which KMP's are interested	18	15
Ms. Malvika Shraey Gupta	Relatives of key managerial personnel	61	59
c. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	182	210
d. Financial Guarantee Income #			
SD Agchem (Europe) N.V.	Subsidiary	-	7
e. Debtors written off			
Akola Chemicals India Limited	Entities in which KMP's are interested	-	2
f. Employee benefits paid			
Short term employee benefits			
Mr. Shalil ShashiKumar Shroff	Key Managerial Personnel	301	260
Mr. Vinod Kumar Gupta *	Key Managerial Personnel	447	256
Mr. Ashish Ramdas Nayak	Key Managerial Personnel	82	86
Mr. Vikash Khanna	Key Managerial Personnel	2	-
Mrs. Rishu Chatley	Key Managerial Personnel	27	21
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	23	18
* A Performance-based incentive linked to the appreciation of the company's share price was awarded in the earlier year. The pay-out of which will happen in two tranches. The valuation of this incentive is conducted using a Monte-Carlo Simulation model. In the current year, the first tranche of the incentive, amounting to Rs. 145 was paid. Additionally, the second tranche, amounting to Rs. 27 has been accrued.			
g. Commission			
Executive Directors	Key Managerial Personnel	85	100
Non Executive Directors	Key Managerial Personnel	42	61
h. Sitting Fees			
Non Executive Directors	Key Managerial Personnel	15	17
i. Legal & Professional			
Mr. Shivshankar Shripal Tiwari	Non Executive Non-Independent Director	16	-
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	42	42

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Related party disclosures *(Contd.)*

#During the previous year, the Board of Directors of the company had approved an investment of upto Rs 1500 into SD Agchem (Europe) NV, a 100% Wholly Owned Subsidiary and is also extending guarantee towards payment obligations of SD Agchem (Europe) upto an amount not exceeding INR.1500 lakhs in relation to a settlement agreement dated 11 December 2023 with ex-shareholders of Sintesis Quimica S.A.I.C, Argentina (erstwhile shareholders') (erstwhile step down subsidiary till September 2017).

During the current year the Company has submitted the ODI form with AD Banker for approval of foreign remmittance in relation to proposed equity infusion. The approval is still awaited as on 31 March 2025.

Break-up of compensation of key managerial personnel of the Company	Year ended 31 March 2025	Year ended 31 March 2024
Short-term employee benefits	985	623
Post-employment benefits	32	14
Total	**1017**	**637**

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2025	As at 31 March 2024
Other financial liabilites*			
SD Agchem (Europe) N.V.	Subsidiary	1,553	1,516
Trade receivables			
SD Agchem (Europe) N.V.	Subsidiary	1,787	1,304
Advances given*			
SD Agchem (Europe) N.V.	Subsidiary	2,076	2,027
Borrowings (including accrued interest)			
Hemsil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	1,625	1,632
Security deposit from employees			
Mr. Shalil Shashikumar Shroff	Key managerial personnel	2	2
Commission payable to directors			
Executive Directors	Key managerial personnel	85	100
Non Executive Directors	Key managerial personnel	42	61
Employee related liabilities			
Executive Directors	Key managerial personnel	19	19
Chief Executive Officer	Key managerial personnel	27	-
Interest accrued and due on borrowings			
Hem-sil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	40	-
Legal and professional fees payable			
Mr. Shivshankar Shripal Tiwari	Non Executive Non-Independent Director	15	-
Ms. Sonal Tiwari	Relatives of key managerial personnel	4	-

*repayable on demand on net basis

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31-Mar-25	31-Mar-24
Current assets	55,754	40,654
Current liabilities	35,964	24,734
Ratio	**1.55**	**1.64**
% Change from previous year	**-5.68%**	

Reason for change more than 25%: NA

b) Debt equity ratio = Debt divided by total shareholder's equity

Particulars	31-Mar-25	31-Mar-24
Debt	15,693	12,058
Total equity	38,434	34,849
Ratio	**0.41**	**0.35**
% Change from previous year	**18.00%**	

Reason for change more than 25%: NA

c) Debt service coverage ratio = Earnings available for debt services divided by debt services

Particulars	31-Mar-25	31-Mar-24
Profit after tax	3,977	5,445
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	2,480	2,216
- Finance costs	1,783	1,920
- PPE written off	16	45
- Advance written off	24	19
Earnings available for debt services	**8,280**	**9,645**
Debt Services		
Interest and lease payments	261	257
Principal repayments	1,828	1,301
Interest on Borrowings	1,703	1,550
Total Debt Services	**3,792**	**3,108**
Ratio	**2.18**	**3.10**
% Change from previous year	**-29.63%**	

Reason for change more than 25%:

The ratio has decreased from 3.10 in March 2024 to 2.18 in March 2025 mainly due to decrease in profit.

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31-Mar-25	31-Mar-24
Net profit after tax	3,977	5,445
Average shareholder's equity	36,642	32,325
Ratio	**10.85%**	**16.84%**
% Change from previous year	**-35.55%**	

Reason for change more than 25%:

The ratio has decreased from 16.84% in March 2024 to 10.85% in March 2025 mainly due to decrease in profit.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Ratio Analysis *(Contd.)*

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	89,838	93,055
Average inventory	17,751	15,045
Ratio	**5.06**	**6.19**
% Change from previous year	**-18.18%**	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	89,838	93,055
Average trade receivables	22,928	17,537
Ratio	**3.92**	**5.31**
% Change from previous year	**-26.16%**	

Reason for change more than 25%:

The ratio has decreased from 5.31 in March 2024 to 3.92 in March 2025 mainly due to decrease in revenue and increased in trade receivables.

g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31-Mar-25	31-Mar-24
Net purchases	62,529	53,597
Other expenses*	16,244	15,403
Total	**78,773**	**69,000**
Average trade payables	15,903	12,758
Ratio	**4.95**	**5.41**
% Change from previous year	**-8.41%**	

Reason for change more than 25%: NA

* Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation:

Corporate Social Responsibility expenditure	182	181
Expected credit loss on trade receivables and advances	-	-
Property, plant and equipment written off	16	45
Rates and taxes	74	83
Director's sitting fees	-	-
Commission to director	-	-
Charity and donations (other than political parties)	10	20
Loss on sale of plant, property and equipment (net)	2	-
Exchange loss on foreign exchange fluctuations	79	49
Advances written off	24	19
Total	**387**	**397**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 45: Ratio Analysis *(Contd.)*

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	89,838	93,055
Working Capital (Total current assets minus total current liabilities)	19,790	15,920
Ratio	**4.54**	**5.85**
% Change from previous year	**-22.34%**	

Reason for change more than 25%: NA

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31-Mar-25	31-Mar-24
Net profit/ (loss) after tax	3,977	5,445
Sale of goods (Net Sales)	89,838	93,055
Ratio	**4.43%**	**5.85%**
% Change from previous year	**-24.33%**	

Reason for change more than 25%:

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31-Mar-25	31-Mar-24
Profit before tax	5,365	7,370
Add: Finance costs	1,783	1,920
EBIT	**7,148**	**9,290**
Total assets	83,461	66,877
Less: Total liabilities	(45,027)	(32,029)
Other intangible assets	(265)	(370)
Tangible net worth	**38,169**	**34,479**
Total Debt	15,693	12,058
Deferred tax liability	806	791
Capital employed	**54,668**	**47,327**
Ratio	**13.08%**	**19.63%**
% Change from previous year	**-33.38%**	

Reason for change more than 25%:

The ratio has decreased from 19.63%% in March 2024 to 13.08% in March 2025 mainly due to decrease in profit and increased in trade receivables.

Note 46: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	As at 31 March 2025	As at 31 March 2024
a) Gross amount required to be spent by the Company during the year	181	178
b) Amount approved by the Board to be spent during the year	181	178
c) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(ii) On purpose other than (i) above	182	181
d) Excess/ (Shortfall) at the end of the year	1	3

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Corporate Social Responsibility *(Contd.)*

	As at 31 March 2025	As at 31 March 2024
e) Total of previous years shortfall	-	-
f) Details of related party transactions	-	-
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-
h) Reason for shortfall:		
i) Nature of CSR Activities:		
i) Eradicating poverty including health care facilities	43	47
ii) Promoting education	116	118
iii) Rural development projects	23	16

Note 47: Segment Information

The Executive Management Committee (Board of Director and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Company has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2025

	Sale of goods *	Sale of services *	Non current assets#
India	51,768	1,734	26,975
Outside India			
Europe (including united kingdom)	23,701	-	-
Japan	3,081	-	-
Israel	1,647	-	-
USA	1,336	-	-
Latin America	1,481	-	-
Others	3,337	-	105
Total	**86,351**	**1,734**	**27,080**

Year ended 31 March 2024

	Sale of goods *	Sale of services *	Non current assets#
India	39,001	3,461	25,569
Outside India			
Europe (including united kingdom)	34,111	-	-
Japan	4,800	-	-
Israel	4,403	-	-
USA	379	-	-
Latin America	2,610	-	-
Others	2,119	-	68
Total	**87,423**	**3,461**	**25,637**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 47: Segment Information *(Contd.)*

B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 42,549 (previous year: Rs. 38,469) and Rs. 5,968 (previous year: Rs. 12,725) respectively, constitute more than 10% of the total revenue of Company.

Note 48:

As at 31 March 2025, the Company has certain advances recoverable from its wholly owned subsidiary, located outside India, amounting to Rs. 2,076 (previous year Rs. 2,027) against expenses incurred on its behalf and certain dues towards it amounting to Rs. 1,553 (previous year Rs. 1,516)."

The Company is in the process of submitting application with AD Bankers for obtaining approval for settlement/adjustment of these old outstanding receivable and payable. Based on legal opinion obtained management believes exposure of interest and penalty under FEMA regulation is remote.

Note 49: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2025	As at 31 March 2024
Investments:		
(i) Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0.43	0.49
Maximum amount outstanding at any time during the year ^	0.43	0.49
(ii) Investment in equity shares: Syndicate Bank Limited merged with Canara Bank		
Balance as at the year end ^	0.28	0.37
Maximum amount outstanding at any time during the year ^	0.28	0.37
(iii) Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	148	135
Maximum amount outstanding at any time during the year	148	135
(iv) Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	8	8
Maximum amount outstanding at any time during the year	8	10

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 50: The Company has filed quarterly statement of current assets with banks and these are in agreement with books of account for all three quarters in the current year and all four quarters of previous year. The statements of fourth quarter in current financial year was not yet due.

Note 51: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 52: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under :

Particulars	As at 31 March 2025	As at 31 March 2024
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	1326	588
- Interest	10	9
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	80	62
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	254	236
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	254	236

Note 53:

The Company had certain unsettled "advance from customer", "trade payable" and "trade receivables" from an overseas customer which have been outstanding since earlier years. During the earlier year, as a result of product registration regulatory issues faced by the customer, the Company and the customer had preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to Rs. 1,107 (restated in current year) (previous year: Rs. 1,063), previously shown as other current liabilities, was classified as ""other financial liabilities"". Consequentially, during the earlier year, the Company had also recognised Rs. 284 as settlement income (net of certain expenses aggregating to Rs 225 already incurred pursuant to the original contract of supply) within other operating income and had set up a recoverable of Rs. 530 (restated in current year) (previous year: Rs. 509) as ""other financial assets"". Further in earlier years the company had supplied goods and against which trade receivables of Rs. 420 (restated in the current year) (previous year Rs. 403) is outstanding as at the year end.

In view of the settlement agreement made during the earlier year, the Company had filed applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

Further during the current year, the company has obtained legal opinion on exposure of interest and penalty as per FEMA regulation. As per opinion, the possibility of imposition of penalty and interest is remote.

Particulars	31-Mar-25	31-Mar-24
Other financial liabilities	1,107	1,063
Other financial assets	530	509
Trade receivables	420	403
Net Payable	**157**	**151**

Notes to the Standalone Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 54:

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vi) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(ix) The Company including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

Note 55: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Anurag Maheshwary
Partner
Membership No. : 506533

Mukesh D Patel
Chairman
DIN: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive officer

Rishu Chatley
Company Secretary &
Compliance officer
Membership No. : 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Gurugram
Date: 30 April 2025

Place: Mumbai
Date: 30 April 2025

Independent Auditor's Report

To
The Members of
Punjab Chemicals and Crop Protection Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Punjab Chemicals and Crop Protection Limited** (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

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.

Key audit matter

See Note 2(h) and 28 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue from sales of products and services when control over goods is transferred/ services are rendered to customer based on specific terms and conditions of contracts entered into with respective customers. We have identified recognition of revenue as a key audit matter as:- • revenue is a key performance indicator; and	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the compliance of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design, implementation and operating effectiveness of key financial controls with respect to revenue recognition on selected transactions.

The key audit matter	How the matter was addressed in our audit
• there is a presumed fraud risk of revenue being overstated through manipulation of the timing and amount of revenue recognized due to pressures to achieve performance targets as well as meeting external expectations.	• We performed substantive testing by obtaining independent confirmations of transactions from certain customers selected on quantitative and qualitative basis to verify accuracy and existence of the revenue being recognized in the correct accounting period. Further for remaining population, we performed substantive testing by using statistical sampling for revenue transactions recorded during the financial year. For such samples, verified the underlying documents, including customer purchase orders, invoices, gate outward register, customer acceptances, shipping documents (as applicable) and subsequent receipts in the bank statements (where applicable) to assess whether these are recognized accurately in the appropriate period in which control is transferred or services are provided. • We tested journals posted to revenue ledger selected based on specified risk-based criteria to identify unusual items. • We tested, on a sample basis which are selected based on statistical sampling with respect to discounts and returns to assess whether these have been recorded accurately in the relevant period. • We selected specific samples for revenue transactions recorded during specified period around the year end date and checked whether revenue has been recognised in the correct reporting period by examining the underlying documents and terms of arrangement. • We assessed the adequacy of presentation and disclosures in the financial statements with respect to the requirement of applicable financial reporting framework including Ind AS 115.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 461 lakhs as at 31 March 2025, total revenues (before consolidation adjustments) of Rs. 2,179 lakhs and net cash flows inflow (before consolidation adjustments) amounting to Rs. 3 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

b. The above subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which has been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 43(a) to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.

   c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2025.

d. (i) The management of the Holding Company represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 52 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 52 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 41(ii) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of accounts including third party software used for payroll process, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded except, that audit trail (edit log) facility at the application layer for certain fields/ tables relating to accounting software was not enabled during the period April to September 2024. Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention except for the period where audit trail was not enabled.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIY8515

Place: Gurugram
Date: 30 April 2025

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by its auditor report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Sub sidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1.	Punjab Chemicals and Crop Protection Limited	L24231PB1975 PLC047063	Holding Company	(i) (c) and (vii)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIY8515

Place: Gurugram
Date: 30 April 2025

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Punjab Chemicals and Crop Protection Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Punjab Chemicals and Crop Protection Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibilities for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Anurag Maheshwary
Partner
Membership No.: 506533
ICAI UDIN:25506533BMOUIY8515

Place: Gurugram
Date: 30 April 2025

Consolidated Balance Sheet

as at 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Note	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,791	23,026
Right of use assets	4	1,087	214
Capital work-in-progress	3	1,302	1,154
Intangible assets	5	454	370
Intangible assets under development	5	104	60
Financial assets			
- Investments	6	157	144
- Other financial assets	7	482	454
Other tax assets (net)	8	442	649
Other non-current assets	9	88	164
Total non-current assets		**27,907**	**26,235**
Current assets			
Inventories	10	22,237	13,265
Financial assets			
- Investments	6	226	645
- Trade receivables	11	23,537	19,743
- Cash and cash equivalents	12	1,298	643
- Bank balances other than above	13	494	363
- Loans	14	11	10
- Other financial assets	7	2,108	1,318
Other current assets	15	2,212	1,727
		52,123	**37,714**
Assets held for sale	16	30	30
Total current assets		**52,153**	**37,744**
Total assets		**80,060**	**63,979**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,226	1,226
Other equity	18	35,245	31,790
Total equity		**36,471**	**33,016**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	6,098	5,256
- Lease liabilities	20	879	15
Provisions	21	1,280	1,226
Deferred tax liabilities (net)	22	806	791
Other non-current liabilities	23	-	7
Total non-current liabilities		**9,063**	**7,295**
Current liabilities			
Financial liabilities			
- Borrowings	19	9,595	6,802
- Lease liabilities	20	217	210
- Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises	24	1,078	553
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	19,030	11,261
- Other financial liabilities	25	2,841	3,076
Other current liabilities	26	409	526
Provisions	21	502	548
Current tax liabilities (net)	27	854	692
Total current liabilities		**34,526**	**23,668**
Total liabilities		**43,589**	**30,963**
Total equity and liabilities		**80,060**	**63,979**

Material accounting policies	2.1
Notes to the consolidated financial statements	3-55

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Place: Mumbai
Date: 30 April 2025

Rishu Chatley
Company Secretary
& Compliance officer
Membership No. 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer

Place: Derabassi

Consolidated Statement of Profit and Loss

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Particulars	Note	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from operations	28	90,052	93,423
Other income	29	143	270
Total income		**90,195**	**93,693**
EXPENSES			
Cost of material consumed	30	58,737	55,281
Purchases of stock-in-trade	31	307	271
Changes in inventories of finished goods, stock-in- trade and work-in progress	32	(5,271)	1,692
Employee benefits expense	33	9,509	8,782
Finance costs	34	1,783	2,084
Depreciation and amortisation expense	35	2,504	2,216
Other expenses	36	16,851	16,059
Total expenses		**84,420**	**86,385**
Profit before tax and exceptional item		**5,775**	**7,308**
Exceptional items	37	418	-
Profit before income tax		**5,357**	**7,308**
Tax expense	38		
Current tax		1,439	1,680
Deferred tax charge / (credit)		25	270
Total tax expense		**1,464**	**1,950**
Profit for the year		**3,893**	**5,358**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		(46)	(44)
- Fair value change on equity investments through other comprehensive income		13	6
Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit (asset)		12	11
- Fair value change on equity investments through other comprehensive income		(3)	(2)
Items that will be reclassified subsequently to profit or loss:			
- Exchange difference in translating financial statements of foreign operations		(46)	(7)
Other comprehensive (loss) for the year (net of tax)		**(70)**	**(36)**
Total comprehensive income for the year		**3,823**	**5,322**
Earnings per equity share [nominal value of Rs. 10 (previous year Rs. 10)]	39		
Basic (Rs.)		31.75	43.70
Diluted (Rs.)		31.75	43.70

Material accounting policies	2.1
Notes to the consolidated financial statements	3-55

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Place: Mumbai
Date: 30 April 2025

Rishu Chatley
Company Secretary
& Compliance officer
Membership No. 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer

Place: Derabassi

PUNJAB CHEMICALS AND CROP PROTECTION LTD.

Consolidated Statement of Cash Flow

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2025	Year ended 31 March 2024
A. Cash flow from operating activities		
Profit before tax	**5,357**	**7,308**
Adjustments for:		
Depreciation and amortization expense	2,504	2,216
Liability no longer required written back	(10)	(20)
Interest income	(55)	(129)
Amortization of contractual liabilities	-	(31)
Finance cost	1,783	2,084
Unrealised foreign exchange (gain) (net)	(38)	(16)
Advances written off	24	19
Loss/(Gain) on sale of property, plant and equipment (net)	2	(52)
Gain on fair valuation of investments	(31)	(33)
Property, plant and equipment written off	16	45
Rental income	(4)	(2)
Expected credit loss on trade receivable written back	(19)	-
Operating cash flow before working capital changes	**9,529**	**11,389**
Changes in working capital:		
(Increase) in trade receivables	(3,744)	(5,387)
(Increase)/decrease in inventories	(8,971)	3,560
(Increase)/decrease in other current and non-current assets	(501)	1,172
(Increase) in current and non-current other financial assets	(745)	(519)
Decrease/(increase) in current and non-current loans	48	(20)
Increase/(decrease) in trade payables and other liabilities	8,312	(2,806)
(Decrease) in other current financial liabilities	(288)	(1,141)
(Decrease) in long-term and short-term provisions	(38)	(626)
Cash generated from operating activities	**3,602**	**5,622**
Income tax paid (net)	(1,080)	(2,633)
Net cash generated from operating activities (A)	**2,522**	**2,989**
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(3,361)	(3,324)
Proceeds from sale of property, plant and equipment	31	190
Purchase of other investments	(300)	(501)
Proceeds from other investments	750	-
Movement in other bank balances (net)	(131)	(92)
Investment in fixed deposits	(117)	4
Proceeds from fixed deposits	32	-
Interest received	66	136
Rental income	4	2
Net cash flows (used in) investing activities (B)	**(3,026)**	**(3,585)**
C. Cash flow from financing activities		
Proceeds from non-current borrowings	2,621	396
Repayments of non-current borrowings	(1,244)	(852)
Payment of lease liabilities (Principal)	(293)	(290)
Payment of lease liabilities (Interest)	(60)	(39)
Proceeds from current borrowings (net)	2,258	3,632
Payment of dividend	(364)	(366)
Finance cost paid	(1,713)	(2,109)
Net cash flows generated from financing activities (C)	**1,205**	**372**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**701**	**(224)**
Effect of exchange gain on cash and cash equivalents	**(46)**	**(7)**
Cash and cash equivalents at the beginning	**643**	**874**
Cash and cash equivalents at the end	**1,298**	**643**

Consolidated Statement of Cash Flow

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

	Year ended 31 March 2025	Year ended 31 March 2024
Notes :		
1. Cash and cash equivalents include :		
Balances with banks		
- In current accounts	1,292	628
Cash on hand	6	15
	1,298	**643**

2. The above statement of cash flow has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2(s).

3. Refer note 19 for reconciliation of movements of liabilities to cash flows arising from financing activities.

4. Reconciliation of movements of current and non-current borrowings to cash flows arising from financing activities

	As at 31 March 2025	As at 31 March 2024
Borrowings at the beginning of the year (current and non-current borrowings)	**12,058**	**8,882**
Proceeds from non-current borrowings	2,621	396
Repayment of non-current borrowings	(1,244)	(852)
Repayment of lease liabilities		
Proceeds from current borrowings (net)		
Repayment of current borrowings	2,258	3,632
Lease modification		
Unwinding of fair value of CDR loan		
Borrowings at the end of the year (current and non-current borrowings)	**15,693**	**12,058**

5. Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the year:

	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the year	**225**	**515**
Additions	1,164	-
Accreditation of interest	60	39
Payment of lease liabilities	(353)	(329)
Balance as at end of the year	**1,096**	**225**

6. During the year, the Company paid in cash Rs. 182 (previous year: Rs.181) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 47).

Material accounting policies 2.1

Notes to the consolidated financial statements 3-55

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary
& Compliance officer
Membership No. 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Mumbai
Date: 30 April 2025

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

a. Equity share capital:

	Note	
Balance as at 1 April 2024	17	**1,226**
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2025	17	**1,226**
Balance as at 1 April 2023		**1,226**
Changes in equity share capital due to prior period errors		-
Changes in equity share capital during the year		-
Balance as at 31 March 2024		**1,226**

b. Other Equity:

Particulars	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
Balance as at 1 April 2024	**314**	**5,707**	**28**	**21**	**19**	**25,802**	**21**	**(122)**	**31,790**
Total comprehensive income for the year ended 31 March 2025									
- Profit for the year	-	-	-	-	-	3,893	-	-	3,893
- Other comprehensive (income) (net of tax)	-	-	-	-	-	(34)	10	(46)	(70)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**3,859**	**10**	**(46)**	**3,823**
Transactions with owners of the Company Contributions and distributions									
- Final equity dividend for the financial year 2023-2024 (Amount Rs. 3 per share)	-	-	-	-	-	(368)	-	-	(368)
Total Contributions and distributions for the year	**-**	**-**	**-**	**-**	**-**	**(368)**	**-**	**-**	**(368)**
Balance as at 31 March 2025	**314**	**5,707**	**28**	**21**	**19**	**29,293**	**31**	**(168)**	**35,245**
Balance as at 1 April 2023	**314**	**5,707**	**28**	**21**	**19**	**20,845**	**17**	**(115)**	**26,836**
Total comprehensive income for the year ended 31 March 2024									
- Profit for the year	-	-	-	-	-	5,358	-	-	5,358
- Other comprehensive income/(loss) (net of tax)	-	-	-	-	-	(33)	4	(7)	(36)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**5,325**	**4**	**(7)**	**5,322**

Consolidated Statement of Changes in Equity
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

b. Other Equity: *(Contd.)*

Particulars	Reserves and surplus (Refer note 1)						Other comprehensive income (Refer note 1)		Total
	Capital reserve	Securities premium	Capital redemption reserve	Capital reduction reserve	Amalgamation reserve	Retained earnings	Equity instruments through other comprehensive income	Foreign currency translation reserve	
Transactions with owners of the Company									
Contributions and distributions									
- Final equity dividend for the financial year 2022-2023 (Amount Rs. 3 per share)						(368)	-	-	(368)
Total Contributions and distributions for the year	**-**	**-**	**-**	**-**	**-**	**(368)**	**-**	**-**	**(368)**
Balance as at 31 March 2024	**314**	**5,707**	**28**	**21**	**19**	**25,802**	**21**	**(122)**	**31,790**

Note 1 : Refer to note 18 for nature and purpose of other equity

Material accounting policies 2.1

Notes to the consolidated financial statements 3-55

The accompanying notes form an integral pvart of the consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer

Rishu Chatley
Company Secretary
& Compliance officer
Membership No. 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Place: Mumbai
Date: 30 April 2025

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Note 1. Reporting entity

Punjab Chemicals and Crop Protection Limited ("the Company" or the "Parent Company" or "Holding Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Milestone 18, Ambala Kalka Road, Village & P.O. Bhankharpur, Derabassi, Distt. SAS Nagar, Mohali (Punjab)-140201.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group is engaged in business of manufacturing of agro chemicals, speciality chemicals and bulk drugs and its intermediates.

Note 2. Basis of preparation

(i) Statement of compliance

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013, ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The consolidated financial statements of the Company as at and for the year ended on 31 March 2025 comprise the financial statements of the Company and its subsidiary (together referred to as "the Group").

All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The Consolidated financial statements for the year ended 31 March 2025 were approved for issue by the Company's Board of Directors on 30 April 2025.

(ii) Functional and presentation currency

The Group's consolidated financial statements are presented in Indian rupees, which is the functional currency of the Holding Company. These financial statements are presented in Indian rupees. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(iii) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Equity securities at FVOCI	Fair value
Net defined benefits (assets)/liability	Fair value of the plan assets less present value of defined benefits obligations

(iv) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2 (h) and 28 - revenue recognition: whether revenue is recognized over time or at a point in time,
- Note 2 (d) and 20 - lease term: whether the Company is reasonably certain to exercise extension option Assumptions and estimation uncertainties

In particular, Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 2(c) and 3 - Assessment of useful life and residual value of Property, plant and equipment
- Note 2(l) and 43 - Recognition and measurement of provision and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Note 2(j) and Note 42 - Measurement of defined benefit obligations: key actuarial assumptions

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

- Note 2 (g) - Impairment of financial assets
- Note 2 (f) and Note 10 - Valuation of inventories

(v) Current versus non-current classification

The Company presents assets and liabilities in the Statement of Assets and Liabilities based on current/non-current classification.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(vi) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these financial statements is included note 41(a).

Note 2.1. Material Accounting Policies

(a) Principles of consolidation

The consolidated financial statements comprises the financial statement of the Holding Company, and its subsidiary as at 31 March 2025. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

The details of the consolidated entity are as follows:

S. No.	Name	Country of Incorporation	Percentage of ownership
1.	SD Agchem (Europe) NV	Belgium	100%

Consolidation procedure

(ii) ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) ***Foreign currency transactions***

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the following items which are recognised in OCI

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(vi) ***Foreign operations***

The assets and liabilities of foreign operations (i.e subsidiary) including fair value adjustments arising on acquisition, are translated into Indian Rupees, the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI.

(b) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However trade receivables that do not contain a significant financing component are measured at transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management;

- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined As the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Group may make an irrevocable adoption to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass- through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment ('PPE')

Recognition and measurement

Items of PPE are stated at cost, which includes capitalized finance costs, less accumulated depreciation and/or accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes after deducting any trade discounts and rebates and any directly attributable cost of bringing the asset to its working condition for its intended use.

The cost of a self-constructed item of PPE comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred on startup and commissioning of the project and/or substantial expansion, including the expenditure incurred on trial runs (net of trial run receipts, if any) up to the date of commencement of commercial production are capitalised. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses.

Advances paid towards acquisition of PPE outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work- in-progress.

Any gain or loss on disposal of an item of PPE is recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Depreciation is calculated on cost of items of PPE less their estimated residual values over their estimated useful lives using the straight-line method and is recognised in the Statement of Profit and Loss.

Depreciation on items of PPE is provided as per rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs except for certain classes of PPE which are depreciated based on the internal technical assessment of the management. The estimated useful lives of items of PPE for the current and comparative periods are as follows:

Particulars	Useful life as per Schedule II	Management estimate of useful life
Building - Factory	30 Years	5,10,15,17 - 25 Years
Building - Office	60 Years	28,30,50 & 58 Years
Plant and equipment	3 - 15 Years	5 - 20 Years
Electrical installations	10 Years	10 &15 Years
Vehicles	8 Years	5 & 8 Years
Furniture and fittings	10 Years	3, 5 &10 Years
Computers	3 Years	3 & 5 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposal) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Derecognition

An item of PPE is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

(d) Leases

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.

Leases in which the Group is a lessee

The Group's lease asset classes primarily consist of leases for buildings, furniture and fixtures and leasehold land. The Group, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group recognises a right-of-use asset ('ROU') and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Group recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

(e) Intangible assets

Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

The estimated useful lives are as follows:

-	Computer software	3-5 Years
-	Product registrations (including task charges, task force studies and other related expenses)	10 Years
-	Technical know-how	5 Years

Derecognition

Intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

(f) Inventories

Inventories are valued at lower of cost or net realisable value. The methods of determining cost of various categories of inventories are as follows:

Raw materials (except goods in transit)	Weighted average method
Packing material	Weighted average method
Stores and spares	Weighted average method
Work-in-progress and finished goods (manufactured)	Weighted average including an appropriate share of variable and fixed production overheads. Fixed production overheads are included based on normal capacity of production facilities.
Goods in transit	Specifically identified purchase cost

The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost, except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The Company reviews the condition of its inventories and makes provision against obsolete and slow moving inventory items which are identified as no longer suitable for sale or use.

The comparison of cost and net realisable value is made on an item-by-item basis.

(g) Impairment

Impairment of financial assets

The Group recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit- impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the trade receivables, borrower or issuer;
- the breach of contract such as a default or being past due for 3 years or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 3 years past due.

The Company considers a financial asset to be in default when:

- the trade receivable is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 3 years past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Group in accordance with the contract and the cash flow that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors do not have

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

Impairment of non-financial assets

The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Revenue from contract with customers

Revenue is measured based on the consideration specified in the contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

Sale of products

The Group recognises revenue generally at the point in time when the products are delivered or dispatch to customer or when it is delivered to a carrier for export sale, which is when the control over product is transferred to the customer in accordance with terms of the contract.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. No element of financing is deemed present as the sales are made against the receipt of advance, letter of credit or with an agreed credit period ranging from 30 to 180 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Trade receivables are measured at transaction price.

The Group disaggregates revenue from contracts with customers by geography.

a. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Sale of services

Sale of services includes processing charges in respect of job work services provided by the Company. Revenue in respect of sale of services is recognized over time or at a point in time in accordance with the terms of the contract.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Export incentives

Export incentive entitlements are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(i) Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(j) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards employee provident fund and employee state insurance scheme ('ESI') to Government administered scheme which is a defined contribution plan. The Group 's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. The Group makes contributions to Life Insurance Corporation of India (LIC). Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The administration of the gratuity scheme has been entrusted to the Life Insurance Corporation of India ('LIC') for certain employees. The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Group's net obligation in respect of gratuity is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

"Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI."

Other long-term employee benefits:

Compensated absences

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits. The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Such obligation such as those related to compensate absences is measured on the basis of an actuarial valuation performed annually by a qualified actuary using the projected unit cost credit method. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

Actuarial valuation

The liability in respect of all defined benefit plans is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other Comprehensive Income.

- Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets, recognized or unrecognized, are reviewed at each reporting date and recognized / reduced to the extent that it has become probable / no longer probable respectively that future taxable profits will be available against which they can be used.

Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Holding Company has opted for this benefit in earlier years.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

(l) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

(m) Commitments

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 reporting date.

(n) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

(o) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(p) Foreign currency transactions

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates at the dates of the transactions.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

(q) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(r) Share Capital

Incremental costs directly attributable to the issue of equity shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

(s) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(t) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS - 116 Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress

Gross carrying amount

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Computers	Total
Balance as at 1 April 2023	5,395	-	3,557	18,162	380	1,231	154	261	29,140
Additions	-	-	642	2,276	27	459	38	32	3,474
Disposals /other adjustments (refer note below)	-	-	59	631	-	90	27	7	814
Balance as at 31 March 2024	**5,395**	**-**	**4,140**	**19,807**	**407**	**1,600**	**165**	**286**	**31,800**
Balance as at 1 April 2024	5,395	-	4,140	19,807	407	1,600	165	286	31,800
Additions	-	-	219	2,102	432	150	60	29	2,992
Disposals /other adjustments (refer note below)#	-	-	9	152	-	81	-	1	243
Balance as at 31 March 2025	**5,395**	**-**	**4,350**	**21,757**	**839**	**1,669**	**225**	**314**	**34,549**

Accumulated depreciation

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Computers	Total
Balance as at 1 April 2023	-	-	844	5,706	180	570	26	159	7,485
Depreciation for the year	-	-	164	1,490	28	151	36	51	1,920
Disposals /other adjustments (refer note below)	-	-	56	506	-	44	18	7	631
Balance as at 31 March 2024	**-**	**-**	**952**	**6,690**	**208**	**677**	**44**	**203**	**8,774**
Depreciation for the year	-	-	173	1,625	43	176	36	32	2,085
Disposals /other adjustments (refer note below) #	-	-	11	59	-	30	0	1	101
Balance as at 31 March 2025	**-**	**-**	**1,114**	**8,256**	**251**	**823**	**80**	**234**	**10,758**

Carrying amounts (net)

	Freehold Land	Leasehold Land	Building	Plant and equipment	Electrical installations	Vehicles	Furniture and fixtures	Computers	Total
Balance as at 31 March 2024	**5,395**	**-**	**3,188**	**13,117**	**199**	**923**	**121**	**83**	**23,026**
Balance as at 31 March 2025	**5,395**	**-**	**3,236**	**13,501**	**588**	**846**	**145**	**80**	**23,791**

Plant and equipments includes other adjustment amounting Rs 93 lakhs (net)

Notes:

a. Plant and equipment includes Rs. 44 (previous year: Rs. 44) worth of equipment acquired under United Nations Industrial Development Organisation grant scheme.

b. Refer note 19 (c) for information on property, plant and equipment pledged as security by the Company during the year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 3: Property, plant and equipment and capital work-in-progress *(Contd.)*

c. Refer note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d. The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company. The capitalisation rate used for interest capitalisation is 8.80%.

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	203	123
Power and fuel	69	39
Finance costs	77	48
Research and development	49	18
	398	**228**

e. Capital work in progress

	Building	Plant and equipment *	Total
Balance as at 1 April 2023	**264**	**1,591**	**1,855**
Additions	280	1,653	1,933
Disposals /other adjustments	-	-	-
Capitalisations	320	2,314	2,634
Balance as at 31 March 2024	**224**	**930**	**1,154**
Additions	74	2,456	2,530
Disposals /other adjustments	-	-	-
Capitalisations	74	2,308	2,382
Balance as at 31 March 2025	**224**	**1,078**	**1,302**

* This also includes electrical installations

Capital-work- in progress ageing schedule as at 31 March 2025

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress#	1,135	167	-	-	1,302
Total	**1,135**	**167**	**-**	**-**	**1,302**

Capital-work- in progress ageing schedule as at 31 March 2024

CWIP	Amount in CWIP for a period of				
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total
Projects in progress#	1,154	-	-	-	1,154
Total	**1,154**	**-**	**-**	**-**	**1,154**

#There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 4: Right of use asset

	Leasehold Land	Building	Plant & Machinery	Furniture and fixtures	Total
Balance as at 1 April 2023	3	278	178	16	475
Additions	-	-	-	-	-
Depreciation for the year	-	181	79	1	261
Balance as at 31 March 2024	**3**	**97**	**99**	**15**	**214**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 4: Right of use asset *(Contd.)*

	Leasehold Land	Building	Plant & Machinery	Furniture and fixtures	Total
Balance as at 1 April 2024	3	97	99	15	214
Additions	-	1,164	-	-	1,164
Depreciation for the year	-	211	79	1	291
Balance as at 31 March 2025	**3**	**1,050**	**20**	**14**	**1,087**

Notes:

a. The Company has also taken on leases certain office premises with contract terms of one year. These leases were short-term in nature and the Company had elected not to recognise right-of-use assets and lease liabilities for those leases. The Company incurred Rs. 44 (previous year Rs. 47) towards expenses relating to short-term leases for which the recognition exemption has been applied.

b. The total cash outflow for leases, including cash outflow for short term is Rs. 397 (previous year Rs.376).

c. During the earlier year, following lease agreement not held in the name of Company:

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Lease agreement for Industrial building at H.A. Limited Compound Pimpri, Pune, Maharashtra	-	Excel Prospho Chem (Sole Proprietors)	No	19 Years	Excel Phospho Chem was merged with STS Chemicals Limited and STS Chemicals Limited was merged with Punjab Chemicals and Crop Protection Limited in 2005. The appeal is pending in respect of eviction notice at District Court, Pune under the Public Premises Act 1971. Next hearing is expected to be in July 2025. Also refer to note 43(a)(iii) of the financial Statements.

Note 5: Intangible assets and intangible assets under development

Gross carrying amount

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2023	204	722	320	1,246
Additions - internally generated	-	-	-	-
Additions - acquired	269	62	-	331
Disposals	-	-	-	-
Balance as at 31 March 2024	**473**	**784**	**320**	**1,577**
Balance as at 1 April 2024	473	784	320	1,577
Additions - internally generated	-	213	-	213
Additions - acquired	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2025	**473**	**997**	**320**	**1,790**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Intangible assets and intangible assets under development *(Contd.)*

Accumulated amortisation

	Computer Software	Product registrations	Technical know how	Total
Balance as at 1 April 2023	185	671	316	1,172
Amortisation for the year	26	9	-	35
Disposals	-	-	-	-
Balance as at 31 March 2024	**211**	**680**	**316**	**1,207**
Balance as at 1 April 2024	211	680	316	1,207
Amortisation for the year	90	39	-	129
Disposals	-	-	-	-
Balance as at 31 March 2025	**301**	**719**	**316**	**1,336**

Carrying amounts (net)

As at 31 March 2024	**262**	**104**	**4**	**370**
As at 31 March 2025	**172**	**278**	**4**	**454**

Note:

a. As at 31 March 2025, the estimated remaining amortization period for intangible assets are as follows:

	As at 31 March 2025	As at 31 March 2024
Computer Software	0 to 3 years	0 to 3 years
Product registrations	0.05 to 8 years	0.05 to 8 years
Technical know how	0 to 1 years	0 to 1 years

b. Intangible assets under development

	Computer Software	Product registrations	Total
Balance as at 1 April 2023	**-**	**100**	**100**
Additions	269	18	287
Disposals	-	-	-
Capitalisations	269	58	327
Balance as at 31 March 2024	**-**	**60**	**60**
Additions	7	37	44
Disposals	-	-	-
Capitalisations	-	-	-
Balance as at 31 March 2025	**7**	**97**	**104**

c. Intangible assets under development ageing schedule as on 31 March 2025:

Intangible assets under development#	Amount in Intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	37	15	-	45	97	Refer note (a) below
Computer Software	7	-	-	-	7	Refer note (b) below
Total	**44**	**15**	**-**	**45**	**104**	

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 5: Intangible assets and intangible assets under development *(Contd.)*

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

Intangible assets under development#	Amount in Intangible assets under development for a period of					
	< 1 Years	1-2 Years	2-3 Years	> 3 years	Total	Remarks
Product registration projects	15	-	2	43	60	Refer note (a) below
Total	**15**	**-**	**2**	**43**	**60**	

Note:

(a) These projects relate to certain product registration submission to regulatory authority for which the necessary approvals are currently awaited. These approval are expected to be received in the near term basis which these will be capitalised as product registration.

(b) These projects are under implementation and expected to be completed in the near term basis which these will be capitalised as computer software.

#There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Note 6: Investments

A. Non- current investments

	As at 31 March 2025	As at 31 March 2024
Investments in equity shares		
Quoted equity shares		
Equity shares (at fair value through other comprehensive income)		
- Bank of Baroda 187 (31 March 2024: 187) equity shares of Rs. 10 each fully paid-up ^	0.43	0.49
- Canara Bank 63 (31 March 2024: 63) equity shares of INR 10 each fully paid-up ^	0.28	0.37
	0.71	**0.86**
Unquoted equity shares		
Other Companies (fair value through other comprehensive income)		
- Nimbua Green Field (Punjab) Limited 84,375 (31 March 2024: 84,375) equity shares of INR 10 each fully paid-up	148	135
- Mohali Green Environment Private Limited 70,000 (31 March 2024: 70,000) equity shares of INR 10 each fully paid-up	8	8
- SVC Cooperative Bank Limited 100 equity shares (31 March 2024: 100) equity shares of INR 25 each fully paid-up	0.03	0.03
Total non-current investments	**157**	**144**
Aggregate book value of quoted investments ^	0.71	0.86
Aggregate market value of quoted investments ^	0.71	0.86
^ Aggregate value of unquoted investments	157	144
^ Value of investment is less than Rs. 1 lakh (previous year: less than Rs. 1 lakh).		

B. Current Investments

	As at 31 March 2025	As at 31 March 2024
^ Quoted		
Investments in mutual funds measured at fair value through statement of profit and loss		
5569.34 (31 March 2024: 17335.77) units of INR 3,971.49 in Nippon India Mutual Fund.	222	641
29,723.54 (31 March 2024: 29,723.54) units of INR 14.94 in Bandhan Mutual Fund.	4	4
Total current investments	**226**	**645**
Aggregate book value of quoted investments	226	645
Aggregate market value of quoted investments	226	645

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 7: Other financial assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Security deposits	414	923	404	68
Deposits with remaining maturity of less than 12 months#	-	67	-	-
Deposits with original maturity of more than 12 months#	68	-	50	-
Interest receivable	-	16	-	26
Export incentive recoverable	-	154	-	173
Due from customer (refer note 54)	-	530	-	509
Recoverable from government authorities (Refund)	-	265	-	391
Other receivable (includes claim recoverable etc.)	-	153	-	151
	482	**2,108**	**454**	**1,318**

Refer note 40 (b) for information about credit risk and market risk of other financial assets.

These deposits include restricted bank deposits Rs. 130 (31 March 2024: Nil) pledged as margin money.

Note 8: Other tax assets (net)

	As at 31 March 2025	As at 31 March 2024
Advance income-tax and tax deducted at source (net of provision Rs. 1,988 (31 March 2024: Rs. 1,456))	442	649
	442	**649**

Note 9: Other non-current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Capital advances		
- to others considered good	88	158
Prepaid expenses	-	6
	88	**164**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 10: Inventories

(At lower of cost and net realizable value)

	Note	As at 31 March 2025	As at 31 March 2024
Raw materials	(a), (b)	9,838	6,353
Work-in-progress	(b)	4,064	3,230
Finished goods	(a), (b)	6,937	2,500
Stores and spares	(b)	1,114	982
Packing material	(b)	284	200
		22,237	**13,265**
Notes:			
(a) Includes goods-in-transit:			
- raw material		1,843	626
- finished goods		2,477	550

(b) Refer note 19(C) for hypothecation of current assets against term loan.

Note 11: Trade receivables

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Trade receivables	23,603	19,828
Trade receivables from related party (refer note 44)	-	-
Less: expected credit loss allowance	(66)	(85)
	23,537	**19,743**
Break-up of trade receivables:		
Trade receivable considered good -Secured	-	-
Trade receivable considered good -Unsecured	23,572	19,797
Trade receivable which have significant increase in credit risk	8	8
Trade receivable- credit impaired	23	23
Total	**23,603**	**19,828**
Less: expected credit loss allowance		
- Trade receivable considered good - secured	-	-
- Trade receivables considered good - unsecured	(35)	(54)
- Trade receivables which have significant increase in Credit risk	(8)	(8)
- Trade Receivables – credit impaired	(23)	(23)
Total trade receivables	**23,537**	**19,743**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Trade receivables ageing schedule:

As at 31 March 2025	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	5	17,018	5,954	32	437	-	126	23,572	35	23,537
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	**5**	**17,018**	**5,954**	**32**	**437**	**-**	**157**	**23,603**	**66**	**23,537**

Trade receivables ageing schedule:

As at 31 March 2024	Outstanding for following periods from due date of payment									
	Unbilled	Not due	< 6 months	6 months -1 year	1 year - 2 years	2 year - 3 years	> 3 years	Total gross receivables	Expected credit loss	Net receivables
Undisputed Trade Receivable - considered good	1,360	11,625	6,247	9	28	403	125	19,797	54	19,743
Undisputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	23	23	23	-
Disputed Trade Receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable - which have significant increase in credit risk	-	-	-	-	-	-	8	8	8	-
Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-	-	-	-
Total	**1,360**	**11,625**	**6,247**	**9**	**28**	**403**	**156**	**19,828**	**85**	**19,743**

Refer note 40(b) for information about credit risk and market risk of trade receivables.

Refer note 19(C) for hypothecation of current assets against term loan.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 12: Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with banks		
- Current accounts	1,292	628
Cash on hand	6	15
	1,298	**643**

Refer note 19(C) for hypothecation of current assets against term loan.

Note 13: Other bank balances

	As at 31 March 2025	As at 31 March 2024
Deposit accounts with maturity of less than 12 months#	482	353
Balance in unclaimed dividend accounts	12	10
	494	**363**

These deposits include restricted bank deposits Rs. 459 (31 March 2024: Rs. 290) pledged as margin money.

Note 14: Loans

(unsecured, considered good unless otherwise stated)

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Advances recoverable from others				
- considered good	-	-	-	-
- considered doubtful		16	16	24
Less: expected credit loss allowance		(16)	(16)	(24)
Loans to employee	-	11	-	10
	-	**11**	**-**	**10**

Refer note 40 (b) for information about credit risk and market risk of loans.

Note 15: Other current assets

(Unsecured, considered good unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Recoverable from/ balances with government authorities		
- considered good	1,104	708
Advances for supply of goods and services	438	350
Export benefit receivable on advance license	320	204
Prepaid expenses	319	302
Contract assets	30	161
Others	1	2
	2,212	**1,727**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 16: Assets classified as held for sale

	As at 31 March 2025	As at 31 March 2024
Assets held for sale	30	30
	30	**30**

In August 2022, management committed to a plan to sell its office building located in Ahmedabad ('Asset'). Efforts to sell this Asset has started and sales is expected by September 2024. There is no impairment loss or cumulative income or expenses included in OCI in relation to the Asset Accordingly, in the earlier year the asset has been classified as "Assets classified as held for sale" in accordance with Ind AS 105.

Note 17: Equity Share capital

(i) Details of share capital

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of Rs. 10 each	1,98,00,000	1,980	1,98,00,000	1,980
9.8% redeemable cumulative preference shares of INR 100 each	20,000	20	20,000	20
	1,98,20,000	**2,000**	**1,98,20,000**	**2,000**
Issued Shares				
Equity shares of Rs. 10 each	1,22,77,218	1,228	1,22,77,218	1,228
	1,22,77,218	**1,228**	**1,22,77,218**	**1,228**
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	1,22,62,185	1,226	1,22,62,185	1,226
	1,22,62,185	**1,226**	**1,22,62,185**	**1,226**

(ii) Reconciliation of number of shares outstanding at the beginning and end of the reporting year

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning and at the end of the year	1,22,62,185	1,226	1,22,62,185	1,226

(iii) Rights, preference and restriction attached to shares

The Group has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Group's residual assets on winding up. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders (except for interim dividend) in the ensuing Annual General Meeting. In the event of liquidation of the group, the holders of equity shares will be entitled to receive the remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the group

Name of shareholder	As at 31 March 2025		As at 31 March 2024	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Hem-sil Trading and Manufacturing Private Limited	40,17,318	32.76%	40,17,318	32.76%
Gowal Consulting Services Private Limited	30,00,000	24.47%	30,00,000	24.47%

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 17: Equity Share capital *(Contd.)*

(v) Bonus shares, shares buyback and issue of shares for consideration other than in cash during five years immediately preceding 31 March 2025

During the five years immediately preceding 31 March 2025, neither any bonus shares have been issued nor any shares have been bought back. Further, no shares have been issued for consideration other than cash.

(vi) Promotors Shareholdings

S.no.	Promoter's name	As at 31 March 2025		As at 31 March 2024		% change during the year
		No. of shares	% of total shares	No. of shares	% of total shares	
1	Rupam Shalil Shroff	2,07,293	1.69	2,07,293	1.69	-
2	Shalil Shashikumar Shroff	2,30,581	1.88	2,30,581	1.88	-
3	Shalil Shashikumar Shroff HUF	77,652	0.63	77,652	0.63	-
4	Hemal Raju Shete	2,12,812	1.74	2,12,812	1.74	-
5	Malvika Shraey Gupta	35,340	0.29	35,340	0.29	-
6	Ishika Shalil Shroff	27,894	0.23	27,894	0.23	-
7	Hem-sil Trading and Manufacturing Pvt Ltd.	40,17,318	32.76	40,17,318	32.76	-
	Total	**48,08,890**	**39.22**	**48,08,890**	**39.22**	**-**

Note 18: Other equity

Nature:

(i) Capital reserve

Capital reserve represents the forfeited share application money of Rs. 185 received for preferential convertible warrants in 2008-2009 and Rs. 124 received for equity convertible warrant in 2009-2010

(ii) Securities premium

Securities premium represents the excess consideration received by the Company over the face value of the shares issued to shareholders. This will be utilized in accordance with the applicable provisions of the Companies Act, 2013.

(iii) Capital redemption reserve

Capital redemption reserve is carried forward in the balance sheet of the Company post merger of Parul Chemical Limited into the Company during the year 2010-2011.

(iv) Capital reduction reserve

Capital reduction reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(v) Amalgamation reserve

Amalgamation reserve is carried forward in the consolidated balance sheet of the Group post merger of Parul Chemical Limited into the Group during the year 2010-2011.

(vi) Retained earnings

Retained earnings represents the profits that the Group has earned till date less any transfer to general reserve, less any dividends, or other distributions paid to shareholders.

(vii) Equity instruments through Other Comprehensive Income

The Group has elected to recognise changes in the fair value of certain investments in equity securities of other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amounts there from to retained earning when the relevant equity securities are derecognised.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 18: Other equity *(Contd.)*

(viii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the Group dispose or partially dispose off its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all, or part of, that entity.

Note 19: Borrowings

A. Non-current borrowings

	Note	As at 31 March 2025	As at 31 March 2024
Secured			
From Banks			
Term loan	(a) & (b)	4,661	2,926
Working capital demand loan	(c)	1,156	1,500
From Others			
Vehicle finance scheme	(d)	484	499
		6,301	**4,925**
Unsecured			
From Others			
Inter-corporate deposits - from related party (refer note 44)	(e)	1,625	1,632
		1,625	**1,632**
Total non current borrowings (including current maturities)		7,926	6,557
Less : Current maturities of non-current borrowings		1,828	1,301
		6,098	**5,256**

Notes:

(a) Term loan from SVC Co-operative Bank Ltd. amounting to Rs. 2,161 (31 March 2024: Rs. 2,926) carrying interest rate of 9.75% p.a. (31 March 2024: 10.85%) is secured by exclusive charge by way of hypothecation on all movable property including Plant & Machinery situated at Company's unit at Derabassi, Punjab both present and future. It is further secured by way of equitable mortgage on factory land and building situated at Company's unit at Derabassi, Punjab. The loan is repayable in 34 (31 March 2024: 46) equal monthly installments.

(b) Term loan from HDFC Bank Ltd. amounting to Rs. 2,500 (31 March 2024: Nil) carrying interest rate of 8.75% p.a. (31 March 2024: Nil) is secured by First Pari Passu charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and First Pari Passu charge with SVC Co-operative Bank Ltd. on moveable fixed assets including plant and machinary situated at Derabassi, Punjab. The loan is repayable in 60 (31 March 2024: Nil) equal monthly installments.

(c) Working capital term loan (WCTL) under emergency credit line guarantee scheme (ECLGS scheme) from SVC Co-operative Bank Ltd. amounting to Rs. 1,156 (31 March 2024: Rs. 1,500) carrying interest rate of 9.25% p.a. (31 March 2024: 9.25%) is secured by 100% guarantee coverage from Naional Credit Guarantee Trustee Company Limited (NCGTC) and 2nd charge on existing prime & collateral securities of the Company. The loan has a moratorium of 2 years from the date of first disbursement and is thereafter repayable in 36 (31 March 2024: 48) equal monthly installments.

(d) Loan from SVC Co-operative Bank Limited under vehicle finance scheme amounting to Rs. 484 (31 March 2024: 499) carrying interest rate of 8.90% to 10.90% (31 March 2024: 8.75%) is secured by exclusive charge by way of hypothecation of vehicles purchased under said scheme. The loan is repayable in 24 to 54 (31 March 2024: 36 to 45) equal monthly installments.

(e) Inter-corporate deposits amounting to Rs. 1,625 (31 March 2024: INR 1,632) is carrying interest rate of 11.50% p.a (31 March 2024: 12.75% to 16.50% p.a).

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 19: Borrowings *(Contd.)*

B. Current borrowings

	Note	As at 31 March 2025	As at 31 March 2024
Loans repayable on demand			
- from banks (secured)	(a), (b), (c)	7,767	5,501
Others			
- Current maturities of non-current borrowings		1,828	1,301
		9,595	**6,802**
		15,693	**12,058**

Notes:

(a) Cash credit amounting to Rs. 4,745 (31 March 2024: 3,995) from SVC Co-operative bank Ltd. carrying interest rate of 9.35% p.a. (31 March 2024: 9.90%) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Derabassi, Punjab and exclusive charge by way of hypothecation on all movable property, including plant and machinery, situated at Derabassi, Punjab.

(b) Working capital demand loan/Cash credit amounting to Rs. 3,022 (31 March 2024: 1,506) from Yes Bank Ltd. carrying interest rate of 8.75% /8.90% p.a. (31 March 2024: 8.85% p.a) is secured by exclusive charge by way of hypothecation on all current assets of the Company, both present and future. It is further secured by exclusive charge by way of registered mortgage on factory land and building situated at Lalru, Punjab and exclusive charge by way of hypothecation on all movable property of the Company (excluding SVC co-operative bank).

(c) Cash credit amounting to Rs. Nil (31 March 2024: Nil) from HDFC bank Ltd. carrying interest rate of 9.00% p.a. (31 March 2024: Nil) is secured by First Pari Passu charge with SVC Bank and Yes Bank on the current assets of the company (present and future), on movable fixed assets First Pari Passu with Yes Bank Ltd, present and future, by way of hypothecation on all movable fixed assets including plant and machinary situated at industrial plot/property situated at Lalru, Punjab and on factory land and building first Pari Passu with Yes Bank Ltd by way of EM/registered mortgage on land and building situated at Lalru, Punjab.

C. Assets pledged as security

Assets with following carrying amounts are pledged as collateral/security against loans and borrowings at year end:

	As at 31 March 2025	As at 31 March 2024
Property, plant and equipment	22,720	19,838
Inventory	22,237	13,265
Other current assets (including financial assets)	29,946	24,509
	74,903	**57,612**

D. Reconciliation of movements of liabilities to cash flows arising from financing activities

	As at 31 March 2025	As at 31 March 2024
Borrowings at the beginning of the year (current and non current)	**12,058**	**8,882**
Proceeds from non-current borrowings	2,621	396
Repayment of non-current borrowings	(1,244)	(852)
Proceeds from current borrowings (net)	2,258	3,632
Borrowings at the end of the year (current and non current)	**15,693**	**12,058**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Lease liabilities

	As at 31 March 2025	As at 31 March 2024
Non-current		
Total non current lease liability (including current maturities)	1,096	225
Less : Current maturities of non-current lease liabilities*	217	210
Total non current lease liability	**879**	**15**
Current		
Current maturities of non-current lease liabilities	217	210
	217	210

* Current and non-current classification of lease liabilities is based on contractual maturities.

Reconciliation of movements of lease liabilities to cash flows arising from financing activities during the period:

	As at 31 March 2025	As at 31 March 2024
Balance as at beginning of the period	**225**	**515**
Additions	1,164	-
Accreditation of interest	60	39
Payment of lease liabilities	(353)	(329)
Balance as at end of the period	**1,096**	**225**

(a) The Company has entered into agreements for leasing office premises on lease and license basis. The leases typically run for a period of 3 to 5 years with no restriction placed upon the Company for entering into said lease.

(b) Lease from Siemens Financial Services Private Limited under lease financing scheme amounting to Rs.15 (31 March 2024 : Rs.73) carrying interest rate of 7.09% (31 March 2024: 7.09%) for purchase of machineries. The lease liabilities is repayable in 3 (31 March 2024 : 15) equal monthly instalments.

Information about leases for which the Company is a lessee is presented below:

(i) The following are the amounts recognised in statement of profit and loss:

	As at 31 March 2025	As at 31 March 2024
Interest on lease liabilities	60	39
Expenses relating to short-term leases	146	116
	206	**155**

(ii) The following is the break-up of current and non-current lease liabilities

	As at 31 March 2025	As at 31 March 2024
Non-current lease liabilities	879	15
Current maturities of lease liabilities	217	210
	1,096	**225**

(iii) The weighted average incremental borrowing rate applied to lease liabilities is 9.75% (previous year)

(iv) As at 31 March 2025, the Company has a lease liability balance of Rs. 1096 (previous year Rs. 225). During the previous year, the Company entered into new leases agreement of Rs. 192.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 20: Lease liabilities *(Contd.)*

(v) The following is the information regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at 31 March 2025	As at 31 March 2024
Less than one year	314	219
One to five years	1,048	16
Total	**1,362**	**235**

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.

(vi) There are no leases not yet commenced to which the Company is committed.

Note 21: Provisions

	As at 31 March 2025		As at 31 March 2024	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 42)				
Liability for Gratuity	854	283	816	355
Liability for compensated absences	426	219	410	193
	1,280	**502**	**1,226**	**548**

Note 22: Deferred tax

	As at 31 March 2025	As at 31 March 2024
Deferred tax assets on account of:		
- Expenses allowable on payment basis	413	292
- Expected credit loss allowance	45	50
- Expenses allowed on deferred basis under income tax	6	6
- Lease liabilities	57	57
- Others	10	10
Deferred tax asset (A)	**531**	**415**
Deferred tax liabilities on account of:		
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	1,283	1,152
- Right of use assets	54	54
Deferred tax liability (B)	**1,337**	**1,206**
Deferred tax (liability)/ asset (net) (A - B)	**(806)**	**(791)**

Movement in temporary differences:

2023-2024	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax assets:				
- Expenses allowable on payment basis	424	(141)	9	292
- Expected credit loss allowance	55	(5)	-	50
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	130	(73)	-	57
- Others	10	-	-	10

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 22: Deferred tax *(Contd.)*

2023-2024	As at 1 April 2023	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2024
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,035)	(117)	-	(1,152)
- Right of use assets	(120)	66	-	(54)
	(530)	**(270)**	**9**	**(791)**

2024-2025	As at 1 April 2024	Recognised in Statement of profit or loss	Recognised in other comprehensive income	As at 31 March 2025
Deferred tax assets:				
- Expenses allowable on payment basis	292	112	9	413
- Expected credit loss allowance	50	(5)	-	45
- Expenses allowed on deferred basis under income tax	6	-	-	6
- Lease liabilities	57	(0)	-	57
- Others	10	-	-	10
Deferred tax liabilities:				
- Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1,152)	(131)	-	(1,283)
- Right of use assets	(54)	-		(54)
	(791)	**(24)**	**9**	**(806)**

Note 23: Other non-current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance from customers	-	-
Contractual Liabilities	-	7
	-	**7**

Note 24: Trade payables

	As at 31 March 2025	As at 31 March 2024
(a) Total outstanding dues of micro enterprise and small enterprises (refer note 53)	1,078	553
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19,030	11,261
	20,108	**11,814**

Refer note 40(b) for information about liquidity risk and market risk of trade payables.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 24: Trade payables *(Contd.)*

Trade payables ageing schedule as at 31 March 2025:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	475	595	7	1	-	1,078
Total outstanding dues of creditors other than micro enterprises and small enterprises	233	12,619	6,030	17	3	128	19,030
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**233**	**13,094**	**6,625**	**24**	**4**	**128**	**20,108**

Trade payables ageing schedule as at 31 March 2024:

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	253	283	17	-	-	553
Total outstanding dues of creditors other than micro enterprises and small enterprises	184	7,065	3,821	16	63	112	11,261
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**184**	**7,318**	**4,104**	**33**	**63**	**112**	**11,814**

Also refer to note-53

Note 25: Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
Unpaid dividend #	13	9
Interest bearing security deposits from customers	62	61
Security deposit from employees	42	31
Due to customer (refer note 54)	1,107	1,063
Employee related liabilities	1,053	1,017
Capital creditors of micro enterprise and small enterprises	248	35
Capital creditors other than micro enterprise and small enterprises	28	277
Others (includes interest provision for MSME vendor and payable pursent to settlement agreement (refer note 43(b) etc.)	288	583
	2,841	**3,076**

not due for deposit to investor education and protection fund

Refer note 40(b) for information about liquidity risk and market risk of other financial liabilities.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 26: Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Advance from customers	39	93
Contractual Liabilities	-	118
Deferred government grant	2	2
Statutory dues	368	313
	409	**526**

Note 27: Current tax liabilities (net)

	As at 31 March 2025	As at 31 March 2024
Provision for income tax (net of advance tax of Rs. 7,019 (31 March 2024: Rs. 9,355)	854	692
	854	**692**

Note 28: Revenue from operations

	Year ended 31 March 2025	Year ended 31 March 2024
Sale of products		
Finished goods	83,816	84,250
Traded goods	2,749	3,541
Sale of services	1,734	3,461
Other operating revenues:		
Scrap sales	610	523
Export incentive	1,143	1,476
Product development charges	-	172
Others	-	-
	90,052	**93,423**

Revenue disaggregation by geography (location of destination of shipment) is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Geography:		
India	53,502	42,462
Outside India		
Europe (including united kingdom)	23,915	34,479
Japan	3,081	4,800
Israel	1,647	4,403
USA	1,336	379
Latin America	1,481	2,610
Others	3,337	2,119
Total	**88,299**	**91,252**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 28: Revenue from operations *(Contd.)*

Information about major customers:

Revenue from 2 customer of the Company amounting to Rs. 42,549 (previous year: Rs. 38,469) and Rs. 5,968 (previous year: Rs. 12,725) respectively, constitute more than 10% of the total revenue of Company.

Changes in unbilled revenue are as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	1,341	891
Invoices raised during the year	(1,341)	(891)
Revenue recognised during the year (yet to be invoiced)	5	1,341
Balance at the end of the year	**5**	**1,341**

Reconciliation of revenue recognised with the contracted price is as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Contracted price	88,359	91,293
Reductions towards variable consideration components*	(60)	(41)
Revenue recognised	**88,299**	**91,252**

*The reduction towards variable consideration comprises of trade discount.

Contract balances

	Year ended 31 March 2025	Year ended 31 March 2024
Trade receivables	23,532	18,383
Trade receivables-Unbilled	5	1,360
Contract Liabilities- Current	39	93
Contract Liabilities- Non-current	-	-

Contract liabilities primarily relate to advance consideration received from customers against supply of goods for which revenue is recognised at a point in time.

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets.

Timing of revenue recognition:

	Year ended 31 March 2025	Year ended 31 March 2024
Product transferred at a point in time	88,299	75,066
Products and services transferred over time	-	16,186
Revenue from contracts with customers	**88,299**	**91,252**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 29: Other income

	Year ended 31 March 2025	Year ended 31 March 2024
Interest income on financial assets measured at amortised cost		
- on fixed deposits	37	20
- others	18	109
Amortization of contractual liabilities	-	31
Expected credit loss on trade receivables written back	19	-
Liability no longer required written back	10	20
Rental income	4	2
Gain on fair valuation of mutual fund	31	33
Gain on sale of property, plant and equipment (net)	-	52
Others	24	3
	143	**270**

Note 30: Cost of materials consumed

	Year ended 31 March 2025	Year ended 31 March 2024
Inventory of raw material at the beginning of the year	6,353	8,308
Add: Purchases of raw materials (chemicals)	62,222	53,326
Less: Inventory of raw material at the end of the year	(9,838)	(6,353)
	58,737	**55,281**

Note 31: Purchases of stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Chemicals	307	271
	307	**271**

Note 32: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2025	Year ended 31 March 2024
Opening stock		
Work-in-progress	3,230	4,175
Finished goods	2,500	3,247
Stock-in-trade	-	-
	5,730	**7,422**
Less: Closing stock		
Work-in-progress	4,064	3,230
Finished goods	6,937	2,500
Stock-in-trade	-	-
	11,001	**5,730**
	(5,271)	**1,692**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 33: Employee benefits expense

	Year ended 31 March 2025	Year ended 31 March 2024
Salaries, wages and bonus	8,030	7,544
Contribution to provident and other funds	899	682
Staff welfare expenses	580	556
	9,509	**8,782**

Note 34: Finance costs

	Year ended 31 March 2025	Year ended 31 March 2024
Interest expense on financial liabilities measured at amortised cost	1,643	1,511
Interest expenses on lease liabilities	60	39
Other borrowing cost (delay in custom duty payments,delay in MSME vendor payment, income tax provision, etc.)	80	534
	1,783	**2,084**

Note 35: Depreciation and amortization expense

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Depreciation of property, plant and equipment	3	2,084	1,920
Depreciation of right of use assets	4	291	261
Amortization of intangible assets	5	129	35
		2,504	**2,216**

Note 36: Other expense

	Year ended 31 March 2025	Year ended 31 March 2024
Stores and spares consumed	397	312
Power and fuel	6,403	6,567
Repairs and maintenance	2,064	1,710
Sub-contracting charges	1,197	976
Rent	146	116
Rates and taxes	77	86
Insurance charges	247	247
Traveling and conveyance	799	767
Commission on sales	44	26
Packing expenses	645	771
Freight and handling expenses	1,335	1,117

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 36: Other expense *(Contd.)*

	Year ended 31 March 2025	Year ended 31 March 2024
Job work expenses	228	299
Legal and professional fees (refer note (a) below)	570	729
Charity and donations (other than political parties)	10	20
Corporate Social Responsibility expenditure	182	181
Advances written off	24	19
Property, plant and equipment written off	16	45
Loss on sale of plant, property and equipment (net)	2	-
Marketing and promotional expenses	232	248
Exchange loss on foreign exchange fluctuations	82	35
Pollution control expenses	718	443
Factory Maintenance and housing charges	315	278
Quality control expenses	171	167
IT and communication expenses	144	122
Miscellaneous expenses	803	778
	16,851	**16,059**

(a) Payments to the statutory auditor (excluding taxes as applicable):

	Year ended 31 March 2025	Year ended 31 March 2024
As auditor		
Statutory audit	29	27
Limited review of quarterly results	16	15
Others	9	6
Reimbursement of expenses	2	2
	56	**50**

Note 37: Exceptional item

	Note	Year ended 31 March 2025	Year ended 31 March 2024
Litigation settlements	(a)	418	-
		418	**-**

(a) During the year, the Company has received demand order from Department of Goods and Services tax (Government of Maharashtra) office of the Dy. commissioner of state tax relating to FY 2019-20 of Rs. 769 including interest and penalty on account of non-payment of Goods and Service Tax on transfer of leasehold right by the Company in that year. Company, after taking view of the their legal counsel has decided to avail benefit of Amnesty Scheme u/s 128A of CGST Act, 2017 and paid Rs. 418 towards full and final settlement of the above demand order. Considering the amount being material for the interim period, the same has been shown as exceptional item in the statement of profit and loss account.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 38: Tax expense

a) Income tax recognised in statement of profit and loss

	Year ended 31 March 2025	Year ended 31 March 2024
Current tax		
- Current year	1,439	1,680
- Adjustments in respect of current tax of previous year	-	-
	1,439	**1,680**
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	25	270
	25	**270**
Total tax expense recognised	**1,464**	**1,950**

b) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before income tax	**5,357**	**7,308**
Tax at India's statutory tax rate of 25.168% (31 March 2023: 25.168%)	1,417	1,417
Effect of expense that are non-deductible expenses in determining taxable profits	21	21
Effect of change in estimate related to previous year	-	-
Others	26	512
Income tax expense recognised in the statement of profit and loss	**1,464**	**1,950**

c) Income tax expense recognized in other comprehensive income

	Year ended 31 March 2025	Year ended 31 March 2024
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	12	11
Equity investments through other comprehensive income- net change in fair value	(3)	(2)
Total income tax recognized in other comprehensive income	**9**	**9**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	9	9
Items that will be reclassified to profit or loss	-	-
	9	**9**

Note 39: Earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
Profit after tax for basic and diluted EPS per share	3,893	5,358
Weighted average number of equity shares for basic and diluted EPS per share	1,22,62,185	1,22,62,185
Basic and diluted earnings per share (face value of Rs. 10 each)	**31.75**	**43.70**

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (a): Fair values

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2025			As at 31 March 2024		
			FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost	FVOCI
Financial assets (non-derivative)								
Non current								
Investment in quoted equity shares	(a)	1	-	-	0.71	-	-	0.86
Investment in unquoted equity shares - Others	(a)	3	-	-	157	-	-	143
Other financial assets	(b)		-	482	-	-	454	-
Current								
Investments	(a)	1	226	-	-	645	-	-
Trade receivables	(c)		-	23,537	-	-	19,743	-
Cash and cash equivalents	(c)		-	1,298	-	-	643	-
Other bank balances	(c)		-	494	-	-	363	-
Loans	(c)		-	11	-	-	10	-
Other financial assets	(c)		-	2,108	-	-	1,318	-
Total financial assets			**226**	**27,930**	**158**	**645**	**22,531**	**144**
Financial liabilities (non-derivative)								
Non-current								
Borrowings	(d)		-	6,098	-	-	5,256	-
Lease liability	(d)		-	879	-	-	15	-
Current								
Borrowings	(c)		-	9,595	-	-	6,802	-
Lease liability	(c)			217			210	
Trade payables	(c)		-	20,108	-	-	11,814	-
Other financial liabilities	(c)		-	2,841	-	-	3,076	-
Total financial liabilities			**-**	**39,738**	**-**	**-**	**27,173**	**-**

(a) For quoted investments, market value is taken as fair value. The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at net book value as per the latest audited financial statements available.

(b) Fair value of non-current financial assets and financial liabilities has not been disclosed as there is no significant differences between carrying value and fair value.

(c) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

(d) The Company's non-current borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such non-current borrowings approximates fair value. Further, fair value measurement of lease liabilities is not required.

There are no transfers between level 1, level 2 and level 3 during the current year and previous year

Reconciliation of fair value measurement of unquoted equity shares classified as FVOCI

	Year ended 31 March 2025	Year ended 31 March 2024
Balance at the beginning of the year	143	137
Re-measurement recognized in OCI	13	6
Balance at the end of the year	**156**	**143**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Group's activities. The Company, through its training and management standards and procedures, aims to maintain discipline and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to audit committee.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Group's receivable from customers and loans. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2025	As at 31 March 2024
- Investments	383	789
- Trade receivables	23,537	19,743
- Cash and cash equivalents	1,298	643
- Other bank balances	494	363
- Loans	11	10
- Other financial assets	2,108	1,318

Trade receivables

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

The Group's exposure to credit risk for trade receivables by geographic region is as follows:

Particulars	As at 31 March 2025	As at 31 March 2024
Within India	17,219	12,396
Outside India	6,318	7,347

The carrying amount of the Company's most significant customer is Rs. 8,998 (31 March 2024: Rs. 8,374).

Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables.

Particulars	Gross Carrying amount	Expected credit loss allowance	Carrying amount
31 March 2025			
Less than 6 Months	22,466	-	22,466
More than 6 Months	1,137	66	1,071
	23,603	**66**	**23,537**
31 March 2024			
Less than 6 Months	19,232	-	19,232
More than 6 Months	596	85	511
	19,828	**85**	**19,743**

The movement in the allowance for impairment in respect of trade receivables is as follows

	Year ended 31 March 2025	Year ended 31 March 2024
Balance as at the beginning of the year	85	103
Provision made during the year	-	-
Amounts written back	(19)	(18)
Balance as at the end of the year	**66**	**85**

The loans primarily represents security deposits and advances recoverable. The management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and loans have been given have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for excepted credit loss has been provided on these financial assets. Credit risk on cash and cash equivalents and bank deposits is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

Cash and cash equivalents

The Group holds cash and cash equivalents of Rs. 1,298 at 31 March 2025 (31 March 2024: Rs. 643). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to manage liquidity is to have sufficient liquidity to meet it's liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Group's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities. The Group will continue to consider various borrowings or leasing options to maximize liquidity and supplement cash requirements as necessary.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

	Carrying Amount	Contractual Cash Flows			
		Total	Less than 1 year	1 to 5 years	> 5 years
As at 31 March 2025					
Borrowings (including current maturities)	15,693	15,707	96,00	6,107	-
Lease liabilities	1,096	1,362	314	1,048	
Trade and other payables	20,108	20,108	19,952	156	-
Other financial liabilities	2,841	2,841	2,841	-	-
	39,738	**40,018**	**32,707**	**7,311**	**-**
As at 31 March 2024					
Borrowings (including current maturities)	12,058	12,077	6,807	5,270	-
Lease liabilities	225	235	219	16	
Trade and other payables	11,814	11,814	11,814	-	-
Other financial liabilities	3,076	3,076	3,076	-	-
	27,173	**27,202**	**21,916**	**5,286**	**-**

(iv) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Commodity price risk

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Group has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Group manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material prices under check to the extent possible.

A reasonably possible change of 0.50% in raw material prices during the year would have affected the profit or loss by the amounts shown below.

Particulars	Profit or Loss		Equity, net of tax	
	Increased	Decreased	Increased	Decreased
Year ended 31 March 2025				
Raw material price (0.50% movement)	295	(295)	220	(220)
Year ended 31 March 2024				
Raw material price (0.50% movement)	278	(278)	207	(207)

(b) Interest rate risk

Interest rate risk is the risk that the 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 borrowings with floating interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees with a mix of fixed and floating rates of interest. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

The exposure of the Company's borrowing to fixed interest rate as reported at the end of the reporting period are as follows:

	As at 31 March 2025	As at 31 March 2024
Fixed rate borrowings	7,926	6,557
Floating rate borrowings	7,767	5,501
Total borrowings (gross of transaction cost)	**15,693**	**12,058**

Interest rate sensitivity analysis

A reasonably possible change of 0.50% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
Year ended 31 March 2025				
Interest rate (0.5% movement)	39	(39)	10	(10)
Year ended 31 March 2024				
Interest rate (0.5% movement)	28	(28)	7	(7)

(c) Foreign currency risk

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

Unhedged foreign currency exposure

The following table provides details of the Group's exposure to currency risk:

Foreign Exchange Exposures outstanding at the year end	Currency	As at 31 March 2025		As at 31 March 2024	
		Amount in Indian currency	Amount in foreign currency	Amount in Indian currency	Amount in foreign currency
Trade receivable	EUR	447	5	1,718	19
	USD	5,864	69	4,407	53
	GBP ^	-	-	18	0
Trade payable	EUR	113	1	108	1
	USD	3,579	42	3,223	39

^ amount is less than Rs. 1

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March 2025 and 31 March 2024 would have affected the measurement of financial instruments denominated in foreign currency and affected Statement of Profit and Loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2025				
USD (2% movement)	(46)	46	(34)	34
EURO (2% movement)	(7)	7	(5)	5

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 40 (b): Financial risk management *(Contd.)*

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2024				
USD (2% movement)	(23)	23	(18)	18
EURO (2% movement)	(32)	32	(24)	24

Note 41: Capital management

(i) Risk management

The Group policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Group monitors capital using a ratio of 'total debt' to 'total equity'. For this purpose, total debt is defined as total borrowings. Equity comprises all components of equity (as shown in the Balance Sheet).

The Group debt to equity ratio was as follows.

	As at 31 March 2025	As at 31 March 2024
Total debt	15,693	12,058
Total equity	36,471	33,016
Debt to equity ratio	**0.43**	**0.37**

(ii) Dividends

	As at 31 March 2025	As at 31 March 2024
Final dividend for the year ended 31 March 2024 of Rs. 3.00 (31 March 2023: Rs. 3.00) per fully paid equity share *	368	368
Dividend not recognised at the end of the year		
In addition to the above dividend, since year end the Board of Directors have recommended payment of final dividend of Rs. 3.00 (31 March 2024: Rs. 3.00) per fully paid equity share. The proposed dividend is subject to the approval of the shareholders in the ensuing annual general meeting. The dividend declaration is in accordance with section 123 of the companies Act, 2013 to the extent its applies to declaration of dividend	368	368

* Final dividend has been paid on the number of shares issued by the Company till the date of annual general meeting after approval of shareholders and is in accordance with section 123 of Companies Act, 2013.

Note 42: Employee benefits

A. Assets and liabilities relating to employee benefits

	As at 31 March 2025	As at 31 March 2024
Non-current		
Liability for gratuity	854	816
Liability for leave encashment	426	410
	1,280	**1,226**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

	As at 31 March 2025	As at 31 March 2024
Current		
Liability for gratuity	283	355
Liability for leave encashment	219	193
	502	**548**
	1,782	**1,774**

For details about the related employee benefit expenses, refer to note no. 33.

B. Defined contribution plan

a. Provident Fund and employee's state insurance

The Company's provident fund scheme and employee's state insurance (ESI) fund scheme are defined contribution plans. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the scheme, to these defined contribution schemes. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due.

b. Superannuation Fund

Superannuation Fund is a defined contribution scheme and contributions to the scheme are charged to the statement of profit and loss in the period when the contributions are due. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has recognised following amounts as expense in the Statement of Profit and Loss :

	Year ended 31 March 2025	Year ended 31 March 2024
Included in Contribution to Provident and Other Funds (Refer Note 33)		
Provident Fund	505	451
Superannuation Fund	223	202
ESI contribution	29	29
Gratuity Fund (Contribution to LIC)	142	29
	899	**711**

C. Defined benefit plan - Gratuity

The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The Company made annual contributions to the LIC of India of an amount advised by the LIC.

The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The funds are managed by specialised team of Life Insurance Corporation of India.

a) Funding

Gratuity is a funded benefit plan for qualifying employees. 100% of the plan assets are managed by LIC. The assets managed are highly liquid in nature and the Company does not expect any significant liquidity risks.

The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	Particulars	As at 31 March 2025	As at 31 March 2024
b)	**Reconciliation of present value of defined benefit obligation**		
	Balance at the beginning of the year	2,285	2,180
	Interest cost	165	161
	Current service cost	140	137
	Benefits paid	(330)	(236)
	Actuarial loss recognised in other comprehensive income		
	- from changes in financial assumptions	36	20
	- from experience adjustments	6	23
	Balance at the end of the year	**2,302**	**2,285**
c)	**Reconciliation of the present value of plan assets**		
	Balance at the beginning of the year	1,115	392
	Expected Interest Income	77	28
	Contributions paid by the employer	223	879
	Benefits paid	(250)	(184)
	Balance at the end of the year	**1,165**	**1,115**

	Particulars	Year ended 31 March 2025	Year ended 31 March 2024
d)	**Amount recognized in statement of profit and loss**		
	Total service cost	140	137
	Interest cost on benefit obligation	85	132
	Amount recognized in statement of profit and loss	**225**	**269**
e)	**Remeasurements recognised in other comprehensive income**		
	Actuarial loss for the year on defined benefit obligation	42	43
	Loss on plan assets (excluding interest income)	4	1
	Total Actuarial loss for the year	**46**	**44**

f) Plan assets

100% of the plan assets are managed by LIC

g) Actuarial assumptions

(i) Economic assumptions: The principal assumptions arc the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	6.98%	7.23%
Future salary growth rate (per annum)	5.75%	5.75%
Expected rate of return on plan assets (per annum)	7.05%	7.05%
Expected average remaining working lives (years)	18.04	17.93

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 42: Employee benefits *(Contd.)*

(ii) Demographic assumptions:

Particulars	As at 31 March 2025	As at 31 March 2024
Retirement Age	58	58
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition rate		
Upto 30 years	3%	3%
31 to 44 years	2%	2%
44 years and above	1%	1%

h) Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	As at 31 March 2025		As at 31 March 2024	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(71)	75	(67)	71
Future salary growth rate (0.5% movement)	73	(70)	69	(66)
Attrition rate	6	(6)	6	(6)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

i) Expected future benefit payments

Undiscounted amount of expected benefit payments for next 10 years are as follows:

	As at 31 March 2025	As at 31 March 2024
Within 1 year	283	355
1-2 year	243	202
2-3 year	233	218
3-4 year	245	205
4-5 year	189	223
5-10 years	1,111	1,082

j) Weighted average duration and the expected employers contribution for next year of the defined benefit plan:

	As at 31 March 2025	As at 31 March 2024
Weighted average duration of the defined benefit plan (in years)	14.50	14.36
Expected employers contribution for next year	242	234

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Contingent liabilities and commitments (to the extent not provided for)

a) Claims against the company not acknowledged as debts

	As at 31 March 2025	As at 31 March 2024
Income Tax matters	1,265	1,255
Sales tax matters	11	11
Service Tax matters	1	1
GST matter	598	-
	1,875	**1,267**

Notes: (i)

Assessment Year	Remarks	As at 31 March 2025	As at 31 March 2024
2008-09	The case is pending with ITAT	18	44
2009-10	The case is pending with ITAT	298	299
2013-14	The case is pending with CIT(A)	21	25
2014-15	The case is pending with CIT(A)	62	62
2015-16	The case is pending with CIT(A)	113	121
2016-17	The case is pending with CIT(A)	4	12
2017-18	The case is pending with ITAT	684	640
2018-19	The case is pending with CIT(A)	65	52
		1,265	**1,255**

(ii) In earlier years, the Directorate of Revenue Intelligence – Kolkata had initiated an inquiry in relation to the manner in which the Company was claiming refund of IGST on input material at the time of export. During the current and previous year, the Company received summons from the office of Central goods and Service tax commissioner, Ludhiana seeking further documents in relation to the above. The Company had in the interim, filed a writ petition in the High court of Punjab and Haryana requesting the court to give suitable directions on the above matter. The next hearing is scheduled on 20 May 2025.

Further, on 1 May 2023, the Company had received a show cause notice dated 24 April 2023 from the office of the Principal Commissioner, Central GST Commissionerate, Ludhiana in relation to refund of Rs 4,496 of IGST wrongly claimed in contravention of Rule 96(10) along with related interest and penalties as applicable for which the Company has obtained the stay from high court for further action by office of central goods and service tax commissioner.

The Company believes, basis legal advice/ Kerala High Court Judgement, that it has not caused any loss to the exchequer and while it was entitled to claim refund in accordance with the laws as applicable and that it has reasonable legal grounds to defend its position as already contained in the writ petition filed with the High Court on this matter in the earlier year.

During the current year, central government has issued a circular in which it is clarified that Exporters who have taken the refund in contravention of rule 96(10) of CGST rules can now pay the GST amount on concerned imports along with interest and in that case the refund already taken under rule 96(10) will not be considered as non compliance of GST rules. Considering the above circular, the company based on its best estimate computed the interest liability of Rs. 598 as at year end in case there is adverse high court ruling in order to regularise the refund taken of Rs 4,496 as per GST rules.

(iii) During the earlier years, the Company had received a notice of eviction in relation to the Pune facility which was under a lease arrangement. We have filed an appeal in the Court of district judge Pune in relation to the aforesaid and have received a stay order in relation to the above. There is no update on this matter in the current year. Next hearing is expected to be on 28 July 2025. While the management expects there could be considerable delay in final settlement of the matter and on settlement if decided in the favour of plantif there will be reasonable amount of time allowed to shift the facility or to negotiate commercial settlement with the lessor. Therefore management does not expect significant financial implications at this stage and will be able to make alternate arrangements to mitigate business disruptions, if any.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 43: Contingent liabilities and commitments (to the extent not provided for) *(Contd.)*

(b) Other Commitments

	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	265	210

Note 44: Related party disclosures

I. List of related parties and nature of related party relationship, where control exists: Nil

II. List of related parties and nature of relationship with whom transactions have taken place during the current / previous year

Description of Relationship	Name of the Party
Entities in which KMP's are interested	Hemsil Trading & Manufacturing Private Limited
	Shroff Family Master Trust
	Salil ShashiKumar Shroff HUF
	Akola Chemicals India Limited
Key managerial personnel	Mr. Shalil ShashiKumar Shroff (Managing Director)
	Mr. Vinod Kumar Gupta (Chief Executive Officer)
	Mr. Ashish Ramdas Nayak (Chief Financial Officer) (upto 31 January 2025)
	Mr. Vikash Khanna (Chief Financial Officer) (w.e.f 26 March 2025)
	Mrs. Rishu Chatley (Company Secretary & Compliance officer) (w.e.f 24 January 2023)
	Mr. Sheo Prasad Singh (Non Executive Independent Director)
	Mrs. Aruna Rajendra Bhinge (Non Executive Independent Director)
	Mrs Tara Subramaniam (w.e.f. 3 August 2023) (Non Executive Independent Director)
	Mr Mukesh Dahyabhai Patel (Non Executive Non-Independent Director)
	Mr. Vijay Dilbagh Rai (Non Executive Non-Independent Director)
	Mr. Shivshankar Shripal Tiwari (Non Executive Non-Independent Director)
	Mr. Avtar Singh (Non Executive Non-Independent Director)
	Capt. Surjit Singh Chopra (Retd.) (Non Executive Non-Independent Director)
Relatives of key managerial personnel	Ms. Malvika Shraey Gupta
	Mr. Jaskaran Singh
	Ms. Sonal Tiwari

III. Transactions with related parties during the current / previous year

Nature of transactions	Relationship	Year ended 31 March 2025	Year ended 31 March 2024
a. Sale of goods			
Akola Chemicals India Limited	Entities in which KMP's are interested	118	23
b. Payment of lease liabilities			
Shroff Family Master Trust	Entities in which KMP's are interested	225	208
Salil ShashiKumar Shroff HUF	Entities in which KMP's are interested	18	15
Ms. Malvika Shraey Gupta	Relatives of key managerial personnel	61	59
c. Interest expense during the year			
Hemsil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	182	210
d. Debtors written off			
Akola Chemicals India Limited		-	2

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Related party disclosures *(Contd.)*

Nature of transactions	Relationship	Year ended 31 March 2025	Year ended 31 March 2024
e. Employee benefits paid			
Short term employee benefits			
Mr. Shalil ShashiKumar Shroff	Key Managerial Personnel	301	260
Mr. Vinod Kumar Gupta *	Key Managerial Personnel	447	256
Mr. Ashish Ramdas Nayak	Key Managerial Personnel	82	86
Mr. Vikash Khanna	Key Managerial Personnel	2	-
Mrs. Rishu Chatley	Key Managerial Personnel	27	21
Mr. Jaskaran Singh	Relatives of Key Managerial Personnel	23	18
* A Performance-based incentive linked to the appreciation of the company's share price was awarded in the earlier year. The pay-out of which will happen in two tranches. The valuation of this incentive is conducted using a Monte-Carlo Simulation model. In the current year, the first tranche of the incentive, amounting to Rs. 145 was paid. Additionally, the second tranche, amounting to Rs. 27 has been accrued.			
f. Commission			
Executive Directors	Key Managerial Personnel	85	100
Non Executive Directors	Key Managerial Personnel	42	61
g. Sitting Fees			
Non Executive Directors	Key Managerial Personnel	15	17
h. Legal & Professional			
Mr. Shivshankar Shripal Tiwari	Non Executive Non-Independent Director	16	-
Ms. Sonal Tiwari	Relatives of Key Managerial Personnel	42	42

Break-up of compensation of key managerial personnel of the Company

	Year ended 31 March 2025	Year ended 31 March 2024
Short-term employee benefits	985	623
Post-employment benefits	32	14
Total	**1,017**	**637**

IV. Outstanding balances as at year end

Particulars	Relationship	As at 31 March 2025	As at 31 March 2024
a. Borrowings (including accrued interest)			
Hemsil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	1,625	1,632
b. Security deposit from employees			
Mr. Shalil Shashikumar Shroff	Key managerial personnel	2	2
Mr. Jain Prakash	Key managerial personnel	-	-
c. Commission payable to directors			
Executive Directors	Key managerial personnel	85	100
Non Executive Directors	Key managerial personnel	42	61
d. Employee related liabilities			
Executive directors	Key managerial personnel	19	19
Chief Executive Officer	Key managerial personnel	27	-
e. Interest accrued but not due			
Hem-sil Trading and Manufacturing Private Limited	Entities in which KMP's are interested	40	-
f. Legal and professional fees payable			
Mr. Shivshankar Shripal Tiwari	Non Executive Non-Independent Director	15	-
Ms. Sonal Tiwari	Relatives of key managerial personnel	4	-

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 44: Related party disclosures *(Contd.)*

V. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

Note 45: Segment Information

The Executive Management Committee (Board of Directors and key managerial personnel) monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. For management purpose, the Group has identified "Performance Chemicals" as single operating segment.

A) Information about geographical areas

Year ended 31 March 2025

	Sale of goods *	Rendering of services *	Non current assets #
India	51,768	1,734	27,164
Outside India			
Europe (including united kingdom)	23,915	-	-
Japan	3,081	-	-
Israel	1,647		
USA	1,336		
Latin America	1,481		
Others	3,337	-	105
Total	**86,565**	**1,734**	**27,269**

Year ended 31 March 2024

	Sale of goods *	Rendering of services *	Non current assets #
India	39,001	3,461	25,569
Outside India			
Europe (including united kingdom)	34,479	-	-
Japan	4,800	-	-
Israel	4,403		
USA	379		
Latin America	2,610		
Others	2,119	-	68
Total	**87,791**	**3,461**	**25,637**

* Sale of goods and sale of services has been presented based on the geographical location of the customers.

\# Non-current assets are excluding financial instruments and deferred tax assets and have been presented based on the geographical location of assets.

B) Information about major customers

Revenue from 2 customer of the Company amounting to Rs. 42,549 (previous year: Rs. 38,469) and Rs. 5,968 (previous year: Rs. 12,725) respectively, constitute more than 10% of the total revenue of Company.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Ratio Analysis

a) Current ratio = Current assets divided by current liabilities

Particulars	31-Mar-25	31-Mar-24
Current assets	52,153	37,744
Current liabilities	34,526	23,668
Ratio	**1.51**	**1.59**
% Change from previous year	**-5.28%**	

Reason for change more than 25%: NA

b) Debt equity ratio = Debt divided by total shareholder's equity

Particulars	31-Mar-25	31-Mar-24
Debt	15,693	12,058
Total equity (excluding Non-controlling interests)	36,471	33,016
Ratio	**0.43**	**0.37**
% Change from previous year	**17.81%**	

Reason for change more than 25%: NA

c) Debt service coverage ratio = Earnings available for debt services divided by debt services

Particulars	31-Mar-25	31-Mar-24
Profit after tax	3,893	5,358
Add: Non cash operating expenses and finance cost		
- Depreciation and amortization expense	2,504	2,216
- Finance costs	1,783	2,084
- PPE written off	16	45
- Loss on sale of PPE	2	-
- Advance written off	24	19
- Expected credit loss	-	-
Earnings available for debt services	**8,222**	**9,722**
Debt Services		
Interest and lease payments	363	326
Principal repayments	1,828	1,301
Interest on Borrowings	1,703	1,550
Total Debt Services	**3,894**	**3,177**
Ratio	**2.11**	**3.06**
% Change from previous year	**-31.01%**	

Reason for change more than 25%:

The ratio has decreased from 3.06 in March 2024 to 2.11 in March 2025 mainly due to decrease in profit.

d) Return on equity ratio / return on investment ratio = Net profit after tax divided by average shareholder's equity

Particulars	31-Mar-25	31-Mar-24
Net profit/ (loss) after tax	3,893	5,358
Average shareholder's equity	34,743	30,539
Ratio	**11.21%**	**17.55%**
% Change from previous year	**-36.13%**	

Reason for change more than 25%:

The ratio has decreased from 17.55% to 11.21% in March 2025 mainly due to decrease in profit

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Ratio Analysis *(Contd.)*

e) Inventory turnover ratio = Net Sales divided by average inventory

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	90,052	93,423
Average inventory	17,751	15,045
Ratio	**5.07**	**6.21**
% Change from previous year	**-18.30%**	

Reason for change more than 25%: NA

f) Trade receivables turnover ratio = Net sales divided by average trade receivables

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	90,052	93,423
Average trade receivables	21,640	17,035
Ratio	**4.16**	**5.48**
% Change from previous year	**-24.12%**	

Reason for change more than 25%: NA

g) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	31-Mar-25	31-Mar-24
Net purchases	62,529	53,597
Other expenses*	16,458	15,673
Total	**78,987**	**69,270**
Average trade payables	15,961	12,855
Ratio	**4.95**	**5.39**
% Change from previous year	**-8.16%**	

Reason for change more than 25%: NA

* Refer Note 36 for Other expenses, below other expenses have not been considered for above ratio calculation:

Corporate Social Responsibility expenditure	182	181
Property, plant and equipment written off	16	45
Rates and taxes	77	86
Charity and donations (other than political parties)	10	20
Loss on sale of plant, property and equipment (net)	2	-
Exchange loss on foreign exchange fluctuations	82	35
Advances written off	24	19
Total	**393**	**386**

h) Net capital turnover ratio = Net sales divided by capital

Particulars	31-Mar-25	31-Mar-24
Sale of goods (Net Sales)	90,052	93,423
working Capital (Total current assets minus total current liabilities)	17,627	14,076
Ratio	**5.11**	**6.64**
% Change from previous year	**-23.03%**	

Reason for change more than 25%: NA

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 46: Ratio Analysis *(Contd.)*

i) Net profit ratio = Net profit after tax divided by Net sales

Particulars	31-Mar-25	31-Mar-24
Net profit after tax	3,893	5,358
Sale of goods (Net Sales)	90,052	93,423
Ratio	**4.32%**	**5.74%**
% Change from previous year	**-24.62%**	

Reason for change more than 25%: NA

j) Return on capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	31-Mar-25	31-Mar-24
Profit before tax	5,775	7,308
Add: Finance costs	1,783	2,084
EBIT	**7,558**	**9,392**
Total assets	80,060	63,979
Less : Total liabilities	(43,589)	(30,963)
Other intangible assets	(454)	(370)
Tangible net worth	**36,017**	**32,646**
Total Debt	15,693	12,058
Deferred tax liability	806	791
Capital employed	**52,516**	**45,495**
Ratio	**14.39%**	**20.65%**
% Change from previous year	**-30.29%**	

Reason for change more than 25%:

The ratio has decreased from 20.65%% in March 2024 to 14.39% in March 2025 mainly due to decrease in profit and increased in trade receivables.

Note 47: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate social responsibility (CSR) activities. A CSR Committee has been formed by the company as per the Act. The CSR Committee and Board had approved the projects with specific outlay on the activities as specified in Schedule VII of the act, in pursuant of the CSR policy:

	As at 31 March 2025	As at 31 March 2024
a) Gross amount required to be spent by the Group during the year	181	178
b) Amount approved by the Board to be spent during the year	181	178
c) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(ii) On purpose other than (i) above	182	181
d) Excess/ (Shortfall) at the end of the year	1	3
e) Total of previous years shortfall	-	-
f) Details of related party transactions	-	-
g) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately"	-	-
h) Reason for shortfall:		
i) Nature of CSR Activities:		
i) Eradicating poverty including health care facilities	43	47
ii) Promoting education	116	118
ii) Rural development projects	23	16

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 48: Disclosures pursuant to Section 186 of the Companies Act, 2013:

	As at 31 March 2025	As at 31 March 2024
Investment		
i. Investment in equity shares: Dena Bank Limited merged with Bank of Baroda		
Balance as at the year end ^	0.43	0.49
Maximum amount outstanding at any time during the year ^	0.43	0.49
ii. Investment in equity shares: Syndicate Bank Limited merged with Canara bank		
Balance as at the year end ^	0.28	0.37
Maximum amount outstanding at any time during the year ^	0.28	0.37
iii. Investment in equity shares: Nimbua Green Field (Punjab) Limited		
Balance as at the year end	148	135
Maximum amount outstanding at any time during the year	148	135
iv. Investment in equity shares: Mohali Green Environment Private Limited		
Balance as at the year end	8	8
Maximum amount outstanding at any time during the year	8	10

^ Value of investment is less than Rs. 1 (previous year: Rs. 1).

Note 49: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of income tax expense and that of provision for taxation.

Note 50: Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III:

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2025								
Parent								
Punjab Chemicals and Crop Protection Limited	105%	38,435	102%	3,973	34%	(24)	103%	3,949
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-5%	(1,974)	-2%	(90)	66%	(46)	-3%	(136)
Elimination	0%	11	0%	10	0%	-	0%	10
Total	**100%**	**36,472**	**100%**	**3,893**	**100%**	**(70)**	**100%**	**3,823**

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 50: *(Contd.)*

Name of the entity in the Group	Net Assets (Total assets -Total liabilities)		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated profit/ (loss)	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated other comprehensive income	Amount
31 March 2024								
Parent								
Punjab Chemicals and Crop Protection Limited	106%	34,849	102%	5,445	80%	(29)	102%	5,416
Subsidiary - Outside India								
S D Agchem (Europe) N.V	-6%	(1,848)	-2%	(90)	20%	(7)	-2%	(97)
Elimination	0%	15	0%	3	0%	-	0%	3
Total	**100%**	**33,016**	**100%**	**5,358**	**100%**	**(36)**	**100%**	**5,322**

Note 51: The Group has filed quarterly statement of current assets with banks and these are in agreement with books of account for all three quarters in the current year and all four quarters of previous year. The statements of fourth quarter in current financial year was not yet due.

Note 52: No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 53: Disclosures of Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under :

Particulars	As at 31 March 2025	As at 31 March 2024
(a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the year		
- Principal	1326	588
- Interest	10	9
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting year) but without adding the interest specified under the MSMED act 2006.	80	62

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 53: Disclosures of Micro and Small Enterprises *(Contd.)*

Particulars	As at 31 March 2025	As at 31 March 2024
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	254	236
(e) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	254	236

Note 54:

The Company had certain unsettled “advance from customer”, “trade payable” and “trade receivables” from an overseas customer which have been outstanding since earlier years. During the earlier year, as a result of product registration regulatory issues faced by the customer, the Company and the customer had preferred to enter into a settlement arrangement pursuant to which the original contract for supply of goods stands terminated. As a result of this termination of contract of supply of goods, the advance received from customer aggregating to Rs. 1,107 (restated in current year) (previous year: Rs. 1,063), previously shown as other current liabilities, was classified as ""other financial liabilities"". Consequentially, during the earlier year, the Company had also recognised Rs. 284 as settlement income (net of certain expenses aggregating to Rs 225 already incurred pursuant to the original contract of supply) within other operating income and had set up a recoverable of Rs. 530 (restated in current year) (previous year: Rs. 509) as ""other financial assets"". Further in earlier years the company had supplied goods and against which trade receivables of Rs. 420 (restated in the current year) (previous year Rs. 403) is outstanding as at the year end.

In view of the settlement agreement made during the earlier year, the Company had filed applications with the Reserve Bank of India through its Authorised dealer Bank of Baroda, Mumbai Branch under the relevant provisions of FEMA seeking to rectify the online records on EDPMS/ ICEGATE portal and condone the unintended delay caused in settling the account due to circumstances beyond the control as well as to seek approval from RBI to set off the related assets and liabilities as shown separately in the financial statement pursuant to the terms of the settlement arrangement.

Further during the current year, the company has obtained legal opinion on exposure of interest and penalty as per FEMA regulation. As per opinion, the possibility of imposition of penalty and interest is remote.

Particulars	31-Mar-25	31-Mar-24
Other financial liabilities	1,107	1,063
Other financial assets	530	509
Trade receivables	420	403
Net Payable	**157**	**151**

Note 55:

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

(All amounts in Indian Rupees Lakhs except for share data)

Note 55: *(Contd.)*

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(vii) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

(viii) The group has complied with the number of layers prescribed under the Companies Act, 2013.

(ix) The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year

(x) The Group including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Anurag Maheshwary
Partner
Membership No. : 506533

Place: Gurugram
Date: 30 April 2025

For and on behalf of the Board of Directors of
Punjab Chemicals and Crop Protection Limited

Mukesh D Patel
Chairman
DIN No.: 00009605
Place: Vadodara

Shalil S Shroff
Managing Director
DIN No.: 00015621
Place: Mumbai

Vinod K Gupta
Chief Executive Officer
Place: Mumbai
Date: 30 April 2025

Rishu Chatley
Company Secretary
& Compliance officer
Membership No. 19932
Place: Derabassi

Vikash Khanna
Chief Financial Officer
Place: Derabassi

Notes

Notes

PUNJAB CHEMICALS
AND CROP PROTECTION LTD.

Corporate Office

Plot No. 645-646, 5th floor,
Oberoi Chambers II
New Link Road, Andheri (West),
Mumbai 400 053
Tel: 022-26747900
Fax: 022-26736193
E-mail: enquiry@punjabchemicals.com